



JAY SHREE TEA & INDUSTRIES LIMITED

71ST ANNUAL REPORT 2016-17

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The Group Logo

As represented by the 21st Century Atlas



Our Chairman Syt. B. K. Birla

Atlas, the Titan - Collective Strength

Atlas, bearer of the heavens is synonymous with vast, all - encompassing strength and is used to symbolise the Group's own collective strength. It reflects the combined qualities of astute and dynamic management while emphasising the Group's tenacity, consistency, reliability and overall leadership.

The Sun - Enlightenment and Growth

The Sun, as a source of infinite energy and inspiration, is used here in conjunction with the Atlas head to represent the vitality and powerful presence of the Group - both in its industrial prowess and its financial, technological and intellectual skills.

The Earth Segments - Diversified Activities

Each of the latitudes around the Titan represent various sections - industrial, agricultural, financial and other activities of the Group. As with the infinite variety of the world, so is the strength of the Group, made up of its diverse activities.

The Globe - Global Vision

The Group's global presence and vision is reflected in the entirety of the Earth's sphere.

The Base - Solid Foundations

The strength of the entire edifice depends upon the strength of the foundation embedded in the bedrock, represented here by the group name.

The Symmetry - The Resilience, Versatility and Stability

Seen in its entirety, each of the elements - the Atlas, the Sun, the Earth divisions, the Globe and the Base, together sum up a well conceptualised and balanced conglomerate.

Strong Foundation

Sustained Growth

Proven Leadership



JAY SHREE TEA & INDUSTRIES LIMITED

71ST ANNUAL REPORT FOR THE YEAR ENDED 31ST MARCH 2017

Corporate Information

BOARD OF DIRECTORS

Mr.B.K. Birla (Chairman)
Mrs.Jayashree Mohta
(Vice-Chairperson)
Mr. B. M. Khaitan
Mr. G.P.Goenka
Mr.Prashant Jhawar
Mr. S.K.Tapuriah
Mr. Subodh Kumar Agrawal
Mr. Vikash Kandoi
(Executive Director)
Mr. D.P.Maheshwari
(Managing Director)

EXECUTIVES

Mr. R. K. Ganeriwala
(President, CFO & Secretary)
Mr.S.Basu
President (Tea Marketing & Exports)
Mr. P.K. Agrawal
President (Darjeeling & Dooars Tea Estates)
Mr. H. G. Singh
Vice President (Upper Assam Gardens)
Mr. B.K.Chaturvedi
Vice President (Taxation)
Mr. Rajan Goyal
Vice President (Tea Exports)

SOLICITORS

Messrs Khaitan & Co.LLP,
1-B, Old Post Office Street,
Kolkata 700 001

JOINT AUDITORS

Messrs Singhi & Co.,
161, Sarat Bose Road
Kolkata 700 026

Messrs Jitendra K Agarwal & Associates
110/F Netaji Subhash Chandra Bose Road
Kolkata 700 040

REGISTRARS

Maheshwari Datamatics Pvt. Ltd.
23, R.N.Mukherjee Road
5th Floor, Kolkata 700 001
Ph : (033) 22435029/22482248
Fax : (033) 22484787
E-mail : mdpldc@yahoo.com

BANKERS

Axis Bank Ltd.
DBS Bank Ltd.
DCB Bank Ltd.
HDFC Bank Ltd.
ICICI Bank Ltd.
IndusInd Bank Ltd.
Kotak Mahindra Bank Ltd.
Rabobank International
RBL Bank Ltd.
State Bank of India
UCO Bank
Yes Bank Ltd.

SHARE DEPTT.

Industry House
10, Camac Street,
Kolkata 700 017
Ph : (033) 22827531/4
Fax : (033) 22827535
E-mail : shares @jayshreetea.com

STOCK EXCHANGES WHERE

SHARES ARE LISTED
National Stock Exchange of India Ltd.
Bombay Stock Exchange Ltd.,
The Calcutta Stock Exchange Ltd.

AUDIT COMMITTEE

Mr. S. K.Tapuriah, (Chairman)
Mr. Subodh Kr. Agrawal
Mr. D. P. Maheshwari

STAKEHOLDERS RELATIONSHIP COMMITTEE

Mr. S. K. Tapuriah (Chairman)
Mr. Prashant Jhawar
Mr. Subodh Kr. Agrawal
Mr. D. P. Maheshwari

NOMINATION AND REMUNERATION COMMITTEE

Mr.B.M.Khaitan (Chairman)
Mr. Prashant Jhawar
Mr. S.K.Tapuriah

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Mrs.Jayashree Mohta (Chairperson)
Mr.S.K.Tapuriah
Mr.Vikash Kandoi
Mr.D.P.Maheshwari

REGISTERED & HEAD OFFICE

"Industry House"
10, Camac Street,
Kolkata 700017
Ph : (033) 22827531-34
Fax : (033) 22827535
E-mail : webmaster@jayshreetea.com
website : www.jayshreetea.com
CIN : L15491WB1945PLC012771

MUMBAI OFFICE

708, Embassy Centre, Nariman Point,
Mumbai 400 021
Ph : (022)22830915/22823474
Fax : (022) 2287 3045

AHMEDABAD OFFICE

101, Sheel Building, 4 Mayur Colony
Navrangpura, Ahmedabad-380 009
Ph : (079) 26565371/26430511

NEW DELHI OFFICE

620-A, Faiz Road,
2nd Floor, Karol Bagh,
New Delhi - 1100 055
Phone : (011) 23633717/23522149
(011) 23633747

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Notice

To the Shareholders

Notice is hereby given that the Seventy First Annual General Meeting of the Company will be held on Monday, the 31st July, 2017 at 10:30 A.M. at "Kala Kunj" 48, Shakespeare Sarani, Kolkata 700 017 to transact the following businesses:

ORDINARY BUSINESS :

1. To consider and adopt the Audited Financial Statement For the Financial Year ended 31.03.2017 and the Reports of the Board of Directors and Auditors thereon.
2. To consider declaration of dividend by the Company, as recommended by the Board of Directors for the Financial Year ended March 31, 2017.
3. To appoint a Director in place of Mrs. Jayashree Mohta (holding DIN-01034912), who retires by rotation and is eligible for re-appointment.
4. To appoint M/s S.R. Batliboi & Co. LLP, Chartered Accountants (Firm Registration No.- 301003E/E300005) as Statutory Auditors of the Company for the year 2017-18 and to hold office from the conclusion of this Annual General Meeting until the conclusion of the 76th Annual General Meeting of the Company and to fix their remuneration.

SPECIAL BUSINESS :

5. **Re-appointment of Mr. Vikash Kandoi, Whole-time Director under the designation "Executive Director" for a term of three years w.e.f. 01.04.2018**

To consider and if thought fit, to pass with or without modification(s), the following resolution as Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), approval of the Company be and is hereby accorded for the re-appointment of Mr. Vikash Kandoi (DIN:00589438), as a Whole-time Director under the designation "Executive Director" of the Company for a period of three years w.e.f 01.04.2018, liable to retire by rotation, on the remuneration and terms and conditions, enumerated in the Statement attached hereto as recommended by the Nomination

and Remuneration Committee and/or approved by Board from time to time and as may be acceptable to Mr. Vikash Kandoi."

"RESOLVED FURTHER THAT notwithstanding anything herein above stated where in any financial Year closing on or after March 31, 2017 during the tenure of Mr. Vikash Kandoi as Whole-time director of the Company, the Company incurs loss or its profits are inadequate, the company shall pay Mr. Vikash Kandoi the remuneration by way of salary, perquisites and allowances as a minimum remuneration but not exceeding the limits specified under Schedule V to the Companies Act, 2013 or such other limits as may be prescribed by the Central Government from time to time as minimum remuneration."

"RESOLVED FURTHER THAT the Board and/or its committee be and is hereby authorized in its absolute discretion to decide/determine, fix and/or vary/alter/modify within the limit stated above, the components of Remuneration (including Minimum Remuneration in the event of absence or inadequacy of profits in any financial year) payable to Mr. Vikash Kandoi from time to time and to comply with legal provisions and to do all such acts, deeds, things and matters and ancillary and consequential things as may be considered necessary and to settle all questions or difficulties whatsoever that may arise to give effect to the above resolution."

6. **To approve continuation of employment of Mr. D. P. Maheshwari, Managing Director**

To consider and if thought fit, to pass with or without modification(s), the following resolution as Special Resolution:

"RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), approval of the Company be and is hereby accorded for the continuation of employment of Mr. D. P. Maheshwari (DIN:02203749), Who will attain the age of seventy years on November 5, 2017, as a Managing Director of the Company upto 27.06.2019, i.e. up to expiry of his present term of office as approved by the members at the sixty ninth Annual General Meeting of the

Notice (Contd.)

Company held on August 4, 2015."

"RESOLVED FURTHER THAT notwithstanding anything herein above stated where in any financial Year closing on or after March 31, 2017 during the tenure of Mr. D.P.Maheshwari as Managing Director of the Company, the Company incurs loss or its profits are inadequate, the company shall pay Mr. D.P.Maheshwari the remuneration by way of salary, perquisites and allowances as a minimum remuneration but not exceeding the limits specified under Schedule V to the Companies Act, 2013 or such other limits as may be prescribed by the Central Government from time to time as minimum remuneration."

"RESOLVED FURTHER THAT the Board and/or its committee be and is hereby authorized in its absolute discretion to decide/determine, fix and/or vary/alter/modify within the limit stated above, the components of Remuneration (including Minimum Remuneration in the event of absence or inadequacy of profits in any financial year) payable to Mr. D.P.Maheshwari from time to time and to comply with legal provisions

and to do all such acts, deeds, things and matters and ancillary and consequential things as may be considered necessary and to settle all questions or difficulties whatsoever that may arise to give effect to the above resolution."

7. Approval of the remuneration of the Cost Auditor of the Company for the year 2017-18

To consider and if thought fit, to pass with or without modifications, the following Resolution as an ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013, the Cost Auditor appointed by the Board of Directors of the company to conduct the audit of cost records for the year 2017-18 be paid the remuneration as set out in the statement annexed hereto."

"RESOLVED FURTHER THAT the Board is hereby authorized to do all acts and take all steps to give effect to the above resolution."

Registered & Head Office :

"Industry House"

10, Camac Street, Kolkata 700 017

Dated, the 8th May, 2017

By Order of the Board

For **JAY SHREE TEA & INDUSTRIES LIMITED**

R. K. Ganeriwala

(President, CFO & Secretary)

NOTES :

a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORMS SHOULD BE DULY STAMPED, COMPLETED, SIGNED AND DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE COMMENCEMENT OF THE MEETING. A PERSON CAN ACT AS PROXY ON BEHALF OF THE MEMBERS NOT EXCEEDING FIFTY(50) AND HOLDING AGGREGATE NOT MORE THAN TEN PERCENT (10%) OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT (10%) OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH

PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.

- b) In terms of the provisions of the provisions of Section 139(2) of the Companies Act, 2013, Messrs Singhi & Co. Statutory Auditors of the Company shall retire from the ensuing Annual General Meeting and are not eligible for re-appointment. Messrs Jitendra K Agarwal & Associates submitted their resignation as Joint Auditors of the Company from the ensuing Annual General Meeting. M/s S. R. Batliboi & Co. LLP, Chartered Accountants are eligible to be appointed as Statutory Auditors of the Company. Hence the Board recommended their appointment as Statutory Auditors for a period of 5 years commencing from the year 2017-18.
- c) The Equity Share Transfer Registers will remain closed from 24.07.2017 to 31.07.2017 (both days inclusive)

Notice (Contd.)

for the purpose of Annual General Meeting and payment of dividend.

- d) The dividend on Equity Shares as recommended by the Board, if declared, will be payable on or after 31st July, 2017 to those members whose names appear on the Register of Members of the Company as on 31st July, 2017 or to their mandates. In respect of dematerialized shares, the dividend will be payable on the basis of beneficial ownership details to be furnished by NSDL and CDSL for the purpose.
- e) Members are requested to intimate before hand to the Company query/ies, if any, regarding these accounts/ notice at least ten days before the meeting to enable the management to keep the required information readily available at the meeting.
- f) Pursuant to the provisions of section 124 and 125 of the Companies Act, 2013 dividends for the Financial Year ended 31st March, 2010 and thereafter, which remain unpaid or unclaimed for a period of 7 years will be transferred to the 'Investor Education and Protection Fund' ("IEPF") constituted by the Central Government. Members who have not encashed their dividend warrant(s) for the Financial Year ended 31st March, 2010 or any subsequent financial year(s) are urged to claim such amount from the Company.

The last dates of claim for the following dividends are as follows:

Dividends for the year	Date of declaration of dividend	Last date for claiming Unpaid Dividend
2009-2010	25.06.2010	30th July, 2017
2010-2011	22.09.2011	26th October, 2018
2011-2012	25.07.2012	29th August, 2019
2012-2013	29.07.2013	3rd September, 2020
2013-2014	01.08.2014	4th September, 2021
2014-2015	04.08.2015	9th September, 2022
2015-2016	05.08.2016	9th September, 2023

- g) The Company has transferred the unpaid or unclaimed dividends declared up to financial years 2008-09, from time to time on due dates, to the Investor Education and Protection Fund (the IEPF) established by the Central Government. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts

lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed dividends lying with the Company as on August 5, 2016 (date of last Annual General Meeting) on the website of the Company(www.jayshreetea.com), as also on the website of the Ministry of Corporate Affairs.

- h) The Company's shares are enlisted with NSDL and CDSL for participation into Electronic Depository System operated by them. Its shares are compulsorily to be traded in Electronic Form and the security bears Code No.INE 364A01020.
- i) Members are requested to notify immediately change of address, if any, to the Company in case shares are held in physical form or to the DPs, where the account is maintained, if held in demat form
- j) The members who have not yet registered their e-mail address are requested to do so to support the green initiative in the Corporate Governance
- k) Information about the Directors seeking re-appointment at the forthcoming Annual General Meeting pursuant to Regulation 36(3) of the SEBI(Listing Obligation and Disclosure Requirement) Regulations, 2015:

Mrs. Jayashree Mohta

Mrs. Jayashree Mohta, aged about 66 years, holding 985770 shares is the Whole time Director designated as "Vice Chairperson" of the Company since 1st April, 2011. Mrs. Mohta holds a Bachelors degree in Arts. She has more than 25 years of experience in the business Management, tea, sugar, chemicals and fertilizers industries and in particular, having perfect palate for tea tasting which guides in proper valuation of high value teas. She is actively involved in various educational institutions and development of art and culture across the country.

Directorships held in other companies :

North Tukvar Tea Co.Ltd., B.K.Birla Foundation, Avadh Mercantile Co.Ltd., Gagan Services Pvt.Ltd., Sanjay Estates Pvt.Ltd., Universal Plastocrafts Pvt.Ltd. and Jayashree Finvest Pvt. Ltd.

- l) In compliance of provisions of Section 108 and Rule 20 of the Companies (Management and Administration) Rules, 2015, the company is pleased to provide members facility to exercise their right to vote at

Notice (Contd.)

the 71st Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by CDSL.

The Company has signed an agreement with CDSL for facilitating e-voting to enable the Shareholders to cast their vote electronically.

e-Voting Procedure

The instructions for shareholders voting electronically are as under :

- (i) The voting period begins on 28th July, 2017 at 9:00 A.M. (IST) and ends on 30th July, 2017 at 5:00 P.M. (IST). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 24th July, 2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. The facility for voting through ballot paper shall be made available at the Annual General Meeting and the members as on the "cut-off date", i.e 24th July, 2017 attending the meeting who have not cast their vote by

remote e-voting shall be able to exercise their right to vote at the meeting through ballot paper.

- (ii) The shareholders should log on to the e-voting website www.evotingindia.com during the voting period.
- (iii) Click on "Shareholders".
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below :

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

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

care to keep your password confidential.

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant JAY SHREE TEA & INDUSTRIES LTD. on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

Notice (Contd.)

- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
 - (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
 - (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
 - (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
 - (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
 - (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
 - (xix) Note for Institutional Shareholders
 - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com
- (m) The voting rights of shareholders shall be in proportion to their share of the paid up equity share of capital the Company.
 - (n) The Board of Directors of the Company at their meeting held on 8th May, 2017 has appointed Mr. A. K. Labh, Practicing Company Secretary (FCS-4848/CP-3238 of M/s A.K.Labh & Co., Company Secretaries, Kolkata) as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner, whose e-mail address is: aklabhcs@gmail.com.
 - (o) The Scrutinizer, after scrutinizing the votes cast at the meeting and through remote e-voting will, not later than three days of conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. The results declared will be communicated to the stock exchanges and will also be hosted on the website of the company www.jayshreetea.com.
 - (p) Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e 31st July, 2017.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013

ITEM NO. 5

Mr.Vikash Kandoi , is one of the Directors of the Company since 29th July, 2008. He has been looking after day to day affairs of the Company and is helping in various ways to improve its performance. Mr.Vikash Kandoi, aged about 40 years, holding 1126 shares, is a Chartered Accountant. He has experience in the overall business management and contributes effectively in guiding the Company towards the path of success.

He holds directorship in Amstron Packaging Pvt. Ltd.

Mr.Vikash Kandoi, Whole-time Director designated as Executive Director was appointed in Board Meeting held on 26th May, 2014, as recommended by Nomination and Remuneration Committee, and approved by the shareholders in the Annual General Meeting held on 1st August, 2014 for three years w.e.f. April 1, 2015. So, the tenure of Mr.Vikash Kandoi is due to expire on 31.03.2018. In view of the valuable contribution made by Mr.Vikash Kandoi towards the growth of the Company, the Board in its meeting held on 8th May, 2017, as recommended by Nomination and Remuneration Committee, subject to the approval of the members of the Company in the Annual General Meeting, has decided to re-appoint him as the Whole-time Director

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual

Notice (Contd.)

designated as Executive Director of the Company for further period of three years w.e.f April 01, 2018 on the remuneration and terms and conditions set out herein. Accordingly, this resolution is being proposed for the approval of the members.

- (A) Remuneration** : Not exceeding ₹ 60 Lakh (Rupees (Salary, Perquisites & Allowance) Sixty Lakh only) per annum. Perquisites and allowances shall be evaluated as per Income Tax Rules, wherever applicable and at actual cost to the company in other cases
- (B) Termination** : The appointment, notwithstanding the three years tenure fixed w.e.f April 1, 2018 may be terminated by either party by giving three months notice in writing
- (C) Sitting Fee** : No sitting fees shall be payable for attending the meetings of the Board of directors or any Committee thereof
- (D) Others** : As per company rules

Notwithstanding anything herein above stated where in any financial year during the tenure of Mr. Vikash Kandoi the Company has no profits or its profits are inadequate, the Company will pay the aforesaid remuneration by way of salary and perquisites as minimum remuneration but not exceeding the limits specified under Schedule V to the Companies Act, 2013 or such other limits as may be prescribed by the Central Government from time to time as minimum remuneration.

The overall remuneration of the Director including perquisites are well within the overall limits specified under Section 196, 197 and 203 read with Schedule V of the Companies Act, 2013.

None of the Directors, except Mr. Vikash Kandoi himself and Mrs. Jayashree Mohta, being the relative of Mr. Vikash Kandoi are concerned or interested in the said resolution.

ITEM NO. 6

Section 196(3) of the Act, inter alia, provides that no company shall continue the employment of a person who

has attained the age of seventy years, as Managing Director, Whole Time Director or manager unless it is approved by the members by passing a special resolution.

Mr. D. P. Maheshwari who was appointed as Managing Director by the members to hold office up to June 26, 2019 will attain the age of seventy years on November 5, 2017 and hence continuation of his employment as Managing Director requires the approval of members by a special resolution.

Keeping in view that Mr. D. P. Maheshwari has rich and varied experience in the tea industry for last 50 years and has been involved in all round operations of the Company, it would be in the interest of the Company to continue the employment of Mr. D. P. Maheshwari as Managing Director. Mr.D.P.Maheshwari, is Managing Director of the Company since 27th June, 2008. Mr.D.P.Maheshwari has held various positions in the industry organizations starting from District Planters Association as Chairman of Annamalai Planters Association, State Planters Association as Chairman of Planters Association of Tamil Nadu and has held the post of President of United Planters' Association of Southern India (UPASI) & member of the Tea Committee for five years. He has been member of Tea Board for five years and also had been the Vice-Chairman of Tea Board for the year 2008-09. Mr.Maheshwari was the President of Tea Association of India. He was also the Chairman of Tea Research Association for 4 years. Keeping in view the qualification and vast experience of Mr. Maheshwari, the Board in its meeting held on 18th May, 2015, as recommended by the Nomination and Remuneration Committee and after the approval of members in the Annual General Meeting held on 4th August, 2015, had decided to re-appoint him as Managing Director of the Company for the further period of 3 years on the remuneration and terms and condition set out therein. Approval of members is sought for passing the Special Resolution as set out in item no. 6 of the Notice (None of the Directors, except Mr. D. P. Maheshwari is concerned or interested in the said resolution).

Notice (Contd.)

Information in terms of Schedule V to the Companies Act, 2013 for seeking approval of the shareholders are given here below:

I GENERAL INFORMATION

1. Nature of Industry :	Cultivation of tea and manufacturing of tea, chemicals & fertilizers, and warehousing activities.		
2. Date of commencement of commercial production :	The Company is in manufacturing operation since 1945.		
3. In case of new companies expected date of commencement of activities as per project approved by financial Institution appearing in the prospectus :	Not applicable		
4. Financial performance based on given Indicator :	As per Audited Financial Results for the year ended:		
(₹ In lakh)			
	31.03.2017	31.03.2016	31.03.2015
Revenue from operations (Net)	54074	69601	68471
Profit before interest, depreciation & tax (PBITDA)	3136	4086	3173
Interest (Net)	2850	4075	3929
Profit/(Loss) before Depreciation & tax (PBDT)	286	11	(756)
Depreciation/Amortization	1433	1638	1359
Profit/(Loss) before Tax (PBT)	(1147)	(1627)	(2115)
Provision for Tax	(398)	(289)	(213)
Profit/(Loss) after Tax (PAT)	(1545)	(1916)	(1902)
5 Foreign Investment or collaborators, If any:	The Company has joint venture operation for two tea estates at Rwanda and has acquired 100% stake in tea companies owning two estates in Uganda.		

II INFORMATION ABOUT THE APPOINTEES:

a) Mr. Vikash Kandoi

1. Background details

Mr. Vikash Kandoi is a Commerce Graduate and Chartered Accountant with Post Graduate Programme in Management from ISB, Hyderabad. He is on Board of the company since 29th July 2008. The Board in its meeting held on 26.05.2014 appointed Mr. Vikash Kandoi as Whole-time Director designated as Executive Director of the company for a period of 3 years effective 1st April 2015. In view of his valuable contribution towards the growth of the Company the Board in its meeting held on 08.05.2017 re-appointed Mr. Vikash Kandoi as Whole-time Director designated as Executive Director of the Company for a further period of three years effective from 1st April, 2018.

2. Past remuneration

2014-15	₹	36 Lakh
2015-16	₹	36 Lakh
2016-17	₹	36 Lakh

3. Recognition or Awards

A closely held company in India under his stewardship, developed international market for its packaging products and got awards for excellence in exports. He is member, Board of Governors of the Birla Institute of Management and Technology, Noida, a premier Management Institute in the country.

4. Job profile and suitability:

Mr. Vikash Kandoi has been entrusted with the responsibilities to manage the affairs of the company on a day to day basis subject to the superintendence, direction and control of the Board of Directors. With his experience in diverse field, he has gained considerable expertise in corporate management.

5. Remuneration Proposed:

The proposed remuneration is within the limit set out under Section 196, 197, 203 read with Schedule V of the Companies Act, 2013.

Notice (Contd.)

6. Comparative remuneration profile with respect to industry, size of the company, profile of the Position and person.

Remuneration of Chief Executive Officers in the industry in general has gone up manifold in past few years. It is not possible to find out comparative remuneration in the industry with respect to profile of the position with respect to diversified activities of the company tea, chemicals & fertilizers segments. The remuneration to Mr. Vikash Kandoi is purely based on merits.

7. Pecuniary relationship directly or indirectly with the company relationship with the managerial personnel:

Mr. Vikash Kandoi has no pecuniary relationship with the Company other than his remuneration as Whole-time Director. He is related to Mrs. Jayashree Mohta, within the meaning of Section 2 of the Companies Act, 2013.

III OTHER INFORMATION:

1. Reasons of loss or inadequate profits:

The company operates in tea, and fertilizers. Tea industry is passing through a difficult phase. Cost of inputs have gone up considerably without any corresponding increase in sale, price due to factors beyond the control of the management.

The profitability over the last 5 years is given below:

Year	Profit after Tax (₹ In lakh)	Dividend Percentage (%)
2012-13	4007	80%
2013-14	334	40%
2014-15	(1902)	20%
2015-16	(1916)	20%
2016-17	(1545)	10%

2. Steps taken or proposed to be taken for improvement:

The company is taking continuous steps for improvement in quality of tea. Cost control

measures have been initiated at fertilizer unit. These measures should help in better price realisation of tea and improvement in efficiency of fertilizer unit.

3. Expected increase in productivity and profits in measurable terms:

All the company's gardens are producing quality teas. The Company's gardens are included amongst the top gardens in the areas of their operation. The yields are improving gradually with stress on quality. This should increase our profit margin substantially.

IV DISCLOSURES

1. Disclosure under Corporate Governance in the Board of Directors' Report

The details of sitting fees paid to the Directors and remuneration package payable alongwith relevant details payable to Mr. Vikash Kandoi and Mr. D. P. Maheshwari has been mentioned hereinabove in the Report of Corporate Governance attached to the Director's Report. There is no severance fee or stock option to either of them. The period of appointment and remuneration to them is as per approval of Annual General Meeting resolution. The appointment may be terminated by either party giving other three months' notice.

ITEM NO. 7

The Board on the recommendation of the Audit Committee has approved the appointment of M/s. D. Sabyasachi & Co., Cost Auditors to audit cost records of tea and chemical units of the company for the financial year ending 31st March 2018 at a remuneration of ₹ 100000/- (Rupees One lakh only).

As per Section 148 of the Act, the remuneration payable as above is to be ratified by the shareholders. Accordingly, the consent of the members is sought for passing the said resolution.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out in Item No.7. The Board recommends the resolution for your approval.

Registered & Head Office :

"Industry House"

10, Camac Street, Kolkata 700 017

the 8th day of May, 2017

By Order of the Board
For **JAY SHREE TEA & INDUSTRIES LIMITED**
R. K. Ganeriwala
(President, CFO & Secretary)

Report of the Directors

Dear Shareholders,

We present the 71st Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March 2017.

FINANCIAL RESULTS

(₹ in lakh)

	31st March 2017	31st March 2016
Total Revenue	56367.71	71974.40
Profit/(Loss) before finance cost, tax and depreciation (PBITDA)	3887.83	4616.97
Less : Finance cost	3601.97	4605.85
: Depreciation/Amortisation	1432.71	1638.26
Profit/(Loss) before tax	(1146.85)	(1627.14)
Less: Provision for taxation - Current Tax	-	110.00
- Deferred Tax	405.51	45.81
Adjustment of Tax Related to earlier years	(7.43)	133.41
Profit/(Loss) after tax	(1544.93)	(1916.36)
Add : Balance brought forward from previous year	1988.29	4210.00
Profit available for appropriation	443.36	2293.64
Appropriations		
A) i) Proposed Dividend on Equity shares	-	282.71
ii) Tax (including surcharge & education cess) @ 20.3576% on proposed dividend (Net)#	(0.13)	22.64
B) Balance carried forward to next year	443.49	1988.29
	443.49	2293.64

#Tax on dividend is net of ₹ 0.13, (P.Y. ₹ 0.38) being dividend distribution tax paid by a subsidiary.

EQUITY DIVIDEND

The Board is pleased to recommend the distribution of dividend @ 10% on face value of ₹ 5/- per share compared to 20% paid last year. The dividend tax including surcharge and education cess amounting to ₹ 11.76 lakh shall be payable by the company on the said dividend, as and when paid.

SHARE CAPITAL

During the year ended 31st March, 2017 there is no change in the issued and subscribed capital of your Company. The outstanding capital as on 31st March, 2017 is ₹ 1443.87 lakh comprising of 2,88,77,488 equity shares of ₹ 5/- each.

REVIEW OF PERFORMANCE

It was a year of consolidation but economic slowdown for the Indian economy. The GDP growth was 7.1%, which was lower than estimated, due to impact of demonetisation.

This was a difficult and unrewarding year for tea particularly CTC producers.

Indian tea production was higher at 1239 mn. Kg compared to 1208 mn kg. last year. The production of North India was higher by 46 mn. Kg and South India was down by 15 mn. Kg.

The market was poor due to various circumstances rather than just demand/supply. Good and best quality produce witnessed sharp erosion in prices. Dust grades saw greater fall in comparison to leaf. There was wide price fluctuation in medium varieties of tea. All your tea estates continue to be in the top brackets of quality in their area of operation. The warmest summer resulted in poor demand. Increased production took toll on first flush and banji prices. Cash crunch after the demonetization affected the market.

The major factors attributing to the operations of the company are:

Report of the Directors (Contd.)

- i) Increase in total crop of the company with higher crop in Cachar
- ii) Fall of crop in Assam, Darjeeling and Terai
- iii) Sharp fall in prices of plain & medium varieties and high quality teas hitherto fetching premium.
- iv) Improvement in quality standard of all your tea estates
- v) Reduction and delayed payment of subsidy affecting the working of Single Superphosphate plant at Khardah, West Bengal
- vi) Better performance by sulphuric acid plant at Pataudi Haryana with record profit
- vii) Demonetisation announced on 8th November. Economy falters. Money market shrink leading to reduced off take of all Commodity items including tea, fertilizers and sugar and build up of inventory.

Tea Estates

All India production in 2016 was higher at 1239 million kg. compared to 1208 million kg. in 2015. Total production in North India was higher, and South India lower. Global crops from major countries like Kenya surged by 74 mn. Kg, Bangladesh up by 15 mn. Kg, Sri Lanka crop was down by 36 mn. Kg. Prices of good and best varieties Assam tea plummeted. The medium varieties tea of Cachar, South India and Dooars witnessed weaker prices for most of the year. Higher harvests had a direct bearing on prices at Mombassa Auction, which declined by 44 Cents over 2015. In line with Indian markets, prices there for better teas were lower, while plainer sorts gained. Packet tea sales indicate demand push in common category. Popular and premium segment growth was neutral.

Your company has almost all ISO 22000 certified factories with Certificate of Rainforest Alliance.

Your company's own production was higher at 181.86 lakh kg compared to 173.95 lakh kg. last year. The bought leaf production was 41.05 lakh kg. as against 49.64 lakh kg. last year. The overall price realization of your company was down by ₹6/- per Kg. Assam, Dooars and Terai prices were down by ₹22/- per kg., and ₹4/- per Kg. Cachar was up by ₹2/- per Kg. Darjeeling by ₹16/- per kg. and South India by ₹10/- per kg.

There is no material change or commitment affecting the financial position of the company occurred between the end of the financial year and the date of this report.

The Jay Shree Chemicals & Fertilisers, Khardah

This year the sale is higher compared to last year due to better marketing efforts. The reduction of subsidy by ₹ 830/- per M.T. had an adverse impact on the results. The delayed payment of subsidy continued resulting in higher working capital requirement. The price difference of SSP with other fertilizer like UREA is curtailing use of SSP which causes imbalance in soil nutrients.

The figures of production and despatches are as under:

	Production (M.T.)		Despatch (M.T.)	
	2016-17	2015-16	2016-17	2015-16
Single Super Phosphate	74126	70773	77715	71192

The Jay Shree Chemicals & Fertilisers, Gurgaon

In comparison to last year, margins were better, due to which overall profitability of unit was amongst best this fiscal, since inception of the unit. Sulphur prices also remained lower in full year without much fluctuation. Availability of smelter byproduct acid also was poor in current year due to which prices of acid could be maintained.

The figures of production and despatches are as under:

	Production (M.T.)		Despatch (M.T.)	
	2016-17	2015-16	2016-17	2015-16
Sulphuric Acid	28464	29607	28535	29523
Oleum	1250	1915	1147	2000

Export of Tea

Indian export at 217 million kg. in 2016 showed a decline of around 11 million kg. over 2015. Shipments to CIS and Kazakhstan was lower following Currency devaluation and economic slowdown. Kenyan teas made inroads. Unit prices to UK, Germany and Japan drops this season. Strong rupee against Dollar/Euro also affected inflow. Your Company exported tea worth ₹ 79.81 crore as against ₹ 76.56 crore last year.

SUBSIDIARY COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS

As per guidelines of the Ministry of Corporate Affairs (MCA), Government of India the Balance sheet, Statement of Profit & Loss and other documents of subsidiary companies

Report of the Directors (Contd.)

Majhulia Sugar Industries Pvt. Ltd, North Tukvar Tea Company Limited, Jayantika Investment & Finance Ltd., and offshore investment arm Birla Holdings Limited UAE, are not being attached with the Balance Sheet of the company. These documents are kept for inspection at the registered office of the company and those of respective subsidiary companies. Any member interested to obtain copy of the same may write to the Company separately. These documents shall be made available either in physical form or electronic mode as per Green Initiative of the MCA. Pursuant to section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing salient features of the financial statements of Subsidiary Companies & Joint Venture is given in Form AOC-1 and forms an integral part of the Annual Report.

The Company demerged its sugar operations into a wholly owned subsidiary (WOS), Majhulia Sugar Industries Private Limited with effect from 1st April, 2016. Your mill produced 45089 tonnes of white sugar compared to 40334 tonnes in season 2015-16. The sugarcane crushed was 499330 tonnes compared to 422084 tonnes in season 2015-16. The recovery this year was 9.03% compared to 9.54% in 2015-16. On all operational parameters, your mill is considered to be one of its best.

Indian sugar production was 19% lower at 20.30 million tonnes compared to 25 million tonnes last year. This was due to severe drought in states like Maharashtra & Karnataka. The global sugar supply deficits of the last two years elevated prices for the sweetener to the highest in 5 years. Domestic consumption was estimated at 24 million tonnes. Sugar prices are expected to remain firm in sugar season 2017, because closing inventory is seen to be at an eight year low following a fall in production. That's despite the Government's recent move to allow duty free import of raw sugar of 0.45 million tonnes till June 12, 2017, and a fall in consumption because of demonetization.

The State Governments are yet to implement the linking of sugar and by-product realizations with cane costs. Further going forward the sustainability of the upward trend in sugar prices remains critically dependant on import of sugar for the year 2017-18.

Birla Holdings Limited (BHL) is a wholly owned subsidiary of the company in Dubai (UAE). Kijura Tea Company Limited and Bondo Tea Estates Limited, Uganda are stepdown subsidiaries of BHL. Kijura Tea Estate owned by these companies manufactured 21.75 lakh kg. of tea compared to 16.81 lakh kg. last year. The average sale price realized was USD 1.41 per kg. against USD 1.43 per kg. last year. During

the year the company recorded operating profit of USD 718300 (INR 465.85 lakh) on sales turnover of USD 2.933 mn. (INR 1,901.84 lakh) as against last year operating profit of USD 5,84,656 (INR 387.33 lakh) on sales turnover of USD 2.34 mn. (INR 1,552.24 lakh).

Tea Group Investment Company Limited (TGIC), Dubai, a joint venture company with Rwanda Mountain Tea SARL, Rwanda, in East Africa owning 60% stake in Mata Tea Company Limited & Gisakura Tea Company Limited collectively manufactured 36.39 lakh kg. tea during 2016 against 37.11 lakh kg. in last year and the average price realization was USD 2.49 per kg. against USD 3.01 per kg. last year for Mata and USD 2.33 per kg. against USD 2.81 per kg. last year for Gisakura. Mata Tea Company Limited declared a dividend of RWF 6,00,000 thousand (equivalent to USD 4.88 mn) out of retained profit RWF 3,32,830 thousand and Gisakura Tea Company Limited did not declare any dividend (Previous year RWF 1,00,000 thousand, equivalent to USD 0.132 mn).

CORPORATE GOVERNANCE

As per Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate report on corporate Governance is enclosed as a part of this Annual Report. A certificate from the Auditors of the Company regarding compliance as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed to the Report on Corporate Governance.

The declaration by the Managing Director stating that all the Board members and Senior Management personnel have affirmed their compliance with the Company's Code of Conduct for the year ended 31st March 2017 is forming part of this Annual Report.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

BIRLA GROUP are considered pioneer in the field of education, health care and social upliftment of the people at large. The company has CSR policy for promotion of education, healthcare, sports, people empowerment, and employment enhancing vocational skills training.

The company has provided assistance for setting up various schools in adjoining areas of its operation. It has fully equipped hospital at tea estates to provide best health care to the people of the region. It is also helping self help centres for vocational training programmes. The company is doing afforestation/vegetation on non-tea areas.

The composition of the members of CSR Committee remains the same namely: Mrs. Jayashree Mohta, Chairperson

Report of the Directors (Contd.)

alongwith Mr. S. K. Tapuriah, Mr. Vikash Kandoi and Mr. D. P. Maheshwari as members.

CSR Policy is placed on the website of the company "www.jayshreetea.com". The average net profit/(loss) of the last 3 financial years was (₹ 2176.94) lakh and prescribed expenditure is Nil. However, the company has spent ₹ 9.54 lakh under CSR activities during the year as per the Annexure forming part of this Report.

PROSPECTS

Tea industry is passing through a most difficult phase as rising employee cost, declining yield and erratic climate is affecting the profitability. Net realization of tea has been under strain last year. A significant increase in bought leaf production is pushing down prices as such producers do not usually bear the social cost of housing, weekly ration and medical expenses for the workers.

So far there is normal rainfall in North India and good prediction for monsoon in the country. The Indian production is likely to be maintained at last year level. Global tea production is not likely to increase further. The demand for tea is increasing every year by around 3%, and the supply shall remain limited. Indian exports should improve but strengthening of rupee against major currencies is a cause of worry.

In SSP there is decrease in imported cost of raw materials, because of rupee/dollar exchange rate, but there is reduction in subsidy on sale of SSP by the government. The future of the unit depends on the well spread and good monsoon in West Bengal which has been projected. The company has taken measures to cut down its cost of production.

With all these factors, you can take reasonably optimistic view about the future of the company.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors would like to inform members that the audited accounts containing the financial statements for the year 2016-17 are in conformity with the requirements of the provisions of Section 134(3)(c) read with Section 134(5) and all other applicable provision of the Companies Act, 2013 and they believe that the financial statements reflect fairly the form and substance of transactions carried out during the year and reasonably present the Company's financial condition and results of operations. The Joint Auditors, Messrs Singhi & Co., & Jitendra K. Agarwal & Associates, Chartered Accountants, Kolkata have audited these financial statements.

Based on the same, your Directors further confirm that according to their information:

- i. in the preparation of the annual accounts, applicable accounting standards have been followed and there are no material departures;
- ii. the accounting policies selected by directors are consistently followed and applied and judgements and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company;
- iii. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. the annual accounts have been prepared on a going concern basis.
- v. that there is adequate proper internal financial controls with reference to the financial statement have been laid down for the company and such internal financial controls are adequate and were operating effectively.
- vi. that proper systems have been devised to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

BUSINESS RESPONSIBILITY REPORT (BR)

In terms of SEBI (LODR) Regulations 2015, Top 500 listed entities are required to submit as part of their Annual Reports, Business Responsibility Reports, describing the initiatives taken by them from an environmental, social and Governance perspective. Your company does not fall under this category. However, BR Report on environment, human resources and principle wise performance in short forms part of the Management discussion and analysis report.

PARTICULARS OF EMPLOYEES

The prescribed particulars of employees required under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 is attached.

The Information as required under Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial

Report of the Directors (Contd.)

Personnel) Rules 2014 are given in the Annexure forming part of the Report. In terms of Section 136(1) of the Act, the report and accounts are being sent to members without the aforesaid Annexure. Any member interested in obtaining a copy of the same, may write to the company.

The aforesaid Annexure is also available for inspection by members at the Registered Office of the company.

PUBLIC DEPOSITS

The company has not accepted or renewed any deposit during the year.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Particulars of loans, Guarantees and investment covered under the provisions of Section 186 of the Companies Act, 2013 is given in the Standalone Financial Statement forming part of the Annual Report.

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

Financial statements are prepared through both manual and automated process to ensure accuracy of recording all financial transactions during the year. All data pertaining to payment to employees, purchases, plucking, manufacturing, selling despatch and others are computerized. Internal control system ensures that transactions are executed with management authorization and they are recorded in such a way that permit preparation of financial statements in conformity with established accounting principles and that the assets are adequately safeguarded against misuse or loss.

The company's internal control system has been established on values of integrity and operational excellence. The company's internal control systems are periodically tested and supplemented by extensive program of internal audit by independent firms of Chartered Accountants. Audits are finalized and conducted based on internal risk management. Significant findings are brought to the notice of the Audit Committee of the Board and corrective measures recommended for implementation

The process of the internal financial control system is still on and the findings of the consultants are being implemented for improvement. This formalized system internal control facilitates effective compliance of Section 138 of the Companies Act, 2013 the listing regulations and also the relevant statutes of the land.

RISK MANAGEMENT

The company has laid down the procedures to inform to the Board about the risk assessment and minimization procedures, which shall be responsible for framing, implementing and monitoring the risk management plan of the company.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE COURT OR REGULATORS

The Hon'ble High Court at Calcutta passed an order dated 8th August, 2016 approving the scheme of arrangement between the Company and its subsidiaries. Apart from this there have been no significant and material orders passed by the court or regulators or tribunals impacting the going concern status and company's operations. Your attention is drawn to the Contingent Liabilities and commitments shown in the notes to financial statements forming part of this Annual Report.

DISCLOSURE OF PARTICULARS WITH REGARD TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Necessary information on conservation of energy, technology absorption, foreign exchange earnings and outgo, required to be given pursuant to the provisions of Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 is presented in Annexure to this Report.

ENVIRONMENT AND SAFETY

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.

As required by the Sexual Harassment of women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, the company has an internal policy on prevention of sexual harassment at workplace with a mechanism of lodging complaints. During the year under review, no complaints were reported to the Board.

STATUTORY AUDITOR

The auditors Messrs Singhi & Co., Chartered Accountants, Statutory Auditors of the company are retiring at the conclusion of the ensuing Annual General Meeting of the Company in terms of the provisions of the Companies Act, 2013. Messrs Jitendra K Agarwal & Associates the Joint Auditors of the Company have submitted their resignation

Report of the Directors (Contd.)

from the conclusion of the ensuing Annual General Meeting, which we recommend.

The Company made smooth transition of Statutory Auditors as per the requirements of the Companies Act 2013, Messrs S. R Batliboi & Co. LLP, Chartered Accountants are proposed to be appointed as Statutory Auditors of the company for the year 2017-18 and to hold office from the conclusion of the ensuing Annual General Meeting till the conclusion of 76th Annual General Meeting of the company at a remuneration to be fixed by the Board, which we recommend.

COST AUDITOR

The Audit Committee in its meeting held on 08.05.2017 has recommended the reappointment of Messrs D. Sabyasachi & Co., the Cost Auditor to conduct the cost audit of the company for the financial year 2017-18 in terms of section 148(3) of the Companies Act, 2013. Accordingly the Board appointed the said firm of Cost Accountants to carry out the cost audit for the year 2017-18 on the remuneration as recommended by the Board to be fixed by members in the ensuing Annual General Meeting of the Company.

INTERNAL AUDIT

The Company continued to engage reputed firms of Chartered Accountants as its internal auditors at its units and tea estates. Their scope of work and the plan for audit is approved by the Audit Committee. The report submitted by them is regularly reviewed and their findings are discussed with the process owners and suitable corrective action taken on an ongoing basis to improve efficiency in operations.

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the company has appointed Messrs MR & Associates, Practicing Company Secretaries to undertake the Secretarial Audit of the company. The report of the Secretarial Audit is annexed herewith. Regarding observations: (a) The company had a pending case under Section 58(A) of the Companies Act, 1956 with the court relating to acceptance of a small amount during the period of approval of form by the Board and its filing with ROC and the matter is subjudice, (b) As regards compliance of the Secretarial Standard 1 & 2 the Company is now in the process of fully complying with the Secretarial Standards, (c) The Chairman of the Nomination & Remuneration Committee Mr. B. M. Khaitan could not

attend the Annual General Meeting of the company held on 5.8.2016 as he was indisposed.

INSURANCE

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL

As per provisions of Section 152 of the Companies Act, 2013, Mrs. Jayashree Mohta (DIN 01034912) retires by rotation and being eligible offers herself for reappointment. The Board recommends her re-appointment.

The tenure of Mr.Vikash Kandoi, Whole-time Director designated as Executive Director is due to expire on 31st March, 2018. Looking to the valuable contributions being made by him for development of the Company the Board as per recommendation of the Nomination and Remuneration Committee has proposed to reappoint him as a Whole-time Director designated as Executive Director of the company for a further period of three years w.e.f April 1, 2018.

Approval of the members is sought for the above Resolution.

Mr.D.P.Maheshwari was appointed as Managing Director by the members to hold office up to June 26, 2019 will attain the age of seventy years on November 5, 2017 and hence continuation of his employment as Managing Director requires the approval of members by a special resolution. He has been looking after day to day affairs of the company and is helping in various ways to improve its performance. Keeping in view the qualification and vast experience of Mr.Maheshwari, the Board as recommended by the Nomination and Remuneration Committee proposes continuation of his employment as Managing Director of the Company.

Approval of the members is sought for the above Resolution.

The independent directors have submitted the declaration of independence as required under Section 149 of the Companies Act, 2013 and the Board is of the opinion that they are independent within the meaning of the said requirement of the Act.

There is no change in the Key Managerial Personnel during the year.

OTHER DISCLOSURES

EXTRACT OF ANNUAL RETURN

The details for the financial year ended 31st March, 2017

Report of the Directors (Contd.)

forming part of the extract of the annual return is enclosed.

NUMBER OF BOARD MEETINGS

The Board of Directors met five times during the year ended 31st March, 2017. The details of the Board meetings and the attendance of Directors are provided in the Corporate Governance Report.

COMPOSITION OF COMMITTEE OF DIRECTORS

The Board has constituted the following Committees of Directors:

- (a) Audit Committee,
- (b) Nomination & Remuneration Committee.
- (c) Stakeholder relationship Committee

The detailed composition of the above Committees along with number of meetings and attendance at the meetings are given in Corporate Governance Report.

- (d) Corporate Social Responsibility Committee

The detailed composition of the above Committee is given under the head Corporate Social Responsibility (CSR).

WHISTLE BLOWER POLICY

The company has formulated Whistle Blower Policy in terms of Section 177(9) of the Companies Act, 2013 the details of which is being provided in the Corporate Governance Report. The Whistle Blower Policy has also been posted on the website of the Company.

RELATED PARTY TRANSACTIONS

All the related party transactions for the year under review are entered on arm's length basis and are in compliance with the Companies Act, 2013 and the Listing Regulations. 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 with the interest of the Company at large. All related party

transactions are presented to the Audit Committee and the Board for its approval.

The related party transactions policy as approved by the Board is uploaded on the Company's website "www.jayshreetea.com".

The details of the transactions with related party is given in the Standalone Financial Statement forming part of the Annual Report.

EVALUATION OF BOARD'S PERFORMANCE

In compliance with the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the performance evaluation of the Board was carried out during the year under review. The Board of Directors expressed their satisfaction with the evaluation process. More details on the same is given in the Corporate Governance Report.

AUDITOR'S REPORT & ACCOUNTS

All other notes to the Accounts referred to in the Auditors' Report are self-explanatory and therefore do not call for any further comments.

Regarding auditors emphasis in their report, it is clarified that the carry forward of MAT credit entitlement of ₹ 113.40 lakh is based on the estimate of future taxable income of the company which is to be realized based on profit available in future years. Further, non-provision of diminution in value of investment amounting to ₹ 506.20 Lakh and advances and security deposit given to a subsidiary amounting to ₹ 251.00 lakh is because of the reason that the investment is of long term and strategic in nature.

APPRECIATION

The Board wishes to place on record its appreciation of the efforts put in by your company's workers, staff and executives.

Industrial relations at all estates and other units were cordial.

For and on behalf of the Board

D. P. Maheshwari
(Managing Director)
(DIN: 02203749)

Jayashree Mohta
(Vice-Chairperson)
(DIN: 01034912)

Kolkata, the 8th day of May, 2017

Annexure 1 to the Directors' Report

Reporting of Corporate Social Responsibility (CSR)

[Pursuant to sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

- The Company believes in integrating its business values and operations to meet the expectations of all its stakeholders and committed to ensuring the social well being of the communities in the vicinity of its business operations. The Company takes great care to promote the cause of social inclusiveness and environment protection alongside business objectives.

The CSR activities of the Company are being carried out directly by the Company through its different tea estates and units for fulfilling its responsibilities towards improving the lives of people living in those areas.

The Company has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013 and the same is placed on Company's website. The details of the activities undertaken can also be accessed on Company's website i.e. www.jayshreetea.com

- Composition of Committee:**
 - Mrs. Jayashree Mohta (Chairperson)
 - Mr. S.K.Tapuriah
 - Mr. Vikash Kandoi
 - Mr. D.P. Maheshwari
 - Mr. R.K. Ganeriwala (President, CFO & Secretary) - Permanent Invitee
- Average Net Profit/(Loss) of the Company for the three financial years** ₹ (2176.94) Lakh
- Prescribed CSR Expenditure (Two percent of the amount as in item 3 above)** ₹ (43.54) Lakh
- Details of CSR spent during the Financial Year 2016-17**
 - Amount to be spent for the Financial Year 2016-17 -
 - Amount unspent, if any -
 - Manner in which the amount spent during the financial year is detailed below :

S/No	CSR Project or activity identified	Sector in which The project covered	Projects or programs Local area or Other specify The State and District where Projects or Programs undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs sub heads 1.Direct expenditure on projects or programs 2. Overheads	Cumulative expenditure upto the reporting	Amount spent Direct or through implementing agency
(i)	Health	Subsidized treatment to poor villagers and organizing and promoting preventive health care	Cachar in the state of Assam	-	4.70	4.70	Direct
(ii)	Education	Promoting education in nearby villages by aids to schools, free food distribution to the schools and the section of disadvantaged villagers	Cachar in the state of Assam	-	4.84	4.84	Direct
					9.54	9.54	

Annexure 1 to the Directors' Report (Contd.)

6. In case the company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report- N.A.
7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

The CSR committee confirms that the implementation and monitoring of the CSR policy is in compliance with the CSR objectives and Policy of the Company.

Kolkata, the 8th day of May, 2017

D. P. Maheshwari
(Managing Director)
(DIN: 02203749)

Jayashree Mohta
(Chairperson - CSR Committee)
(DIN: 01034912)

Annexure 2 to the Directors' Report

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

- (i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2016-17, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2016-17 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Sl. No.	Name of Director/KMP and Designation	Remuneration of Director/KMP for Financial Year 2016-17 (₹ in Lakh)	% increase in remuneration in the Financial Year 2016-17	Ratio of remuneration of each director/to median remuneration of employees
1	Mr. B. K. Birla (Chairman)	0.20	-	0.22
2	Mrs. Jayashree Mohta (Whole-time Director)	90.00	-	96.77
3	Mr. B. M. Khaitan	0.30	-	0.32
4	Mr. G. P. Goenka	0.30	50.00	0.32
5	Mr. Prashant Jhawar	0.30	(25.00)	0.32
6	Mr. S. K. Tapuriah	1.60	-	1.72
7	Mr. Subodh Kumar Agrawal	1.50	-	1.61
8	Mr. Vikash Kandoi (Whole-time Director)	36.00	-	38.71
9	Mr. D. P. Maheshwari (Managing Director)	122.12	9.58	131.31
10	Mr. R. K. Ganeriwala (President, CFO & Secretary)	92.81	(8.98)	N.A.

- (ii) The median remuneration of employees of the Company during the financial year was ₹ 0.93 Lakh
- (iii) In the financial year, there was an increase of 4.49% in the median remuneration of employees.
- (iv) There were 23131 permanent employees on the rolls of Company as on March 31, 2017
- (v) Average percentage increase made in the salaries of employees other than the key managerial personnel in the last financial year i.e. 2016-17 was 4.49 % whereas the increase in the key managerial remuneration for the same financial year was 0.45 %.
- (vi) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

For and on behalf of the Board

Kolkata, the 8th day of May, 2017

D. P. Maheshwari
(Managing Director)
(DIN: 02203749)

Jayashree Mohta
(Vice-Chairperson)
(DIN: 01034912)

Annexure 3 to the Directors' Report

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

The information under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 for the year ended March 31, 2017 is given here below and forms part of the Directors' Report.

A. Conservation of Energy :

- I. 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 :
 - Reducing power consumption by providing coal savers, wind ventilators and VFBD driers.
 - Replacement of inefficient motors with energy efficient motors.
 - Installation of Gas Generating Sets for generating power.
 - Upgradation of Machineries and installation of new machineries based on fuel or power efficiency.
 - Maintenance and overhauls of generators to achieve a high unit per ltr. delivery
 - Monitoring the maximum demand and power load factor on daily basis.
 - Installation of adequate power capacitors for efficient utilization of available power.
 - Optimum power factor is being maintained to avoid surcharge on power factor as well as to get maximum rebate on electricity consumption bills.
- II. The steps taken by the Company for utilizing alternate sources of energy. During the year under review the Company utilized solar energy for irrigation.

- III. The Capital investment on energy conservation equipment was NIL.

B. Technology Absorption

- I. The efforts made by the Company towards technology absorption during the year under review are :
 - Installation of solar pump sets for irrigation.
 - Installation of wind turbo ventilators
 - Developed computer based colour sorter system.
 - Managerial staff are encouraged to attend seminars and training programmes for agricultural practices in the field and manufacturing process in the factories.
- II. The benefits derived like increase in productivity and cost reduction in some tea estates.
- III. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) – NOT APPLICABLE.
- IV. Expenditure on R&D – Research & Development activities are being carried out as part of the Company's normal business activities. Hence, no separate expenditure figures are available. In addition, the Company contributes for the activities of Tea Research Association and United Planters Association of Southern India's Scientific Development regularly.

The Company has incurred an expenditure of ₹ 44.13 lakh being amount paid to TRA & UPASI as above.

C. Foreign Exchange Earnings and Outgo

During the year under review foreign exchange earnings were ₹ 79.59 crore and foreign exchange outgo ₹ 24.92 crore.

For and on behalf of the Board

D. P. Maheshwari
(Managing Director)
(DIN: 02203749)

Jayashree Mohta
(Vice-Chairperson)
(DIN: 01034912)

Kolkata, the 8th day of May, 2017

Annexure 4 to the Directors' Report

Form No. MR - 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017

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

To,

The Members,

JAY SHREE TEA & INDUSTRIES LIMITED

Kolkata

1. We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **JAY SHREE TEA & INDUSTRIES LIMITED** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.
2. Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:
 - i) The Companies Act, 2013 (the Act) and the rules made thereunder;
 - ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
 - iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
 - v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable regulations /guidelines/circulars as may be issued by SEBI from time to time;
3. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2017 according to the provisions of:
 - (a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (b) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - (c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

I further report that, there were no actions/ events in pursuance of;

We further report that having regard to the compliance system prevailing in the Company, we have relied upon the

Annexure 4 to the Directors' Report (Contd.)

representation made by the Management, for compliance with the specific applicable laws like:

We further report that having regard to the compliance system prevailing in the Company, we have relied upon the representation made by the Management, for compliance with the specific applicable laws like:

- (a) Food Safety and Standards Act, 2006
- (b) Agricultural and Processed Food Products Export Act, 1986
- (c) Agricultural and Processed Food Products Export Cess Act, 1986
- (d) Agriculture Produce (Grading and Marking) Act, 1937
- (e) Sugar Cess Act, 1982
- (f) Essential Commodities Act, 1955
- (g) Plantation Labour Act, 1951
- (h) Tea Act, 1953
- (i) Tea Waste Control Order, 1959
- (j) Tea (Marketing) Control Order, 2003
- (k) Tea (Distribution & Export) Control Order, 2005
- (l) Fertilizer Control Order, 1985
- (m) Weight and Measurement Act, 1976

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

- (i) Secretarial Standards 1 and 2 issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with BSE Limited, National Stock Exchange Limited and Calcutta Stock Exchange Limited.

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

- (i) The Company has a pending case with the Court in Kolkata under Section 58(A) of the Companies Act 1956 and the matter is subjudice.
- (ii) The Company has partially complied with the Secretarial Standard 1 & 2.
- (iii) In pursuance of Section 178(7) of the Companies Act 2013 and SS-2, 4.1.1, the Chairman of Nomination and Remuneration Committee was not present at the

Annual General Meeting of the Company held on 5th August, 2016 and no noting of the same was recorded in the said minutes.

We further report that,

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

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

All decisions at Board Meetings and Committee Meetings were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

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

We further report that during the audit period the company received Order dated 08th August, 2016 from Hon'ble High Court for sanction of Scheme of Arrangement (Demerger) under Section 391 to 394 of Companies Act, 1956 of Jay Shree Tea and Industries Limited, Majhulia Sugar Industries Private Limited, Jayantika Investment & Finance Limited and their respective shareholders w.e.f 1st April, 2016.

This Report is to be read with our letter of even date which is annexed "ANNEXURE - A" and forms an Integral Part of this Report.

For **MR & Associates**
Company Secretaries
[M. R. Goenka]
Partner

Place : Kolkata
Date : 08.05.2017

FCS No.: 4515
C P No.: 2551

Annexure 4 to the Directors' Report (Contd.)

"ANNEXURE – A"

To,
The Members,
JAY SHREE TEA & INDUSTRIES LIMITED
Kolkata

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

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

For **MR & Associates**
Company Secretaries
[M. R. Goenka]
Partner
FCS No.: 4515
C P No.: 2551

Place : Kolkata
Date : 08.05.2017

Annexure 5 to the Directors' Report

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2017
[Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company
(Management & Administration) Rules, 2014]

I. REGISTRATION & OTHER DETAILS :

1	CIN	L15491WB1945PLC012771
2	Registration Date	27th October, 1945
3	Name of the Company	Jay Shree Tea & Industries Limited
4	Category/Sub-category of the Company	Public Company: Limited by Shares
5	Address of the Registered office & contact details	"Industry House" 10, Camac Street, Kolkata-700017 Ph.: (033) 2282-7531/34, Fax:(033) 2282-7535 E-mail: webmaster@jayshreetea.com
6	Whether listed company Yes/No	Yes
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Maheshwari Datamatics Pvt. Ltd. 23,R.N.Mukherjee Road, 5th Floor, Kolkata-700001 Ph.: (033) 2248-2248, Fax: (033) 2248-4787 E-mail: mdpldc@yahoo.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company are given below:

Sl. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Tea	0100	81%
2	Chemical	2011	16%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Majhulia Sugar Industries Pvt. Ltd. P-7, Transport Depot Road, Kolkata-700088	U15122WB2015PTC207281	Subsidiary	100.00	2(87)(ii)
2	North Tukvar Tea Co. Ltd. Industry House 10, Camac Street, Kolkata-700017	U51218WB1965PLC026362	Subsidiary	90.50	2(87)(ii)
3	Jayantika Investment & Finance Ltd. Industry House 10, Camac Street, Kolkata-700017	U65993WB2001PLC162070	Subsidiary	100.00	2(87)(ii)
4	Birla Holdings Ltd. 132, Lease Office Building 16, Jebel Ali Free Zone, Dubai	N.A.	Subsidiary	100.00	2(87)(ii)

Annexure 5 to the Directors' Report (Contd.)

IV. i) Category-wise Share Holding :

Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2016)				No. of Shares held at the end of the year (31.03.2017)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	1052660	-	1052660	3.64	1052660	-	1052660	3.64	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	8394420	-	8394420	29.07	14907230	-	14907230	51.62	22.55
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other:(Specify) Trust	6845598	-	6845598	23.71	316788	-	316788	1.10	-22.61
Sub-total (A) (1):-	16292678	-	16292678	56.42	16276678	-	16276678	56.36	-0.06
(2) Foreign	-	-	-	-	-	-	-	-	-
a) NRIs - 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)	16292678	-	16292678	56.42	16276678	-	16276678	56.36	-0.06
B. Public Shareholding									
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	1200	1200	-	-	1200	1200	-	-
b) Banks / FI	571824	23794	595618	2.06	579412	23794	603206	2.09	0.03
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	1480000	-	1480000	5.13	1400000	-	1400000	4.85	-0.28
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
FPI-Corporate	-	-	-	-	80000	-	80000	0.28	0.28
Sub-total (B)(1):	2051824	24994	2076818	7.19	2059412	24994	2084406	7.22	0.03
2. Non-Institutions									
a) Bodies Corp.	2115427	45696	2161123	7.48	1820554	83718	1904272	6.59	-0.89
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	104944	-	104944	0.36	104944	-	104944	0.36	-

Annexure 5 to the Directors' Report (Contd.)

Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2016)				No. of Shares held at the end of the year (31.03.2017)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	6283002	698326	6981328	24.18	5892294	640636	6532930	22.62	-1.55
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	966489	36900	1003389	3.47	1699997	-	1699997	5.89	2.41
c) Others (specify)									
i) Non Resident Individual	251092	4976	256068	0.89	268145	4976	273121	0.95	0.06
ii) Foreign National	1140	-	1140	0.01	1140	-	1140	0.01	-
Subtotal (B)(2):	9722094	785898	10507992	36.39	9787074	729330	10516404	36.42	0.03
Total Public Shareholding (B)=(B)(1)+ (B)(2)	11773918	810892	12584810	43.58	11846486	754324	12600810	43.64	0.06
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-					-
Grand Total (A+B+C)	28066596	810892	28877488	100.00	28123164	754324	28877488	100.00	-

ii) Shareholding of Promoters:

Sl. No.	Shareholder's Name	Share holding at the beginning of the year (01.04.2016)				Share holding at the end of the year (31.03.2017)				% change in share holding during the year
		No. of Shares	% of total Shares of the Company	No. of Pledged/ Encumbered Shares	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	No. of Pledged/ Encumbered Shares	% of Shares Pledged / encumbered to total shares	
1	JPM Merchandise Agencies Limited	6114108	21.17	-	-	6114108	21.17	-	-	-
2	Mr. B.K. Birla	46000	0.16	-	-	46000	0.16	-	-	-
3	Mrs. Jayashree Mohta	985770	3.41	-	-	985770	3.41	-	-	-
4	Mr. Vikash Kandoi	1126	0.01	-	-	1126	0.01	-	-	-
5	Mr. Kumar Mangalam Birla	4500	0.01	-	-	4500	0.01	-	-	-
6	Mrs. Vasavadatta Bajaj	15264	0.04	-	-	15264	0.04	-	-	-
7	Bharat Arogya And Gyan Mandir	36828	0.13	-	-	36828	0.13	-	-	-
8	Century Textiles and Industries Ltd.	300000	1.04	-	-	300000	1.04	-	-	-
9	Hindusthan Discounting Co. Ltd.	16000	0.06	-	-	-	-	-	-	-0.06

Annexure 5 to the Directors' Report (Contd.)

Sl. No.	Shareholder's Name	Share holding at the beginning of the year (01.04.2016)				Share holding at the end of the year (31.03.2017)				% change in share holding during the year
		No. of Shares	% of total Shares of the Company	No. of Pledged/ Encumbered Shares	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	No. of Pledged/ Encumbered Shares	% of Shares Pledged / encumbered to total shares	
10	Kesoram Industries Limited	388116	1.34	-	-	388116	1.34	-	-	-
11	Pilani Investment and Industries Corpn. Ltd.	2844	0.01	-	-	2844	0.01	-	-	-
12	Prakash Educational Society	3000	0.01	-	-	3000	0.01	-	-	-
13	Birla Education Trust	313788	1.09	-	-	313788	1.09	-	-	-
14	Manav Investment & Trading Co. Ltd	1020924	3.54	1020924	3.54	1020924	3.54	1020924	3.54	-
15	Aditya Marketing and Manufacturing Ltd.	70000	0.24	-	-	70000	0.24	-	-	-
16	Jayantika Investment & Finance Ltd.					6528810	22.61	-	-	
17	Jayashree Finvest Pvt. Ltd.	445600	1.55	-	-	-	-	-	-	-
	ECE Industries Ltd.					445600	1.55	-	-	
Total		16292678	56.42	1020924	3.54	15831078	56.36	1020924	3.54	-

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

Sl. No	Name of the Promoters	Shareholding at the beginning of the year (01.04.2016)		Cumulative Shareholding during the year (2016-17)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Hindusthan Discounting Ltd.				
	At the beginning of the year	16000	0.06	16000	0.06
	Market Sale on 04.07.2016	16000	0.06	16000	0.06
	At the end of the year	-	-	-	-
2	Jayshree Beneficiary Trust				
	At the beginning of the year	6528810	22.61	6528810	22.61
	As per Court Order dated 08.08.2016	6528810	22.61	6528810	22.61
	At the end of the year	-	-	-	-
3	Jayshree Finvest Private Ltd.				
	At the beginning of the year	445,600	1.54	445,600	1.54
	Inter-se transfer on 03.02.2017	445,600	1.54	445,600	1.54
	At the end of the year	-	-	-	-

Annexure 5 to the Directors' Report (Contd.)

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

Sl. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (01.04.2016)		Shareholding at the end of the year (31.03.2017)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	EOS Multi Strategy Fund Ltd.	1288000	4.46	1288000	4.46
2	JSTI Beneficiary Trust	606920	2.10	606920	2.10
3	The New India Assurance Co. Ltd.	497368	1.72	497368	1.72
4	Alka Jain	-	-	293317	1.02
5	Ashok Kumar Jain	16033	0.06	224701	0.78
6	Ares Diversified	112000	0.39	112000	0.39
7	Devi Investment And Development INC	104800	0.36	104800	0.36
8	Wallfort Financial Services Ltd.	175000	0.61	82308	0.29
9	Reliance Securities Ltd.	-	-	80000	0.28
10	Elara India Opportunity Fund Ltd.	80000	0.28	80000	0.28

v) Shareholding of Directors and Key Managerial Personnel:

Sl. No	For Each of the Directors and KMP	Shareholding at the beginning of the year (01.04.2016)		Cumulative Shareholding during the year 2016-17	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mr. B.K.Birla				
	At the beginning of the year	46000	0.16	46000	0.16
	At the end of the year	46000	0.16	46000	0.16
2	Mrs. Jayashree Mohta				
	At the beginning of the year	985770	3.41	985770	3.41
	At the end of the year	985770	3.41	985770	3.41
3	Mr. B.M.Khaitan				
	At the beginning of the year	200	0.00	200	0.00
	At the end of the year	200	0.00	200	0.00
4	Mr. G.P. Goenka				
	At the beginning of the year	600	0.00	600	0.00
	At the end of the year	600	0.00	600	0.00
5	Mr. Prashant Jhavar*				
	At the beginning of the year	200	0.00	200	0.00
	At the end of the year	200	0.00	200	0.00
6	Mr. S.K. Tapuriah				
	At the beginning of the year	768	0.00	768	0.00
	At the end of the year	768	0.00	768	0.00
7	Mr. Subodh Kumar Agrawal				
	At the beginning of the year	200	0.00	200	0.00
	At the end of the year	200	0.00	200	0.00

Annexure 5 to the Directors' Report (Contd.)

Sl. No	For Each of the Directors and KMP	Shareholding at the beginning of the year (01.04.2016)		Cumulative Shareholding during the year 2016-17	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
8	Mr.Vikash Kandoi				
	At the beginning of the year	1126	0.01	1126	0.01
	At the end of the year	1126	0.01	1126	0.01
9	Mr.D.P.Maheshwari				
	At the beginning of the year	11348	0.04	11348	0.04
	Market Sale on 21st July, 2016	5000	0.02	6348	0.02
	Market Purchase on 30th September, 2016	1963	0.01	8311	0.03
	Market Purchase on 16th November, 2016	4000	0.01	12311	0.04
	Market Purchase on 2nd December, 2016	10000	0.03	22311	0.08
	Market Purchase on 5th December, 2016	1320	0.00	23631	0.08
	Market Sale on 18th January, 2017	7025	0.02	16606	0.06
	Market Sale on 23rd January, 2017	3000	0.01	13606	0.05
	Market Sale on 20th February, 2017	10000	0.03	3606	0.01
	At the end of the year	3606	0.01	3606	0.01

V. Indebtedness

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

(₹ in Lakh)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	29939.55	8250.00	-	38189.55
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	206.89	48.33	-	255.22
Total (i+ii+iii)	30146.44	8298.33	-	38444.77
Change in Indebtedness during the financial year				
• Addition	-	7818.18	-	7818.18
• Reduction	(7654.91)	-	-	(7654.91)
Net Change	(7654.91)	7818.18	-	163.27
Indebtedness at the end of the financial year				
i) Principal Amount	22344.83	16060.08	-	38404.91
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	146.70	56.43	-	203.13
Total (i+ii+iii)	22491.53	16116.51	-	38608.04

Annexure 5 to the Directors' Report (Contd.)

VI) Remuneration of directors and Key Managerial Personnel

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

		Name of MD/WTD/ Manager			Total Amount (₹)
		Mrs. Jayashree Mohta	Mr. Vikash Kandoi	Mr. D.P.Maheshwari	
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income tax provisions contained in section 17(1) of the Income Tax Act, 1961	9000000.00	3600000.00	10010020.00	22610020.00
	(b) Value of perquisites u/s 17(2) perquisites u/s 17(2) of Income Tax Act, 1961	-	-	975000.00	975000.00
	(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission				
	- as a % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	Total (A)	9000000.00	3600000.00	10985020.00	23585020.00
	Ceiling as per the Act	10% of the net profits of the Company calculated as per section 198 of the Companies Act, 2013			

B. Remuneration to other directors:

I. Independent Directors:

Sl. No.	Particulars of Remuneration	Name of Directors					Total Amount (₹ In '000)
1	Independent Directors	Mr.B.M. Khaitan	Mr.G.P. Goenka	Mr. Prashant Jhawar	Mr. S. K. Tapuriah	Mr. Subodh Kumar Agrawal	
	Fee for attending board / committee meetings	30	30	30	160	150	400
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (1)	30	30	30	160	150	400

Annexure 5 to the Directors' Report (Contd.)

II. Other Non Executive Directors:

Sl. No.	Particulars of Remuneration	Name of Director Mr. B. K. Birla	Total Amount (in ₹ '000)
	Fee for attending board / committee meetings	20	20
	Commission	-	-
	Others, please specify	-	-
	Total(2)	20	20
	Total(B)=(1+2)		420
	Total Managerial Remuneration		
	Overall Ceiling as per the Act	1% of the net profits of the Company calculated as per section 198 of the Companies Act, 2013	

C. Remuneration to Key Managerial Personnel other than Managing Director/Manager/Whole Time Director

Sl. No.	Particulars of Remuneration	Key Managerial Personnel Company Secretary/CFO	Total Amount (₹)
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	7771868.00	7771868.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	607800.00	607800.00
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	-	
2	Stock Option	-	
3	Sweat Equity	-	
4	Commission	-	-
	- as % of profit		
	- others, specify.		
5	Others, please specify		
	Total		8379668.00

VII. Penalties/Punishment/Compounding of offences : NONE

For and on behalf of the Board

Kolkata, the 8th day of May, 2017

D. P. Maheshwari
(Managing Director)
(DIN: 02203749)

Jayashree Mohta
(Vice-Chairperson)
(DIN: 01034912)

Management's Discussion and Analysis

OVERVIEW

Indian Tea production was higher at 1239 million kg. compared to 1208 million kg. in 2015. The crop of Assam, Darjeeling and Terai was down. There was increase in crop of Cachar. Your Company produced 223.72 lakh kg. of tea against 223.50 lakh kg. last year. Out of this your own crop was 181.86 lakh kg against 173.95 lakh kg. The bought leaf production decreased to 41.05 lakh kg from 49.64 lakh kg. Rising employee cost, declining yield and erratic climate is affecting the tea industry at large.

SEGMENT ANALYSIS AND REVIEW

The Company is engaged in the manufacture of tea and chemicals & fertilisers besides tea warehousing and investment activities. Tea accounts for 81%, chemicals & fertilisers 16% and others 3% of the gross turnover during 2016-17. The sugar was demerged into a separate entity with effect from 1st April, 2016.

TEA

Your Company's district wise production compared to All India production is enumerated below:

(Quantity in million kg.)

District	Tea Manufactured by the Company (April to March)			All India Production* (Jan. to December)		
	2016-17**	2015-16**	Increase/ Decrease (%)	2016	2015	Increase/ Decrease (%)
Cachar	8.46	7.69	10.01	50.79	45.40	11.87
Assam Valley	7.45	8.16	(-)8.70	591.39	585.83	0.95
Total Assam	15.91	15.85	0.38	642.18	631.22	1.74
Darjeeling	0.83	0.86	(-)3.49	8.13	8.76	(-)7.19
Dooars	0.93	0.91	2.20	205.91	181.78	13.27
Terai	2.94	2.99	(-)1.67	143.43	133.96	7.07
Total West Bengal	4.70	4.76	(-)1.26	357.47	324.50	10.16
Others	-	-	-	27.29	25.37	7.57
Total North India	20.61	20.61	0.00	1026.94	981.09	4.67
Tamilnadu	1.76	1.74	1.15	145.41	163.09	(-)10.84
Kerala	-	-	-	61.52	57.97	6.12
Karnataka	-	-	-	5.28	6.51	(-)18.89
Total South India	1.76	1.74	1.15	212.21	227.57	(-)6.75
Total Production	22.37	22.35	0.09	1239.15	1208.66	2.52

* All India figures on calendar year basis and estimated for 2016.

** The above production includes tea manufactured from bought leaf.

District wise price realised by the Company for own produce compared to previous year is as under:

(Quantity in million kg.)

Tea Areas	This year			Previous year		
	Qty.	Rate (₹)	Dist. Average (₹)	Qty.	Rate (₹)	Dist. Average (₹)
Cachar	8.69	134.67	116.60	7.49	132.19	112.99
Assam	5.65	186.17	148.47	5.74	208.94	157.95
Darjeeling	0.80	454.81	324.16	0.84	438.80	289.95
Dooars/Terai	3.77	145.58	128.45	3.92	149.57	123.93
South India	1.92	115.62	108.59	2.10	105.43	108.96
Total	20.84	161.22		20.09	167.53	

OUTLOOK

In the current year, tea market opened on a cautious note. Higher carry forward stock coupled with quantum of fresh arrivals has affected the market. Plainer teas/bottom end prices are likely to remain steady. Good cultivated teas in

the better medium category should see more demand from blenders and packeteers. Consistency of produce has become vital as erratic weather takes toll on this aspect. Despite difficult conditions in the importing Countries i.e. low oil

Management's Discussion and Analysis (Contd.)

prices, political turmoil, erratic exchange rates etc, the overall demand for tea has not dampened, so indications for exports are positive. So we can take overall outlook for current year as healthy.

RISKS AND CONCERNS

- High Value teas unlikely to witness major spurt in prices as global economies slow down
- Rupee strong against Euro, Pound sterling and US Dollar
- Consistent quality and stalk free tea is an important component towards achieving better averages
- Increase in employee cost and shortage of labour is a major concern.

CHEMICALS & FERTILISERS

Review of Operations

Despite decrease in sale of SSP in West Bengal your Company increased its market share with improved quality and better marketing.

OUTLOOK

SSP is the most nutrient rich chemical fertilizer. The Government of India recognized its importance and encouraging the usage to maintain the nutrient balance in soil. The Rupee/dollar exchange rate is favourable for the fertilizer industry as a whole. This should boost up SSP industry in future. The subsidy was reduced by ₹ 830/- per M.T. last year and ₹ 177/- per M.T. w.e.f. April, 2017.

OPPORTUNITIES AND THREATS

Strengths

- Annapurna brand of the Company is well received in West Bengal market and enjoys premium over others.
- Established distributors network in all districts of West Bengal.
- Applicability of SSP for various agricultural produces.

Threats

- Continuous reduction in Government subsidy for sale of SSP.
- Abnormal delay in release of subsidy by the Government blocking working capital. Poor and/or less widespread monsoon in West Bengal affects the sale.
- Continuing price disparity between urea and phosphatic fertilizers.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The Company laid emphasis on working capital management to have strict check on borrowings and interest cost, substantial saving was achieved on finance cost. There was focus on cash forecasting and liquidation of unproductive assets to retire debts. The deployment of extra fund was guided by the tenets of safety of principal, liquidity and

return. During the year the investment portfolio mix was continuously rebalanced in line with the evolving interest rate environment.

BUSINESS RESPONSIBILITY STATEMENT (BR)

HEALTH, SAFETY, SECURITY AND ENVIRONMENT

Health, safety, security and environment (HSSE) is a key priority for the Company. Our goals are: no accidents, no harm to people and no damage to environment. The health, safety and security of everyone who works for the Company, is ensured.

All fertilisers factories of your Company are following full Environment Management System and Occupational Health & Safety Management System

All the tea estates follow green environment policy. Afforestation is being carried out on regular basis.

DEVELOPMENT IN HUMAN RESOURCES MANAGEMENT

The industrial relation in all tea estates and other units continued to be cordial. The Company carries out various program for development of its executives at all levels. During the year the company carried out development programme/ top management interaction at key level for improvement in plantation activities and overall corporate performance.

During the year under review, the focus continued to be on the development of leadership capability and talent management with a view to ensure alignment to the overall business strategy. The focus was on engaging employees for improvement in quantity to derive better results. Using interactive sessions, your Company engaged all its employees on Safety, Respect, Excellence, Courage and One Team and is now actively seeking to embed these values.

There is endeavour on the part of management to the Company hives and retains its best talent.

Your Company continued to maintain high standards of employee relations and 2016-17 saw many achievements on this front. All the employees were motivated with their grievances sorted out by the top management to give their 100% to the Company.

The total number of people employed in your Company as on 31st March, 2017 was 23131.

CAUTIONARY STATEMENT

The statements in the report of the Board of Directors and the Management's Discussion and Analysis report describing the company's projections, estimates, expectations or predictions may be forward looking statements within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied since the Company's operations are influenced by many external and internal factors beyond the control of the Company. Further tea and chemicals industries depend upon the vagaries of nature and any adverse/ favourable situation can change the whole situation.

Corporate Governance Report

[Pursuant to Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 "Listing Regulations"]

The Company believes that Corporate Governance emerges from the application of the best and sound management practices and compliance with the laws with highest standards of transparency and business ethics. The basic principle is to achieve business excellence keeping in view the needs and interest of all its stakeholders.

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Corporate Governance is creation and enhancing long term sustainable value for the stakeholders through ethically driven business process. At Jay Shree Tea, it is imperative that our Company affairs are managed in a fair and transparent manner. The Company is committed to good Corporate Governance and transparency in all dealings and places emphasis on business ethics, responsibilities conduct, integrity and accountability. The Company acknowledges the rights of its shareholders and provides information on performance and other key events of the Company to them. This timely and accurate disclosure of information improves public understanding of the structure, activities and policies of the Company.

Consequently, the Company is able to attract investors, and enhance the trust and confidence of the stakeholders.

2. BOARD OF DIRECTORS

Composition:

The Board of Directors of the Company comprises of an optimum combination of Executive and Non-Executive Directors, which is in conformity with the provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. As of the year ended 31st March, 2017, the Board of directors includes a Non-Executive Independent Chairman, five Independent directors, two whole-time directors designated as Vice-Chairperson and Executive Director and a Managing Director. The Non-Executive Directors are industrialist of repute and eminent professionals drawn from amongst persons with experience in business and industry, finance and management. The composition is as under :

Membership of other Boards of Directors/ Committee of directors and Attendance record for the Company:

Five Board Meetings were held in 2016-2017 i.e. on 3rd May, 2016; 5th August, 2016; 10th November, 2016; 16th January, 2017 and 8th February, 2017:

Directors	Categories of Directors	No. of Board Meetings Attended	Attendance at the last AGM	No. of outside Directorship held	No. of outside Committee Membership held	No. of outside Committee Chairmanship held	No. of shares held in the Company as on 31.03.2017
Mr. B. K. Birla (Chairman)	Promoter-Non-executive	1	No	4	-	-	46000
Mrs. Jayashree Mohta	Promoter-Executive	5	Yes	2	-	-	985770
Mr.B.M Khaitan	Independent-Non-Executive	1	No	5	1	-	200
Mr.G.P.Goenka	Independent-Non-Executive	1	No	5	-	1	600
Mr.Prashant Jhawar	Independent-Non-Executive	1	No	8	-	-	200
Mr. S.K.Tapuriah	Independent-Non-Executive	4	Yes	-	-	-	768
Mr. Subodh Kumar Agrawal	Independent-Non-Executive	4	No	1	2	-	200

Corporate Governance Report (Contd.)

Directors	Categories of Directors	No. of Board Meetings Attended	Attendance at the last AGM	No. of outside Directorship held	No. of outside Committee Membership held	No. of outside Committee Chairmanship held	No. of shares held in the Company as on 31.03.2017
Mr. Vikash Kandoi	Executive (Executive Director)	4	Yes	-	-	-	1126
Mr. D.P.Maheshwari	Executive (Managing Director)	5	Yes	-	-	-	3606

No director is related to any other director on the Board in terms of the provisions of the Companies Act, 2013 except Mr. B.K.Birla, Mrs. Jayashree Mohta and Mr. Vikash Kandoi who are related to each other. Mr. B.K.Birla is father of Mrs. Jayashree Mohta and Mr. Vikash Kandoi is son in-law of Mrs. Jayashree Mohta.

All the Directors affirmed that apart from receiving sitting fees and /or remuneration by Executive Directors and Managing Director, they do not have any pecuniary relationships or transactions with the Company, its promoters, its Directors, its Senior Management or its subsidiaries i.e Majhulia Sugar Industries Pvt. Ltd., North Tukvar Tea Co.Ltd., Jayantika Investment & Finance Ltd., Birla Holdings Ltd., joint venture and associates (as defined in AS 23) which might affect independence of directorship in the Company.

Code of Conduct :

The Company has a code of conduct for all its Board members and senior management personnel which is available on the website of the Company. All the Board members and senior management personnel have confirmed compliance with the code, a declaration to this effect duly signed by the Managing Director is attached and forms part of the Annual Report of the Company.

Separate Meeting of Independent Directors:

As stipulated by the Code of Independent Directors under Companies Act 2013 and the Listing Regulations, a separate meeting of the Independent Directors of the Company was held on 8th February, 2017 to review the performance of Non Independent Directors including the Chairman and the Board as whole. The Independent Directors also reviewed the quality, content and timeliness of the flow

of information between the Management and the Board and its Committees which is necessary to effectively and reasonably perform and discharge their duties.

Familiarization Programme:

The Company has taken steps to familiarize its directors including Independent Directors about the Company operations, procedures and practices, business model, industry in which the Company operates and their role and responsibilities through necessary documents, reports and internal policies. The details of such programs can be accessed from the Company's website.

3. AUDIT COMMITTEE

The constitution of Audit Committee is as per requirement of Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013.

The Audit Committee comprises of three Non-Executive Independent Directors and Mr. D.P.Maheshwari, Managing Director of the Company. Mr. R.K.Ganeriwala, President, CFO & Secretary, the Internal Auditors and Statutory Auditors are permanent invitees to the meeting.

The terms of reference of the Committee are:

1. Oversight of the Company's financial reporting process, disclosure of its financial Information, reviewing quarterly & yearly financial statements to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment of the statutory auditor and the fixation of audit and other fees.

Corporate Governance Report (Contd.)

3. Reviewing with the management the annual financial statements and auditor's report thereon before submission to the Board for approval.
4. Reviewing and monitoring the auditor's independence and performance.
5. Recommending to the Board, the appointment and remuneration of Cost Auditor.
6. Reviewing with the management, performance of internal auditors and adequacy of the internal control systems.
7. To review the functioning of the Whistle Blower Mechanism.
8. Approval or any subsequent modification of transactions of the Company with related parties.
9. To evaluate internal financial controls and risk management systems.
10. Such other functions as may be prescribed under the applicable laws and regulations.

Four Meetings of the Audit Committee were held in 2016-2017 on 3rd May, 2016; 4th August, 2016; 10th November, 2016; and 8th February, 2017.

Attendance record of the Audit Committee Meetings.

Name of Directors	No. of Meetings
Mr. S. K. Tapuriah (Chairman)	4
Mr. Subodh Kumar Agrawal (Member)	4
Mr. D. P. Maheshwari (Member)	4

4. EVALUATION OF THE BOARD'S PERFORMANCE

During the year, the Board evaluated its own performance as well as that of its Committees and individual Directors, including the Chairman of the Board. The exercise was carried out covering various aspects of the Boards functioning such as composition of the Board & committees, qualification, experience & competencies, performance of specific duties & obligations, governance issues etc. Separate exercise was carried out to evaluate the performance of Non-Independent Directors including the Board Chairman who were evaluated on parameters such

as attendance, contribution at the meetings and otherwise. The performance of Independent Directors has been evaluated based on the guidelines as provided under Schedule IV of the Act and it has been determined that their term of appointment shall be extended or continued as the case may be.

The evaluation of the Independent Directors was carried out by the entire Board except by the Director being evaluated and that of the Chairman and the Non-Independent Directors were carried out by the Independent Directors.

The directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company.

5. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee is constituted as per Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 178(1) of the Companies Act, 2013. The Nomination and Remuneration Committee comprises of three Non Executive Directors and Mr R.K. Ganeriwala, President, CFO & Secretary acts as Secretary to this Committee. The committee had met once in the year 2016-17 on 3rd May, 2016.

Attendance record of the Nomination and Remuneration Committee Meetings.

Name of Directors	No. of Meetings
Mr. B. M. Khaitan (Chairman)	1
Mr. Prashant Jhawar (Member)	-
Mr. S. K. Tapuriah (Member)	1

Terms of reference of this committee are:

- i) Determining/recommending the criteria for appointment of Executive, Non- Executive and Independent Directors to the Board.
- ii) Determining/recommending the criteria for qualification, positive attributes and Independence of Directors and recommend to the Board a policy relating to the remuneration for the directors, key managerial personnel and other employees.

Corporate Governance Report (Contd.)

- iii) Formulation of criteria for evaluation of performance of independent directors and the Board of Directors.
- iv) Identifying candidates who are qualified to become Directors and who may be appointed in Senior Management and recommending to the Board their appointment and removal.
- v) Reviewing and determining all elements of remuneration package of all Executive Directors i.e. salary, benefits etc.
- vi) Determining policy on service contract, notice period, severance fees for Directors and Senior Management.

Remuneration Policy

The Company follows a policy on remuneration of Directors and Senior Management Employees.

- i) Non Executive director shall be entitled to receive sitting fees for each meeting of the Board or Committee of the Board attended by him as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and the Companies Managerial Remuneration Rule,

2014.

- ii) Non Executive Directors shall be entitled to receive commission not exceeding 1% of the net profit of the Company as may be approved by the Board and Shareholders, subject to the profitability of the Company.
- iii) Executive Directors, Managing Director and Key Managerial Personnel (KMP) will carry out individual Performance appraisal review and recommend annual increment and performance incentive.

The Nomination and Remuneration Committee have formulated the criteria for determining qualifications, Positive attributes, and independence of a Director in line with the requirements as given under Schedule IV of the Companies Act, 2013. All the Independent Directors have been appointed based on such criteria's.

6. REMUNERATION OF DIRECTORS

The details of sitting fees paid to the Directors and salary and perks paid to the Executive Directors and Managing Director of the Company during the year 2016-2017 are given below :-

(in ₹000)

Name of Directors	Sitting Fees		Total
	Board Meeting	Committee Meeting	
Mr. B. K. Birla	20	-	20
Mr. B. M. Khaitan	20	10	30
Mr. G. P. Goenka	20	10	30
Mr. Prashant Jhawar	20	10	30
Mr. S. K. Tapuriah	80	80	160
Mr. Subodh Kumar Agrawal	80	70	150
	240	180	420

Corporate Governance Report (Contd.)

(in ₹000)

Name of Directors	Salary	Value of perquisites	Retirement Benefits	Total
Mrs. Jayashree Mohta (Vice-Chairperson)	9000	-	-	9000
Service Contract			Re-appointed for 3 years from 1st April, 2016	
Notice Period			3 months	
Mr. Vikash Kandoi (Executive Director)	3600			3600
Service Contract			Re-appointed for 3 years from 1st April, 2015	
Notice Period			3 months	
Mr. D.P.Maheshwari (Managing Director)	7500	2687	2025	12212
Service Contract			Re-appointed for 3 years from 27th June 2016.	
Notice Period			3 months	

7. STAKEHOLDER RELATIONSHIP COMMITTEE

The Stakeholder Relationship Committee is constituted as per Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 178 (5) of the Companies Act, 2013. The Stakeholder Relationship Committee comprises of three Non-Executive Independent Director and Mr. D.P.Maheshwari, Managing Director of the company, Mr. R.K.Ganeriwala, President, CFO & Secretary is the Compliance Officer of the Company. The Company had received 16 complaints from the shareholders and all of them have been resolved to the satisfaction of those shareholders. The shares are traded on the Stock Exchanges in compulsory dematerialised form. There are no pending complaints as on 31st March, 2017.

POSITION OF THE SHAREHOLDERS' COMPLAINTS RECEIVED AND REDRESSED DURING THE FINANCIAL YEAR 2016-2017.

Types of Grievances	Total Complaints received during the year 2016-2017	Total Redressed	No. of Complaints pending As on 31.03.2017
Non-receipt of Dividend Warrant	11	11	Nil
Non-receipt of ECS Intimation Letter	3	3	Nil
Non-receipt of Annual Report	2	2	Nil
Total	16	16	Nil

Two Meetings of the stakeholder relationship Committee were held in 2016-2017 on 3rd May, 2016 and 10th November, 2016.

Attendance record of the Stakeholder Relationship Committee Meetings.

Name of Directors	No. of Meetings Attended
Mr. S. K. Tapuriah (Chairman)	2
Mr. Prashant Jhawar (Member)	1
Mr. Subodh Kumar Agrawal (Member)	2
Mr. D. P. Maheshwari (Member)	2

Corporate Governance Report (Contd.)

8. WHISTLE BLOWER POLICY

In terms of provision of Section 177(9) of the Companies Act, 2013, the Company has implemented a vigilance mechanism which includes implementation of the Whistle Blower Policy. The Policy encourages Directors and employee to bring to the Company's attention, instances of unethical behavior, actual or suspected incidents of fraud or violation of the code of conduct that could adversely impact the Company's operations, business performance and/ or reputation. The Company will investigate such reported incidents in an impartial manner and take appropriate action to ensure that the requisite standards of professional

and ethical conduct are always upheld. The Policy is also posted on the website of the Company.

The main objectives of the Policy are as under:

- i) To protect the brand, reputation and assets of the Company from loss or damages resulting from suspected or confirmed incidents of fraud/ misconduct.
- ii) To provide healthy and fraud free culture
- iii) To provide guidance to the employees on reporting any suspicious activities and handling critical information and evidence.

No personnel has been denied access to the Audit Committee.

9. GENERAL BODY MEETINGS

i) a) The details of Annual General Meetings held in last three years are as under :

AGM	Year	Venue	Date	Time
Sixty Eighth	2013-2014	Kala Kunj 48, Shakespeare Sarani Kolkata - 700017	1 st August, 2014	10:30 A.M.
Sixty Ninth	2014-2015	-do-	4 th August, 2015	10:30 A.M.
Seventieth	2015-2016	-do-	5 th August, 2016	1:00 P.M.

b) Extraordinary General Meeting

The Company held an Extraordinary General Meeting on May 18, 2016, to seek approval for scheme of arrangement between the Company and its subsidiaries, as per order from the Hon'ble High Court at Calcutta.

ii) SPECIAL RESOLUTIONS PASSED IN THE LAST THREE AGMS:

a) In the Annual General Meeting on 5th August, 2016

No Special Resolution was proposed.

b) In the AGM on 4th August, 2015

Four Special Resolution were proposed and approved:

- i) Re-appointment of Mrs. Jayashree Mohta Whole-time Director designated as Vice Chairperson for a term of three years w.e.f 01.04.2016.

- ii) Re-appointment of Mr. D. P. Maheshwari Managing Director of the company for a term of three years w.e.f 27.06.2016.

- iii) To increase Borrowing Power of the Company from Rs. 500 crore to Rs. 700 crore u/s 180(1)(c) of the Companies Act, 2013

- iv) To authorize Board for Creation of Security upto a limit of Rs.700 crore u/s 180(1)(a) of the Companies Act, 2013

c) In the AGM on 1st August, 2014

Two Special Resolution were proposed and approved

- i) Payment of overall and minimum remuneration to Mrs. Jayashree Mohta, Vice Chairperson in case of absence of inadequacy of profits in any financial year for the

Corporate Governance Report (Contd.)

- remaining tenure from 01.04.2014 to 31.03.2016.
- ii) Re-appointment of Mr. Vikash Kandoi Whole-time Director under the designation "Executive Director" for a term of three years w.e.f 01.04.2015.
- iii) All the resolutions set out in the respective notices were passed by the shareholders.
- iv) Pursuant to the provisions of Section 110 of the Companies Act, 2013, read with Companies (Management and Administration) Rules, 2014, One resolution was put through Postal Ballot during the year 2016-17, as per details mentioned below:

Date of Notice of Postal Ballot	12 th April, 2016
Record Date	8 th April, 2016
e-Voting period	9:00 A.M. of 18 th April, 2016 to 5:00 P.M. of 17 th May, 2016
Special Resolution	To approve the scheme of arrangement between the Company and its subsidiaries

Result:

	Particulars of the Votes Cast		Result
	No. of votes	%	
Votes cast in favor	8453340	99.99	Approved by requisite Majority
Votes cast against	475	0.01	

The Hon'ble High Court at Calcutta had appointed Mr.Amitava Paul as the Scrutinizer for conducting the postal ballot and e-voting process in a fair and transparent manner. The result of Postal Ballot along with Scrutinizer's Report was announced on May 20, 2016 at the Registered Office of the Company.

10. DISCLOSURES

- i) There were no materially significant transactions with related parties as defined under Listing Regulations, "Related Party Transactions" entered into by the Company that may have potential conflict with the interests of the Company at large. The Register of Contracts containing the transactions in which Directors are interested is regularly placed at the Board meetings. Attention of Members is drawn to the disclosures of transactions with the related parties set out in note no. P of the Standalone Financial Statements, forming part of the Annual Report. Related Party Transaction Policy is available on the Company's website, at the web link: <http://jayshreetea.in/corporate/policy/>
- ii) The Company has followed all Accounting Standards as specified under section 133 of the Companies Act 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 while preparing Financial Statements. No deviation from the same has been made during the year.
- iii) There were no strictures or penalties imposed on the Company by Stock Exchanges or SEBI, or any statutory authority for non-compliance of any matter related to capital markets, during the last three years.
- iv) During the year ended 31st March, 2017, the Company does not have any material listed/unlisted subsidiary company as defined in Regulation 16 of the Listing Regulations. The Company has framed the policy for determining material subsidiary as required under Regulation 16 of the Listing Regulation and the same is disclosed on the Company's website. The web link is: <http://jayshreetea.in/corporate/policy/>
- v) The Company has complied with all the applicable mandatory requirements stipulated under Regulation 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Corporate Governance Report (Contd.)

11. MD/CFO CERTIFICATE

The Managing Director and President, CFO & Secretary have issued certificate pursuant to the provisions of Regulation 17(8) of the Listing Regulations certifying that the financial statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affairs. The said certificate is annexed and forms part of the Annual Report.

12. MEANS OF COMMUNICATION

Quarterly results	The results of the Company are published in the Newspapers and uploaded on the website of the Company.
Any website, where displayed	www.jayshreetea.com
Whether, it also displays official news releases ; and	Yes
The presentations made to institutional investors or the analysts	Uploaded on the website.
Newspapers in which results are normally published in	Business Standard (all India edition) Arthik Lipi (Bengali - local edition)

Corporate Governance Report (Contd.)

SHAREHOLDERS' INFORMATION

1. ANNUAL GENERAL MEETING

Date and time	: 31 st July, 2017 at 10:30 A.M.
Venue	: Kala Kunj 48, Shakespeare Sarani Kolkata-700017

2. FINANCIAL CALENDER (Tentative)

Financial Year	: April to March
Financial Reporting for the Quarter Ending June 30, 2017	: By 14 th September, 2017
September 30, 2017	: By 14 th December, 2017
December 31, 2017	: By 14 th February, 2018
Audited Yearly Results for the Year Ended 31st March, 2018	: By 30 th May, 2018

3. DATE OF BOOK CLOSURE : 24th July, 2017 to 31st July, 2017 (both days inclusive)

4. DIVIDEND PAYMENT DATE : By 2nd week of August, 2017(after declaration at AGM)

5. LISTING ON STOCK EXCHANGES : The Calcutta Stock Exchange Association Ltd. (CSE)
7, Lyons Range
Kolkata-700001
BSE Limited (BSE)
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai-400 001
National Stock Exchange of India Limited (NSE)
"Exchange Plaza"
Bandra-Kurla Complex,
Bandra(E), Mumbai 400 051

The Company has paid listing fee for 2016-17.

6. STOCK CODE

Name of the Stock Exchange

Stock Code

The Calcutta Stock Exchange Ltd.	10000036
Bombay Stock Exchange Ltd.	509715
The National Stock Exchange of India Ltd.	JAYSRETEA
ISIN Number for NSDL & CDSL	INE364A01020

7. STOCK MARKET DATA

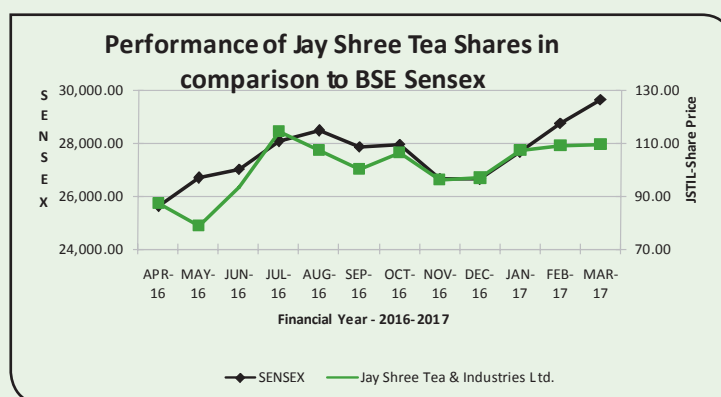
The details of monthly high, low and close price of the shares on Bombay Stock Exchange Ltd. and The National Stock Exchange of India Ltd., where the Company's shares are most frequently traded throughout the last financial year are as under :

Corporate Governance Report (Contd.)

(In ₹ 5/- Per Share)

Month	Bombay Stock Exchange (BSE)			National Stock Exchange (NSE)		
	High	Low	Close	High	Low	Close
Apr - 2016	97.65	81.50	87.30	97.45	81.50	87.50
May - 2016	93.55	78.40	78.65	93.70	78.00	78.75
Jun - 2016	103.40	76.15	93.40	103.50	77.05	93.60
Jul - 2016	121.50	93.65	114.30	121.35	93.55	114.25
Aug - 2016	116.65	99.10	107.30	116.95	99.05	107.70
Sept - 2016	111.00	96.00	100.20	111.00	96.20	100.30
Oct - 2016	111.50	101.00	106.30	111.50	101.00	106.25
Nov - 2016	110.50	85.35	96.00	110.40	85.10	96.00
Dec - 2016	101.00	90.50	96.75	100.90	89.40	96.50
Jan - 2017	115.70	95.40	107.15	115.50	95.05	106.50
Feb - 2017	117.85	102.20	108.85	117.80	102.60	108.55
Mar - 2017	119.30	107.35	109.30	119.45	106.95	109.65

8. STOCK PERFORMANCE



9. REGISTRAR & TRANSFER AGENTS

Maheshwari Datamatics Pvt. Ltd.
 23, R.N. Mukherjee Road, 5th Floor, Kolkata-700001
 Ph.: (033) 2248-2248, Fax: (033) 2248-4787
 E-mail: mdpldc@yahoo.com

10. SHARE TRANSFER SYSTEM

The shares received for transfer in physical mode, if in order in all respects are registered and returned within 2 weeks from the date of lodgment.

Corporate Governance Report (Contd.)

11. DISTRIBUTION OF SHAREHOLDING

The shareholding distribution of equity shares of face value of ₹ 5/- per share as on 31st March, 2017 is given below:

No. of Shares held	No. of Shareholder	% Shareholders	No. of Shares	% of Shareholdings
1 to 500	17527	87.15	2086954	7.23
501 to 1000	1208	6.01	968271	3.36
1001 to 2000	681	3.39	1037335	3.59
2001 to 3000	208	1.03	536560	1.86
3001 to 4000	117	0.58	416624	1.44
4001 to 5000	94	0.47	433894	1.50
5001 to 10000	134	0.66	959172	3.32
10001 & Above	142	0.71	22438678	77.70
	20111	100.00	28877488	100.00

12. SHARE HOLDING PATTERN AS ON 31st MARCH, 2017

Category	No. of Shareholders	% of Shareholders	No. of Shares held	% of Share holding
Promoters & Promoters Group	16	0.08	16276678	56.36
Financial Institutions, Banks & Mutual Funds	31	0.15	604406	2.09
Foreign Institutional Investors & FPI-Corporate	3	0.01	1480000	5.13
Private Body Corporates	562	2.79	1904272	6.60
NRI / OCB/Foreign National	307	1.53	379205	1.31
Trust	1	0.01	606920	2.10
Individuals	19191	95.43	7626007	26.41
TOTAL	20111	100.00	28877488	100.00

13. DEMATERIALISATION OF SHARES AND LIQUIDITY

About 97.39% of the total equity share capital is held in demat form with NSDL & CDSL as on 31st March, 2017

14. OUTSTANDING GDRs/ADRs/WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY

None

15. COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES

The Company is dealing with agro base commodity tea and hence is subjected to price risk relating to commodity price risk. The Company do not engage itself in commodity hedging activities. It is hedging foreign exchange exposures from time to time.

16. LOCATION OF COMPANY'S UNITS

As given on the inside of back cover of the Annual Report.

17. INVESTORS CORRESPONDENCE

Mr. R. K. Ganeriwala
President, CFO & Secretary
 Jay Shree Tea & Industries Ltd.
 "Industry House", 10, Camac Street, Kolkata - 700 017
 Phone : (033) 2282-7531/4 (4 lines), Fax : (033) 2282-7535
 E-mail : rkg@jayshreetea.com / shares@jayshreetea.com
 Website : www.jayshreetea.com

Corporate Governance Report (Contd.)

DECLARATION REGARDING CODE OF CONDUCT

The Company has a Code of Conduct (Code) for all the members of the Board and Senior Management Personnel of the Company. The said "Code" has been circulated to the members of the Board and Senior Management Personnel, who have confirmed compliance of the same for the year ended 31st March, 2017. The said "Code" is also been posted on www.jayshreetea.com, the website of the Company. Based on the above, it is hereby declared that the Code has been complied with by all.

For **Jay Shree Tea & Industries Limited**

D. P. MAHESHWARI
Managing Director
(DIN: 02203749)

Kolkata, the 8th Day of May, 2017

MD/CFO CERTIFICATE

To,
The Board of Directors,
Jay Shree Tea & Industries Limited

- a) We have reviewed the financial statements and the Cash Flow Statement for the year ended 31st March 2017 duly audited by Joint Auditors M/s. Singhi & Co. and M/s. Jitendra K. Agarwal & Associates, Chartered Accountants, Kolkata and that to the best of our knowledge and belief;
 - I. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - II. These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) To the best of our knowledge and belief, no transactions entered into by the Company during the year could be considered as fraudulent, illegal or violative of the Company's Code of Conduct.
- c) We do accept the responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the company and we have disclosed to the Auditors and that the Audit Committee deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit committee :
 - i) Significant changes, if any, in the internal control over financial reporting during the year
 - ii) Significant changes, if any, in accounting policies made during the year and that the same have been disclosed in the notes to the financial statement; and
 - iii) Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

R. K. Ganeriwala
President, CFO & Secretary

D. P. Maheshwari
Managing Director
(DIN: 02203749)

Kolkata, the 8th Day of May, 2017

Corporate Governance Report (Contd.)**AUDITORS' CERTIFICATE REGARDING COMPLIANCE
OF CONDITIONS OF CORPORATE GOVERNANCE**

To the Members of
Jay Shree Tea & Industries Limited

We have examined the compliance of conditions of Corporate Governance of M/s Jay Shree Tea & Industries Limited ('the Company'), for the year ended 31st March 2017, as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred to in Regulation 15 (2) of the Listing Regulations for the period 1st April 2016 to 31st March 2017.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of the Corporate Governance as stipulated in the SEBI Listing Regulations, 2015.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **SINGHI & CO.**
Chartered Accountants
Firm's Registration No. 302049E

Aditya Singhi
Partner
Membership No. 305161
Place : Kolkata
8th day of May, 2017

For **JITENDRA K AGARWAL & ASSOCIATES**
Chartered Accountants
Firm Registration No. 318086E

Abhishek Mohta
Partner
Membership No. 066653
Place : Kolkata
8th day of May, 2017

Statement pursuant to Section 129 of Companies Act, 2013

Statement containing salient features of the financial statement of subsidiaries/
associate companies/joint ventures for the year ended 31.03.2017

PART "A": SUBSIDIARIES

(₹ in Lakh)

Sl. No.	1	2	3	4
Name of the subsidiary	Majhulia Sugar Industries Pvt. Ltd.	North Tukvar Tea Co. Ltd.	Jayantika Investment & Finance Ltd. (Formerly Parvati Tea Co. Ltd.)	Birla Holdings Ltd.
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A.	N.A.	N.A.	N.A.
Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	N.A.	N.A.	N.A.	USD / INR = 64.8950 USH / INR = 0.01799
Share Capital	313.50	240.38	329.50	1.80
Reserves & Surplus	4216.98	(300.27)	10476.47	691.09
Total Assets	26811.04	357.71	11834.63	3653.25
Total Liabilities (excluding Capital & Reserves)	22280.56	417.60	1028.66	2960.36
Investments	20.00	79.17	10495.84	1008.39
Turnover	15926.12	-	161.81	2498.50
Profit/(Loss) before taxation	1117.45	(6.13)	90.82	718.45
Provision for taxation	369.24	-	7.18	(9.18)
Profit/(Loss) after taxation	748.21	(6.13)	83.64	727.63
Proposed Dividend	-	-	1.50	-
% of shareholding	100%	90.50%	100%	100%

PART "B": ASSOCIATES AND JOINT VENTURES

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

Name of Associates / Joint Ventures**Tea Group Investment Co. Ltd. (Joint Venture)**

1. Latest Audited Balance Sheet Date	31.12.2016
2. Shares of Joint Venture held by the Company at the year end	744600 Shares of AED 1 each
Amount of Investment in Joint Venture	51.95
Extent of Holding %	50%
3. Description of how there is significant influence	N.A.
4. Reason why the Associate / Joint Venture is not consolidated	N.A.
5. Net Worth attributable to Shareholding as per Latest Audited Balance Sheet	2705.77
6. Profit / (Loss) for the year	
i) Considered in Consolidation	364.27
ii) Not Considered in Consolidation	N.A.

Notes:

1. Names of subsidiaries/associates/joint ventures which are yet to commence operations.	NIL
2. Names of subsidiaries/associates/joint ventures which have been liquidated or sold during the year.	NIL

R. K. Ganeriwala
(President, CFO & Secretary)

For and on behalf of the Board of Directors
D. P. Maheshwari
(Managing Director)
(DIN: 02203749)
Jayashree Mohta
(Vice Chairperson)
(DIN: 01034912)

Kolkata, the 8th day of May, 2017

Financial Highlights for five years

	(₹ in Lakh)				
	2016-17	2015-16	2014-15	2013-14	2012-13
A Assets Owned by the Company					
1 Non Current Assets					
a) Fixed Assets :					
Gross Block	33639.70	47505.23	46323.85	45706.19	41807.04
(Incl.Capital Work in Progress)					
Less:Accumulated Depreciation /Amortisation	13702.86	14914.25	13751.38	13391.46	12158.50
Net Block	19936.84	32590.98	32572.47	32314.73	29648.54
b) Non-Current Investments	23350.85	22974.34	22940.12	24693.08	22483.61
c) Long term Loans & Advances	1660.24	1892.25	2213.64	2460.45	2369.84
d) Other Non-Current Assets	5.52	4.64	6.32	1408.55	8.30
2 Current Assets					
a) Current Investments	1247.52	1849.99	937.35	25.00	1794.84
b) Inventories	9465.25	22516.84	24265.11	23624.80	24788.02
c) Trade Receivable	10066.22	8230.16	8399.92	7446.60	8086.04
d) Cash and Bank Balance	2655.41	3131.57	8883.96	12122.96	6339.60
e) Short Term Loans and Advances	2168.56	2024.85	1789.58	2574.37	3825.04
f) Other Current Assets	1805.88	3042.47	3071.01	3330.07	2104.24
Total Assets	72362.29	98258.09	105079.48	110000.61	101448.07
B Dues to be paid by the Company					
1 Non Current Liabilities					
a) Long Term Borrowings	12664.58	13836.74	13029.11	15683.92	7272.89
b) Deferred Tax Liabilities / (Assets) (Net)	(477.34)	414.88	369.07	1081.23	1312.49
c) Other Long Term Liabilities	114.46	251.30	166.42	121.78	123.27
d) Long Term Provisions	641.25	582.30	546.85	507.87	495.73
2 Current Liabilities					
a) Short Term Borrowings	18775.67	16813.43	24288.23	32638.60	27424.97
b) Trade Payables	4040.77	17141.17	17360.63	13153.92	12224.35
c) Other Current Liabilities	8960.30	11062.64	9335.25	4450.90	10140.94
d) Short Term Provisions	3187.89	3310.01	2916.59	2846.16	3318.59
Total Liabilities	47907.58	63412.47	68012.15	70484.38	62313.23
C Company's Net Worth	24454.71	34845.62	37067.33	39516.23	39134.84
D Equity Shareholders' Fund					
Represented By:					
a) Share Capital	1443.87	1443.87	1443.87	1443.87	1443.87
b) Share Suspense	-	-	-	-	-
c) Reserves & Surplus	23010.84	33401.75	35623.46	38072.36	37690.97
	24454.71	34845.62	37067.33	39516.23	39134.84
Net Worth per Equity Share of ₹ 5/- each (in ₹)	84.68	120.67	128.36	136.84	135.52
Dividend per Equity Share of ₹ 5/- each (in ₹)	-	1.00	1.00	2.00	4.00

Figures for previous years have been regrouped/rearranged

Financial Highlights for five years (Contd.)

	(₹ in Lakh)				
	2016-17	2015-16	2014-15	2013-14	2012-13
A INCOME:					
1 Revenue from Operation (Net)	54074.17	69601.99	68471.34	69951.41	66947.34
2 Other Income	1541.90	1841.76	1474.23	4003.02	1481.05
TOTAL INCOME :	55616.07	71443.75	69945.57	73954.43	68428.39
B EXPENDITURE :					
1 (Increase)/Decrease in stock	44.44	1535.32	(673.79)	920.71	(3804.39)
2 Purchases	6843.98	7027.14	5937.31	8985.98	7865.60
3 Raw Materials Consumed	7960.82	19873.11	24643.95	22176.75	22549.27
4 Employees Cost	21858.05	21485.51	18710.83	17299.06	16484.00
5 Consumption of Stores & Spare Parts	3448.77	4023.27	4457.01	4132.87	3816.75
6 Power & Fuel	4090.30	4086.24	4196.70	4075.44	3680.29
7 Manufacturing & Other Miscellaneous Exp.	4327.52	5361.42	5843.02	7000.30	5579.95
8 Selling & Distribution Expenses	3906.00	3965.42	3657.63	3429.22	3132.78
9 Depreciation/Amortisation	1432.71	1638.26	1359.22	1517.63	1310.11
10 Interest (Net)	2850.33	4075.20	3929.41	4203.34	2509.82
TOTAL EXPENDITURE	56762.92	73070.89	72061.29	73741.30	63124.18
Profit/(Loss) before Taxation	(1146.85)	(1627.14)	(2115.72)	213.13	5304.21
Provision for Taxation-Current Tax	-	110.00	200.00	110.00	960.00
MAT Credit Entitlement	-	133.41	173.07	-	(45.65)
Tax Adjustment for earlier years	(7.43)	-	(16.82)	-	4.07
Provision for Taxation-Deferred Tax	405.51	45.81	(569.63)	(231.26)	379.05
Profit/(Loss) after Taxation	(1544.93)	(1916.36)	(1902.34)	334.39	4006.74
Balance B/F from previous year	1988.29	4210.00	6347.46	6527.47	5949.52
Balance available for appropriation	443.36	2293.64	4445.12	6861.86	9956.26
C APPROPRIATION :					
1 General Reserve	-	-	-	50.00	2500.00
2 Proposed Equity Dividend	-	282.71	217.42	434.84	869.67
3 Tax on Dividend (incl. surcharge on dividend)	-	23.02	17.70	29.56	59.12
4 Dividend Tax related to earlier years	(0.13)	(0.38)	-	-	-
5 Balance carried to Balance Sheet	443.49	1988.29	4210.00	6347.46	6527.47
	443.36	2293.64	4445.12	6861.86	9956.26

Figures for previous years have been regrouped/rearranged

Independent Auditors' Report

To The Members of
Jay Shree Tea & Industries Limited

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying standalone financial statements of **Jay Shree Tea & Industries 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, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

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

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

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

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

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

OPINION

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

EMPHASIS OF MATTER

We draw attention to the following matters in the Notes to the financial statements:

- i) Refer Note No. 2.28.D.ii regarding carry forward of minimum alternate tax (MAT) credit entitlement of ₹ 113.41 Lakh based on future taxable income projected by the company.
- ii) Refer Note No. 2.28.F.ii regarding non-provision for diminution in value of investment of a subsidiary company amounting to ₹ 506.20 lakh and non-provision for security deposits given to such subsidiary amounting to ₹ 251.00 lakh.

Our opinion is not modified in respect of these matters.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") 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

Independent Auditors' Report (Contd.)

- the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e. The matters described in the 'Emphasis of Matter' paragraph above, in our opinion, may not 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
 - 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 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – refer note 2. 28 (A)&(D) (i) to the financial statements;
 - ii. The Company did not have any material foreseeable losses on long term contracts including derivative contracts;
 - iii. There is no delay in transferring any amounts to the investor Education and Protection Fund by the company during the year.
 - iv. The Company has provided requisite disclosures in the financial statement as to holdings as well as dealing in the Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedure and relying on the management representation we report that the disclosures are in accordance with books of accounts maintained by the company and as produced to us by the management - Refer Note No. 2.28.V.

For **SINGHI & CO.**

Chartered Accountants

(Firm Registration No. 302049E)

Aditya Singhi

Partner

(Membership No. 305161)

Place : Kolkata

Dated, the 8th day of May, 2017

For **JITENDRA K AGARWAL & ASSOCIATES**

Chartered Accountants

(Firm Registration No. 318086E)

Abhishek Mohta

Partner

(Membership No. 066653)

Annexure - A to the Independent Auditors' Report

The Annexure referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our Independent Auditor's Report of even date in respect to statutory audit of Jay Shree Tea & Industries Limited for the year ended 31st March 2017, we report that:

- I. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) According to the information and explanation given to us, based on a phased manner, the fixed assets of the Company have been physically verified by the management and no material discrepancies have been noticed during the year. In our opinion, the frequency of such verification is reasonable.
- (c) According to information and explanation given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties as shown in note no. 2.10 of the financial statements are held in the name of the Company except for (a) 5 (five) leases of Tea Plantation & Buildings there at having a gross carrying value of ₹ 3936.74 lakh (Net carrying amount ₹ 3794.69 lakh) which is under renewal (b) 3 (three) cases of freehold land & 2 (two) cases of buildings with carrying value of ₹ 120.59 lakh (Net carrying amount ₹ 114.31 lakh), titles for which is pending registration. Land revenue/tax are being paid regularly to the concerned authorities in all cases.
- II. According to the information and explanation given to us, the inventory has been physically verified by the management at reasonable intervals during the year. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- III. The company has granted unsecured loan to a company covered in the register maintained under section 189 of the Companies Act, 2013.
 - (a) In our opinion, the rate of interest and other terms and conditions on which the loan has been granted to such company were, prima facie, not prejudicial to the interest of the Company.
 - (b) The loan and interest thereon is repayable on demand. In view of negative net-worth of the borrower company, we have drawn on emphasis of matter in respect of such advance in our main audit report.
- IV. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans, investments and guarantees made.
- V. The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Companies Act 2013 and the rules framed there under.
- VI. The Central Government has prescribed maintenance of cost records under section 148 (1) of the Companies Act relating to plantation, chemical units of the Company. We have broadly reviewed such accounts and records and are of the opinion that prima facie, the prescribed accounts & records have been made and maintained but no detailed examination of such records and accounts have been carried out by us.
- VII. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company is generally been 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 other material statutory dues during the year by the Company with the appropriate authorities and no such dues were in arrears, as at 31st March, 2017 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and the records of the Company examined by us, the dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax and cess as at 31st March, 2017 which have not been deposited on account of dispute and the forum where the disputes are pending are as under:

Statute	Nature of dues	Forum where dispute is pending	Amount involved (₹ in lakh)	Period to which it relates
The Income Tax Act, 1961	Income tax	Commissioner of Income Tax (Appeals)	112.70	Assessment Year 2005-06 to 2013-14
The Central Sales Tax Act, 1956	C.S.T	Hon'ble High Court	1.56	2006-07

Annexure - A to the Independent Auditors' Report (Contd.)

Statute	Nature of dues	Forum where dispute is pending	Amount involved (₹ in lakh)	Period to which it relates
W.B. Value Added Tax Act, 2003/ The Central Sales Tax Act, 1956	Sales Tax/ C.S.T	West Bengal Appellate & Revisional Board	682.16	2005-06, 2006-07, 2007-08, 2009-10, 2010-11, 2011-12, 2012-13, 2013-14.
W.B. Value Added Tax Act, 2003/ The Central Sales Tax Act, 1956	Sales Tax/ C.S.T	DC Commercial Taxes and Assistant Commissioner of Sales Tax	0.73	1999-00 and 2001-02
W.B. Value Added Tax Act, 2003	Sales Tax	W.B. Taxation Tribunal	46.11	2003-04, 2005-06 and 2007-08
The Central Excise Act, 1944	Excise Duty	CESTAT, Kolkata	50.05	2004-05
The West Bengal Tax on Entry of Goods into Local Areas Act, 2012	Entry Tax	Calcutta High Court	110.78	2013-14, 2014-15, 2015-16 and 2016-17

VIII. Based on our audit procedures and on the basis of information and explanations given by the management, the company has not defaulted in repayment to dues to financial institutions and banks during the year.

IX. Based on information and explanations given to us and records of the Company examined by us, in our opinion, the term loans have been applied for the purpose for which they were obtained.

X. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

XI. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

XII. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

XIII. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

XIV. According to the information and explanations given to us and based on our examination of the records of the Company, the Company did not make any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

XV. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

XVI. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **SINGHI & CO.**
Chartered Accountants
(Firm Registration No. 302049E)

Aditya Singhi
Partner
(Membership No. 305161)

Place : Kolkata
Dated, the 8th day of May, 2017

For **JITENDRA K AGARWAL & ASSOCIATES**
Chartered Accountants
(Firm Registration No. 318086E)

Abhishek Mohhta
Partner
(Membership No. 066653)

Annexure - B to the Independent Auditors' Report

The Annexure referred to in paragraph 2 (g) under the heading "Report on Other Legal and Regulatory Requirements" of our Independent Auditors' Report of even date in respect to the internal financial control under clause (i) of sub-section 3 of section 143 of the Act of **Jay Shree Tea & Industries Limited** for the year ended 31st March 2017, we report that:

We have audited the internal financial controls over financial reporting of **Jay Shree Tea & Industries 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 CONTROLS

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

AUDITOR'S RESPONSIBILITY

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

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

Annexure - B to the Independent Auditors' Report (Contd.)

internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, the Company has, in all material respects,

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

For **SINGHI & CO.**

Chartered Accountants

(Firm Registration No. 302049E)

Aditya Singhi

Partner

(Membership No. 305161)

Place : Kolkata

Dated, the 8th day of May, 2017

For **JITENDRA K AGARWAL & ASSOCIATES**

Chartered Accountants

(Firm Registration No. 318086E)

Abhishek Mohta

Partner

(Membership No. 066653)

Balance Sheet as at 31st March 2017

(₹ in lakh)

	Note	As at 31st March 2017		As at 31st March 2016	
EQUITY AND LIABILITIES					
SHAREHOLDERS' FUNDS					
Share Capital	2.1	1443.87		1443.87	
Reserves and Surplus	2.2	23010.84	24454.71	33401.75	34845.62
NON-CURRENT LIABILITIES					
Long-Term Borrowings	2.3	12664.58		13836.74	
Deferred Tax Liabilities (Net)	2.4	-		414.88	
Other Long-Term Liabilities	2.5	114.46		251.30	
Long-Term Provisions	2.6	641.25	13420.29	582.30	15085.22
CURRENT LIABILITIES					
Short-Term Borrowings	2.7	18775.67		16813.43	
Trade Payables					
Total outstanding dues of Micro Enterprises and Small Enterprises	2.8	-		-	
Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	2.8	4040.77		17141.17	
Other Current Liabilities	2.9	8960.30		11062.64	
Short-Term Provisions	2.6	3187.89	34964.63	3310.01	48327.25
TOTAL			72839.63		98258.09
ASSETS					
NON-CURRENT ASSETS					
Fixed Assets					
Tangible Assets	2.10	18989.76		32169.10	
Capital Work-In-Progress	2.10	947.08	19936.84	421.88	32590.98
Non-Current Investments	2.11	23350.85		22974.34	
Deferred Tax Assets (Net)	2.4	477.34		-	
Long-Term Loans and Advances	2.12	1660.24		1892.25	
Other Non-Current Assets	2.13	5.52	25493.95	4.64	24871.23
CURRENT ASSETS					
Current Investments	2.14	1247.52		1849.99	
Inventories	2.15	9465.25		22516.84	
Trade Receivables	2.16	10066.22		8230.16	
Cash and Bank Balances	2.17	2655.41		3131.57	
Short-Term Loans and Advances	2.12	2168.56		2024.85	
Other Current Assets	2.13	1805.88	27408.84	3042.47	40795.88
TOTAL			72839.63		98258.09

Significant Accounting Policies

1

The Notes are an integral part of the Financial Statements

As per our report of even date annexed
For **SINGHI & CO.**

Chartered Accountants

(Firm Registration No.302049E)

Aditya Singhi

Partner

(Membership No.305161)

161, Sarat Bose Road, Kolkata - 700 026

Dated, the 8th day of May 2017

As per our report of even date annexed

For **JITENDRA K AGARWAL & ASSOCIATES**

Chartered Accountants

(Firm Registration No.318086E)

Abhishek Mohta

Partner

(Membership No.066653)

110/F Netaji Subhas Chandra Bose Road

Kolkata - 700 040

For and on behalf of the Board of Directors

Jayashree Mohta

(Vice Chairperson)

(DIN: 01034912)

D. P. Maheshwari

(Managing Director)

(DIN: 02203749)

R. K. Ganeriwala

(President, CFO & Secretary)

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

(₹ in lakh)

	Note	For the year ended 31st March 2017	For the year ended 31st March 2016
INCOME			
Revenue from Operations (Gross)	2.18	54349.96	70504.64
Less: Excise duty		275.79	902.65
Revenue from Operations (Net)		54074.17	69601.99
Other Income	2.19	2293.54	2,372.41
Total Revenue		56367.71	71974.40
EXPENSES			
Cost of Materials Consumed	2.20	7960.82	19873.11
Purchases of Stock-in-trade	2.21	6843.98	7027.14
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-trade	2.22	44.44	1535.32
Employee Benefits Expense	2.23	21858.05	21485.51
Finance Costs	2.24	3601.97	4605.85
Depreciation and Amortization Expense	2.25	1432.71	1638.26
Other Expenses	2.26	15772.59	17436.35
Total Expenses		57514.56	73601.54
Profit/(Loss) before Tax		(1146.85)	(1627.14)
Tax Expense:	2.27		
Current Tax		(7.43)	243.41
Deferred Tax		405.51	45.81
Profit/(Loss) for the year		(1544.93)	(1916.36)
Basic & Diluted Earnings Per Share (nominal value ₹ 5/-) (in ₹) (Refer Note.2.28.S)		(5.35)	(6.63)

Significant Accounting Policies

1

The Notes are an integral part of the Financial Statements

As per our report of even date annexed
For **SINGHI & CO.**

Chartered Accountants

(Firm Registration No.302049E)

Aditya Singhi

Partner

(Membership No.305161)

161, Sarat Bose Road, Kolkata - 700 026

Dated, the 8th day of May 2017

As per our report of even date annexed

For **JITENDRA K AGARWAL & ASSOCIATES**

Chartered Accountants

(Firm Registration No.318086E)

Abhishek Mohta

Partner

(Membership No.066653)

110/F Netaji Subhas Chandra Bose Road

Kolkata - 700 040

For and on behalf of the Board of Directors

Jayashree Mohta

(Vice Chairperson)

(DIN: 01034912)

D. P. Maheshwari

(Managing Director)

(DIN: 02203749)

R. K. Ganeriwala

(President, CFO & Secretary)

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

(₹ in lakh)

	2016-17		2015-16	
A. CASH FLOW FROM OPERATING ACTIVITIES :				
Net Profit/ (Loss) before tax and extraordinary items	(1146.85)		(1627.14)	
Adjustments for -				
Depreciation/Amortisation Expenses	1432.71		1639.08	
Dividend income	(79.59)		(84.31)	
Finance Costs	3601.97		4605.84	
Forward Contract Charges	8.38		-	
Interest Income	(751.64)		(530.65)	
(Profit) / Loss on sale of Fixed Assets (net)	(24.02)		(404.53)	
Excess Liabilities & Unclaimed Balances written back	(38.24)		(210.04)	
Excess / Short Provisions related to earlier year (net)	(51.93)		(159.16)	
Loans, Advances, investment & claims written off (net)	0.77		22.50	
Provisions for Doubtful debts & Advances	20.60		21.27	
Net (Gain) / Loss on sale of Investment	(949.07)		(242.52)	
Net Loss / (Gain) on foreign currency transactions and translations	(229.32)		(395.04)	
Operating profit before working capital changes	1793.77		2635.30	
Adjustments for -				
Trade Receivables and Loans & Advances	(1893.39)		259.32	
Inventories	447.50		1748.27	
Trade payables, Other liabilities & Provisions	1294.58		1081.30	
Cash generated from / (used in) operations	1642.46		5724.19	
Direct taxes (paid) / refund ^	325.53		(133.59)	
Exchange difference realised (net)	234.86		305.65	
Net cash from / (used in) operating activities		2202.85		5896.25
B. CASH FLOW FROM INVESTING ACTIVITIES :				
Purchase of/advance for Fixed Assets/Capital Work In Progress	(2697.68)		(2034.25)	
Sale of Fixed Assets/ Investment Property	113.54		2455.89	
Receipt of capital subsidy	-		47.17	
(Investment) / Redemption in subsidiaries	(150.00)		499.00	
Loans & Advances to Subsidiaries and Joint Venture (net)	(705.95)		(397.51)	
(Purchase) / sale of long term investments (net)	799.58		(2504.02)	
(Investment) / Maturity of Bank Fixed Deposits	(1.95)		(1406.98)	
Interest received	918.43		387.87	
Dividend Income	79.59		84.31	
Net cash from / (used in) investing activities		(1644.44)		(2868.52)

Cash Flow Statement for the year ended 31st March 2017 (Contd.)

(₹ in lakh)

	2016-17	2015-16
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from long term borrowings	9500.00	8347.00
Repayments of long term borrowings	(7539.38)	(6254.81)
Proceeds from short term borrowings (net)	1902.16	(7474.80)
Proceeds from short term borrowings from a Subsidiary (net)	60.08	-
Dividend including dividend tax paid	(305.60)	(234.74)
Interest paid	(4068.65)	(4590.54)
Forward Contract Charges for Borrowings	(8.38)	19.56
Net cash from / (used in) financing activities	(459.77)	(10188.33)
Net increase / (decrease) in cash and cash equivalent (A+B+C)	98.64	(7160.60)
Cash and cash equivalents as at 01.04.2016	# 525.72	8259.62
Cash and cash equivalents as at 31.03.2017 \$	624.36	1099.02
	98.64	(7160.60)

^Although investing activities attract tax on income arising out of these activities, for the purpose of the Cash Flow entire tax refund and tax payment has been considered as part of operating activities only.

Net of 573.30 being opening balance with sugar division transferred to subsidiary company due to demerger of sugar division w.e.f. 01.04.2016 (Refer Note 2.28 J)

\$ Cash and cash equivalent consist of :-

Cash & Cash Equivalents *

	As at 31.03.2017	As at 31.03.2016
Cash, cheques, drafts on hand etc.	307.21	220.74
Balance and Fixed deposits with Banks	317.15	878.28
Total	624.36	1099.02

The aforesaid statement is prepared on indirect method.

* Does not include any amount of significant cash & cash equivalent which are not available for use.

The figures of the previous year have been reclassified to conform to current year classification.

As per our report of even date annexed

For **SINGHI & CO.**

Chartered Accountants

(Firm Registration No.302049E)

Aditya Singhi

Partner

(Membership No.305161)

161, Sarat Bose Road, Kolkata - 700 026

Dated, the 8th day of May 2017

As per our report of even date annexed

For **JITENDRA K AGARWAL & ASSOCIATES**

Chartered Accountants

(Firm Registration No.318086E)

Abhishek Mohta

Partner

(Membership No.066653)

110/F Netaji Subhas Chandra Bose Road

Kolkata - 700 040

For and on behalf of the Board of Directors

Jayashree Mohta

(Vice Chairperson)

(DIN: 01034912)

D. P. Maheshwari

(Managing Director)

(DIN: 02203749)

R. K. Ganeriwala

(President, CFO & Secretary)

Notes to Financial Statements for the year ended 31st March 2017

1. SIGNIFICANT ACCOUNTING POLICIES

i. Convention

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

ii. Use of Estimates

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

iii. Basis of Accounting

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

iv. Change in Accounting Policy

a) Accounting for Proposed Dividend

As per the requirements of AS-4 (Revised with effective from 1st April, 2016) on "Contingencies and events occurring after the Balance Sheet date" proposed final dividend including distribution tax are recognised as liability in the period in which they are approved by the shareholders in the General Meeting unlike requirement of recognising the same as liability in the period to which it relates. Had the Company continued with its current practice, surplus in the statement of Profit and Loss would have been lower ₹ 156.14 lakh with a corresponding increase in the provision.

b) Bearer Plant Accounting

As per the requirement of AS - 10 (Revised with effective from 1st April, 2016) on

"Property, Plant & Equipment", expenditure incurred on "Bearer Plants" have been capitalised was hitherto charged to statement of Profit and Loss in case of existing area of cultivation. The impact of change in Accounting Policy has been given in Note No. 2.10.4.

v. Recognition of Revenue & Expenses

- a) All revenue and expenses are accounted for on accrual basis except as otherwise stated.
- b) Sales are net of returns, Sales Tax/VAT and trade discount.

vi. Government Grants

- a) Government grants available to the company are considered for inclusion in accounts where there is reasonable assurance that the company will comply with the conditions attached to them and where such benefits have been earned by the company and it is reasonably certain that the ultimate collection will be made.
- b) Government Grants related to specific assets are adjusted with value of fixed assets.
- c) Government Grants in the nature of Promoter's Contribution towards fixed assets are credited to Capital Reserve.
- d) Government Grant related to revenue items are adjusted with the related expenditure/ taken in income.

vii. Property, Plant and Equipment & Depreciation

A. Tangible Fixed Assets

- a) Tangible Fixed assets are stated at cost less accumulated depreciation and accumulated impairment loss, if any.
- b) Bearer Plants which is used in the production or supply of Agriculture produce and expected to bear produce for more than a period of twelve months are capitalized as a part of Property, Plant & Equipment. The cost of Bearer Plant includes uprooting cost, replantation cost and upkeep expenses of young bearer plants.

Notes to Financial Statements for the year ended 31st March 2017 (Contd.)

c) Depreciation on tangible fixed assets other than land is provided on the "Straight Line Method" at the rates determined based on useful lives of respective assets as prescribed in the Schedule II of the Companies Act, 2013 except (d) and (e) below.

d) In case of asset "Plucking/Pruning/Power Spraying Machines", depreciation is provided on Straight Line Method at the rates determined considering the useful lives of 5 years which is based on internal assessment and the management believes that the useful lives as considered above best represent the period over which the respective assets shall be expected in use.

e) Depreciation on Bearer Plants is provided on "Straight Line Basis" at the rates determined considering useful lives of tea bushes of 45-70 years. The Residual Value in case of Bearer Plants has been considered as 1% of Original Cost.

f) Leasehold Land (Others) is amortized over the period of lease.

B. Intangible Fixed Assets

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

C. Capital Work in Progress

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

D. Intangible assets under development

Intangible assets under development is stated at cost which includes expenses incurred during development period and all

other expenses incurred in connection with development of Intangible Assets in so far as such expenses relate to the period prior to the getting the assets ready for use.

viii. Impairment of Assets

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

ix. Leases

For assets acquired under operating lease, rental payable are recognised as an expense in the statement of profit and loss. Assets acquired under finance lease are capitalized at lower of the fair value and the present value of minimum lease payment. Lease income from operating leases is recognised in the statement of profit and loss over the period of lease.

x. Investments

a) Investments which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. The portion of long term investments expected to be realized within twelve months after the reporting date are disclosed under current investments.

b) On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees & duties.

c) Long-Term Investments are stated at cost. Provision for diminution is made if the decline in value, in the opinion of the management, is other than temporary.

d) Current Investments, other than the portion of long term investments disclosed under current investments, are stated at lower of cost or fair value.

Notes to Financial Statements for the year ended 31st March 2017 (Contd.)

xi. **Inventories**

Inventories are valued at cost or net realizable value whichever is lower. Cost is determined on weighted average/FIFO basis. Cost comprises expenditure incurred in the normal course of business in bringing such inventories to their present location and condition and includes appropriate overheads. Provision is made for obsolete and slow moving stocks, wherever necessary.

Net realizable value is the estimated selling prices in the ordinary course of business less estimated cost necessary to make the sale. Materials and other items held for use in production of inventories are not written down below the cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Inventories do not include spare parts, servicing equipments and stand by equipments which meet the definition of Property, Plant & Equipment as per AS – 10. Such item are accounted for in accordance with Accounting Standard (AS – 10), Property, Plant & Equipment.

xii. **Employment Benefits**a) **Short term Employee Benefits**

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

b) **Long Term Employee Benefits**

- i) **Defined Contribution Scheme:** This benefit includes contribution to Superannuation Scheme, ESIC (Employees' State Insurance Corporation) and Provident Fund Schemes. The contribution is recognized during the period in which the employee renders service.
- ii) **Defined Benefit Scheme:** For defined benefit scheme the cost of providing benefit is determined using the projected unit credit method with actuarial valuation being carried

out at each balance sheet date. The retirement benefit obligation recognized in the Balance Sheet represents value of defined benefit obligation as reduced by the fair value of planned assets. Actuarial gains and losses are recognized in full during the period in which they occur.

- iii) **Other Long Term Benefits:** Long term compensated absence is provided for on the basis of an actuarial valuation, using the Projected Unit Credit Method as at the date of Balance Sheet.

xiii. **Borrowing Costs**

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

xiv. **Foreign Currency Transactions**

Transactions in foreign currencies are recorded at exchange rates prevailing on the date of the transaction. Monetary items denominated in foreign currency are restated at the exchange rate prevailing on the Balance Sheet date. Foreign currency non-monetary items carried in terms of historical cost are reported using the exchange rate at the date of the transactions. Exchange differences arising on settlement of transactions and/or restatements are dealt with in the statement of profit and loss.

Exchange difference arising on reporting / settlement of long term foreign currency monetary items (other than related to acquisition of depreciable Fixed Assets) at rates different from those at which they were initially recorded during the period or reported in previous financial statement which were until now being recognized in the statement of Profit & Loss are now being accumulated in "Foreign Currency Monetary Items Translation Difference Account" and amortized in the statement of Profit & Loss over the remaining life of the long term foreign currency monetary items.

Notes to Financial Statements for the year ended 31st March 2017 (Contd.)

xv. **Derivative Transactions**

The Company uses derivative financial instruments such as forward exchange contracts, currency swap etc. to hedge its risks associated with foreign currency fluctuations relating to the underlying transactions, highly probable forecast transactions and firm commitments. In respect of Forwards Exchange Contracts with underlying transactions, the premium or discount arising at the inception of such contract is amortized as expense or income over the life of contract.

Other Derivative contracts outstanding at the Balance Sheet date are marked to market and resulting loss, if any, is provided for in the financial statement. Any profit or losses arising on cancellation of derivative instruments are recognized as income or expense for the period.

xvi. **Taxes on Income**

Current tax is determined on the basis of the amount of tax payable for the year under Income Tax Act, 1961 and Agriculture Income Tax of the respective states. Deferred tax is calculated at the applicable tax rate and is recognized on timing differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period. Deferred tax assets subject

to consideration of prudence, are recognized and carried forward only to the extent that there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Tax Credit for Minimum Alternate Tax (MAT) is recognized when there is a convincing evidence of its realisability against future tax liability.

xvi. **Proposed Dividend**

Dividend recommended/declared after the Balance Sheet Date but before the Financial Statements are approved by Shareholders in the General Meeting are not recognized as a liability at the Balance Sheet Date because no obligation exists at the Balance Sheet Date. Such Dividend is disclosed in the Notes.

xvii. **Provisions, Contingent Liabilities & Contingent Assets**

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

Notes to Financial Statements for the year ended 31st March 2017 (Contd.)

(₹ in lakh)

	As at 31st March 2017	As at 31st March 2016
2.1 SHARE CAPITAL		
Authorized:		
58000000 Shares of ₹ 5/- each	2900.00	2900.00
Issued:		
28902786 Equity Shares of ₹ 5/- each (Previous year 28902786 Equity Shares of ₹ 5/- each)	1445.14	1445.14
Subscribed and Paid up:		
28877488 Equity Shares of ₹ 5/- each (Previous year 28877488 Equity Shares of ₹ 5/- each)	1443.87	1443.87
a) Reconciliation of Shares outstanding at the beginning and at the end of year	No. of Shares	No. of Shares
Shares outstanding at the beginning of the year	28877488	28877488
Shares outstanding at the end of the year	28877488	28877488

- b) The Company has only one class of issued shares i.e. Equity Shares having par value of ₹ 5/- per share. Each holder of Ordinary Shares is entitled to one vote per share and equal right for dividend. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the ordinary shareholders are eligible to receive the remaining assets of the Company after payment of all preferential amounts, in proportion to their shareholding.
- c) The Company does not have any Holding Company/ultimate Holding Company.
- d) Details of shareholders holding more than 5% shares in the Company :

	As at 31st March 2017		As at 31st March 2016	
	No. of Shares	%	No. of Shares	%
Ordinary Equity Shares of ₹ 5/- each fully paid				
JPM Merchandise Agencies Limited	6114108	21.17	6114108	21.17
Jay Shree Beneficiary Trust	-	-	6528810	22.61
Jayantika Investment & Finance Ltd.	6528810	22.61	-	-

- e) No Equity Shares have been reserved for issue under options and contracts/commitments for the sale of shares/ disinvestment as at the Balance Sheet date.
- f) No shares have been bought back by the Company during the period of 5 years preceding the date as at which the Balance Sheet is prepared.
- g) No securities convertible into Equity/Preference shares issued by the Company during the year.
- h) No calls are unpaid by any director or officer of the Company during the year.

Notes to Financial Statements for the year ended 31st March 2017 (Contd.)

(₹ in lakh)

	As at 31st March 2017	As at 31st March 2016
2.2 RESERVES AND SURPLUS		
Capital Reserve		
(Not Available for Dividend)		
As per the last Financial Statements	10858.86	10858.86
Less: Pursuant to the Scheme of Demerger (Refer Note No.2.28.J)	8658.01	-
	2200.85	10858.86
Capital Redemption Reserve		
As per the last Financial Statements	165.21	165.21
Storage Reserve for Molasses		
As per the last Financial Statements	188.10	188.10
Less: Pursuant to the Scheme of Demerger (Refer Note No.2.28.J)	188.10	-
	-	188.10
General Reserve		
As per the last Financial Statements	20201.29	20201.29
Surplus		
As per the last Financial Statements	1988.29	4210.00
Less: Loss for the year	1544.93	1916.36
	443.36	2293.64
Less: Appropriations		
Proposed Dividend	-	282.71
Corporate Dividend Tax (Net)*	(0.13)	22.64
Net Surplus	443.49	1988.29
Total Reserve and Surplus	23010.84	33401.75

* Tax on Dividend is net of ₹ 0.13 (P.Y. ₹ 0.38) being Dividend Distribution Tax paid by a subsidiary.

	Non-current		Current	
	As at 31st March 2017	As at 31st March 2016	As at 31st March 2017	As at 31st March 2016
2.3 LONG-TERM BORROWINGS				
Secured				
Term Loan from Banks	6258.33	6774.99	5016.67	3858.34
Foreign Currency Term Loan from Banks	1718.75	3010.42	1291.67	822.92
External Commercial Borrowings from Bank	-	344.06	344.06	688.13
Sugar Development Fund Loan *	-	430.27	-	-
Sugar Term Loan *	-	3277.00	-	920.00
Total Secured Borrowings	7977.08	13836.74	6652.40	6289.39
Unsecured				
Working Capital Loan From Bank	-	-	-	1250.00
Foreign Currency Term Loan from Banks	4687.50	-	312.50	-
Total Unsecured Borrowings	4687.50	-	312.50	1250.00
Amount disclosed under the head "Other Current Liabilities" (Note 2.9)	-	-	(6964.90)	(7539.39)
	12664.58	13836.74	-	-

Notes to Financial Statements for the year ended 31st March 2017 (Contd.)

(₹ in lakh)

Security:

- i) Term Loan from Banks including Foreign Currency Term Loan and External Commercial Borrowings amounting to ₹ 12604.48 are secured/to be secured by equitable mortgage by deposit of title deeds of tea estates alongwith all immovable properties thereon ranking pari-passu, interse, with working capital lenders for tea division. Further term loan from a Bank amounting to ₹ 2025.00 is secured by pledge of certain non current investments.

*The Loan has been transferred to subsidiary company during the year vide Scheme of Demerger (Refer Note 2.28.J)

- ii) Maturity Profile and Repayment Schedule

Nature of Loans	Loan Amount	Repayment Term	2017-18	2018-19	2019-20	2020-23
Secured						
Rupee Term Loan	1000.00	Payable in one (last) installment	1000.00	—	—	—
Rupee Term Loan	2500.00	Payable in five half yearly installments	500.00	1000.00	1000.00	—
Rupee Term Loan	900.00	Payable in two half yearly installments	900.00	—	—	—
Foreign Currency Term Loan	666.66	Payable in one (last) installment	666.66	—	—	—
Rupee Term Loan	1000.00	Payable in two equal yearly installments	500.00	500.00	—	—
Rupee Term Loan	666.67	Payable in two equal half yearly installments	666.67	—	—	—
External Commercial Borrowings	344.06	Payable in one (last) installment	344.06	—	—	—
Rupee Term Loan	2083.33	Payable in five equal half yearly installments	833.33	833.33	416.67	—
Rupee Term Loan	1125.00	Payable in five half yearly installments	450.00	450.00	225.00	—
FCNR Term Loan	2343.76	Payable in fifteen equal quarterly installments	625.00	625.00	625.00	468.76
Rupee Term Loan	2000.00	Payable in twelve equal quarterly installments	166.68	666.68	666.68	499.96
Total	14629.48		6652.40	4075.01	2933.35	968.72
Unsecured						
FCTL	5000.00	Payable in sixteen equal quarterly installments	312.50	1250.00	1250.00	2187.50
Total	5000.00		312.50	1250.00	1250.00	2187.50
Grand Total	19629.48		6964.90	5325.01	4183.35	3156.22

Note: The rate of interest on the above term loans are in the range of 8% to 10% p.a.

Notes to Financial Statements for the year ended 31st March 2017 (Contd.)

(₹ in lakh)

		As at 31st March 2017		As at 31st March 2016	
2.4	DEFERRED TAX LIABILITIES / (ASSETS) (NET)				
	Deferred Tax Liabilities arising on account of :				
	Difference between written down value of the block of assets as per Income Tax Loss and book written down value of the fixed assets		1442.62		2736.90
	Less: Deferred Tax Assets arising on account of :				
	Items allowable for tax purpose on payment	644.34		1062.07	
	Unabsorbed Depreciation	1220.94		1211.76	
	Others	54.68	1919.96	48.19	2322.02
			(477.34)		414.88

Deferred tax asset on unabsorbed depreciation, has been further recognised and carried forward based on the certainty of reversal of the same based on the projected availability of the future taxable income.

		As at 31st March 2017	As at 31st March 2016
2.5	OTHER LONG TERM LIABILITIES		
	Trade and Security Deposits	114.46	143.70
	Interest accrued but not due	-	107.60
		114.46	251.30

		Long Term		Short Term	
		As at 31st March 2017	As at 31st March 2016	As at 31st March 2017	As at 31st March 2016
2.6	PROVISIONS				
	Provision for Employee Benefits				
	Leave	553.69	568.04	305.34	232.86
	Gratuity	-	-	767.28	710.87
	Bonus	-	-	2106.73	2024.89
	Other Provisions				
	Provisions for Contingency	-	-	8.54	35.66
	Provisions for Taxation (Net of advance)	87.56	14.26	-	-
	Proposed Dividend	-	-	-	282.71
	Corporate Dividend Tax	-	-	-	23.02
		641.25	582.30	3187.89	3310.01

Notes to Financial Statements for the year ended 31st March 2017 (Contd.)

		(₹ in lakh)	
		As at 31st March 2017	As at 31st March 2016
2.7	SHORT TERM BORROWINGS		
	Working Capital Borrowings		
	From Banks		
	Working Capital Loan (Secured)	5215.59	7313.43
	Packing Credit Loan (Secured)	2500.00	2500.00
	Packing Credit Loan (Unsecured)	1000.00	-
	Short Term Rupee Loans (Unsecured)	8000.00	7000.00
	Foreign Currency (Unsecured)	2000.00	-
		18715.59	16813.43
	Other Loans & Advances		
	From a Subsidiary (Unsecured)	60.08	-
		18775.67	16813.43
	The above amount includes		
	Secured Borrowings	7715.59	9813.43
	Unsecured Borrowings	11060.08	7000.00
		18775.67	16813.43

Security:

- Secured working capital loan and other secured loan are secured by first charge by way of hypothecation over entire current assets of the company ranking pari-passu with other consortium banks as primary security & second charge by way of hypothecation of entire movable plant & machinery of the company ranking pari-passu with other consortium banks as collateral.
- Secured working capital loan for tea division are also secured by equitable Mortgage over the immovable properties of Company's 21 tea estates ranking pari-passu with term lenders for tea division.
- The rate of interest on the above loans are in the range of 6.50% to 8.40% p.a.

2.8	TRADE PAYABLES		
	For Goods and Services		
	Dues of Micro Enterprises & Small Enterprises	-	-
	Others	4040.77	17141.17
		4040.77	17141.17

2.9	OTHER CURRENT LIABILITIES		
	Current maturities of Long Term Debt (See Note 2.3)	6964.90	7539.39
	Interest accrued but not due on Borrowings	203.31	519.15
	Interest accrued and due on Borrowings	1.05	44.29
	For Salary & Wages	695.97	813.43
	Unpaid and unclaimed dividends	78.44	81.08
	Statutory Dues	430.20	1332.50
	Amount payable for Capital Goods	191.09	141.78
	Trade and Security Deposits	19.82	17.37
	Advances Received from Customers	266.99	186.92
	Others	108.53	386.73
		8960.30	11062.64

Notes to Financial Statements for the year ended 31st March 2017 (Contd.)

(₹ in lakh)

Particulars	GROSS BLOCK					DEPRECIATION				NET BLOCK		
	As at 31/03/2016	Additions / Adjustment	Pursuant to the Scheme of Demerger	Sales / Adjustment	As at 31/03/2017	As at 31/03/2016	For the year	Pursuant to the Scheme of Demerger	Sales / Adjustment	As at 31/03/2017	As at 31/03/2017	As at 31/03/2016
2.10 Fixed Assets												
Tangible Assets												
Land	7120.25 (1)	18.22	6811.62	0.30	326.55	-	-	-	-	-	326.55	7120.25
Leasehold Land	206.08	-	-	-	206.08	2.32	-	-	-	2.32	203.76	203.76
Plantation	5413.54	43.01 (2)	-	115.34	5341.21	-	130.76	-	-	130.76	5210.45	5413.54
Leasehold Land Others	122.54	-	-	-	122.54	43.45	8.11	-	-	51.56	70.98	79.09
Building & Flats (including those on Leasehol & Rented Land), Electric Installation, Water Line, Tubewell, Fencing, Road, Bridge etc.	9646.12	397.63	816.50	4.46	9222.79	2834.94	300.82	101.40	4.33	3030.03	6192.76	6811.18
Plant & Machinery, X-rayunits, Electric Installation, Air Conditioning Units, Refrigerators, Road Rollers, Gas Pipe Lines, Roapways etc.	21404.14	1337.50 (3)	7997.72	363.30	14380.62	10018.40	739.81	2016.76	298.50	8442.95	5937.67	11385.74
Motor Lorries, Cars, Trailors, Tractors, Trolleys, Cycles, Vans, Loaders etc.	2327.90	214.43	127.65	92.45	2322.23	1490.47	189.53	66.76	71.58	1541.66	780.57	837.43
Furniture & Fixtures, Tools & implements etc.	588.79	18.58	24.61	30.51	552.25	340.70	34.81	11.71	27.60	336.20	216.05	248.09
Live Stock	0.19	-	0.19	-	-	-	-	-	-	-	-	0.19
Office Equipments	253.80	21.83	49.45	7.83	218.35	183.97	28.84	38.11	7.32	167.38	50.97	69.83
Total	47083.35	2051.20	15827.74	614.19	32692.62	14914.25	1432.68	2234.74	409.33	13702.86	18989.76	32169.10
Capital Work-in-Progress											947.08 (4)	421.88
											19936.84	32590.98
Previous Year	44741.29	3301.94	-	959.88	47083.35	13751.38	1626.68	-	463.81	14914.25	32169.10	
Capital Work-in-Progress											421.88	
											32590.98	

Notes to Financial Statements for the year ended 31st March 2017 (Contd.)

(₹ in lakh)

NOTES TO FIXED ASSETS:

- 1) Land of Tribeni, West Bengal - Appeal for the final determination of compensation was decided in favour of the Company by the District Court of Hooghly and final compensation determined at ₹ 8.33 (Including interest ₹ 0.50) against which a sum of ₹ 2.05 was received in earlier years and credited to fixed assets. ₹ 6.28 including ₹ 1.50 released during the year 1967 against hypothecation of Khardah Land by the District Court has been shown in Current Liabilities. The Hon'ble High Court at Calcutta has decided the appeal against the Company in a earlier year by reducing the amount of compensation for which an appeal before the Hon'ble Supreme Court of India was filed. Hon'ble Supreme Court has upheld the decision of the Hon'ble High Court and accordingly the adjustments will be carried out when the amount to be refunded is ascertained.
- 2) Includes estimated cost of New Extension of area under tea ₹ 43.01 (Previous Year ₹ 136.30) capitalized during the year as certified by Management.
- 3) Excluding ₹ NIL (Previous Year ₹ 47.17) on account of subsidy received from Tea Board under Tea Quality Upgradation & Product Diversification Scheme.
- 4) Includes development expenditure on Bearer Plants of ₹ 624.87 which meets the definition of Property, Plant and Equipment, as per AS -10, which was hitherto charged to Statement of Profit & Loss, has been capitalized during the year ended 31st March, 2017.
- 5) Land, Buildings and Plant & Machinery include ₹ 1.18, ₹ 6.43 and ₹ 0.81 respectively (Previous Year ₹ 1.18, ₹ 6.43, and ₹ 0.81 respectively) being 5.18% share of cost of Land, Buildings and Plant & Machinery held on co-ownership by the Company with other parties.
- 6) Land & Plantation include ₹ 29.28 (Previous year ₹ 29.28) and Building include ₹ 1.55 (Previous year ₹ 1.55) (being cost of floor of a leasehold building) in the name of the nominees of the Company on co-ownership basis, pending execution of conveyance deed.
- 7) Land & Plantation includes 6 hectares for which execution of conveyance deed in favour of the company is pending.
- 8) Borrowing cost capitalized in accordance with Accounting Standard (AS) - 16 is ₹ 32.21 (Previous Year ₹ Nil).
- 9) The ownership of land of a tea estate measuring 72.39 acre has been disputed by a section of local people against which stay order has been obtained from Hon'ble High Court at Calcutta. The matter is subjudice and is pending before "Land Reform and Tenancy Tribunal".
- 10) The Company has constructed a warehouse on leasehold land taken for a period of 15 years from Kolkata Port Trust with an option to renew the same after 15 years based on prevailing rentals at that time with a 1st right of refusal. Considering the above fact, the management is confident of renewing the same and hence life of the asset is considered 30 years as per rate prescribed under Schedule – II of the Companies Act, 2013.

Notes to Financial Statements for the year ended 31st March 2017 (Contd.)

2.11 NON CURRENT INVESTMENTS

(₹ in lakh)

As at 31.03.2017	As at 31.03.2016		As at 31.03.2017	As at 31.03.2016
Number of Shares/ Securities/Bonds/Units		TRADE INVESTMENT - LONG TERM (Valued at cost unless otherwise stated)		
		FULLY PAID SHARES / SECURITIES / BONDS / UNITS		
		(Face Value of ₹ 10/- each unless otherwise stated)		
		INVESTMENT IN EQUITY INSTRUMENT		
		IN SUBSIDIARY COMPANIES - UNQUOTED		
2175450	2175450	North Tukvar Tea Company Ltd.	356.20	356.20
		(60 shares held jointly with the nominee(s))		
10000	10000	Birla Holdings Ltd. (Face value of AED 1 each)	1.25	1.25
3135000	10000	Majhauria Sugar Industries Pvt Ltd.	3782.38	1.00
		(3125000 shares allotted and received on account of Scheme of Demerger)		
		1% UNSECURED REDEEMABLE NON CONVERTIBLE DEBENTURE IN SUBSIDIARY COMPANY		
150000	-	North Tukvar Tea Company Ltd.	150.00	-
		(Face Value of ₹ 100/- each)		
		IN JOINT VENTURE COMPANY - UNQUOTED		
372300	372300	Tea Group Investment Company Ltd. (Face value of AED 1 each)	51.95	51.95
		IN JOINT STOCK COMPANIES - UNQUOTED		
		Beneficial interest in shares held by JSTI Beneficiary Trust (Face value ₹ 5/- each)	332.29	332.29
		Beneficial interest in shares held by Jay Shree Beneficiary Trust (Face value ₹ 5/- each)	-	9637.41
		(transfer on account of Scheme of Demerger)		
		OTHER INVESTMENT - LONG TERM (Valued at cost unless otherwise stated)		
		INVESTMENT PROPERTY (At cost less accumulated depreciation)		
		Cost of Land & Building	2.74	2.74
		Less: Accumulated Depreciation / Amortisation	0.54	0.51
		Net Block	2.20	2.23
		FULLY PAID SHARES / SECURITIES / BONDS / UNITS		
		(Face Value of ₹ 10/- each unless otherwise stated)		
		INVESTMENT PROPERTY - UNQUOTED		
25	25	Embassy centre Premises Co. Op. Society Ltd. (Face value ₹ 50/- each)	0.01	0.01
55	55	The Bayside Co. Op. Housing Society Ltd. (Face value ₹ 50/- each)	0.03	0.03
460	460	Paramount Owners Syndicate Pvt. Ltd.	0.05	0.05
		EQUITY SHARES IN SUBSIDIARY COMPANY - UNQUOTED		
2995000	995000	Jayantika Investment & Finance Ltd.	6325.24	994.64
		(600 shares held jointly with the nominee(s))		
		(2000000 shares allotted and received on account of Scheme of Demerger)		
		EQUITY SHARES (OTHERS) - UNQUOTED		
2500	2500	Birla International Ltd. (Face value 100 CHF each)	52.25	52.25
20	20	Essel Mining & Industries Ltd.	8.35	8.35
-	68560	Padmavati Investment Ltd.	-	122.00
205680	205680	JPM Merchandise Agencies Limited	9.60	9.60
25000	25000	Kesoram Insurance Broking Services Ltd.	0.50	0.50
4600	4600	Vasavadatta Services Ltd.	0.46	0.46
10	10	The Coimbatore & Nilgiris Dist. Small Scale Service Ind. Co-Op. Society Ltd. (Face value ₹ 100/-)	0.01	0.01
1	1	The Tamilnadu Tea Manufacturers' Service Industrial Co-Op. Society Ltd. (Face value ₹ 5000/-)	0.05	0.05

Notes to Financial Statements for the year ended 31st March 2017 (Contd.)

2.11 NON CURRENT INVESTMENTS

(₹ in lakh)

As at 31.03.2017	As at 31.03.2016		As at 31.03.2017	As at 31.03.2016
		EQUITY SHARES IN COMPANIES - QUOTED		
75	75	McLeod Russel India Ltd.	0.02	0.02
		5% CUMULATIVE REDEEMABLE PREFERENCE SHARES IN SUBSIDIARY COMPANY - UNQUOTED		
30000	30000	Jayantika Investment & Finance Ltd. (Face Value of ₹ 100/- each)	1800.00	1800.00
		INVESTMENT IN GOVERNMENT & TRUSTED SECURITIES - UNQUOTED		
		(Face Value of ₹ 1000/- each)		
3	3	National Savings Certificates	0.03	0.03
		INVESTMENT IN SECURED NON CONVERTIBLE DEBENTURES - UNQUOTED		
-	2	10.00% Rajesh Estate & Nirman Pvt Ltd. (Face Value ₹ 1 crore each)	-	218.13
-	20	16.00% Puranik Builders Pvt Ltd. (Face Value ₹ 10 lakh each)	-	200.00
20	20	17.00% Reddy Housing Pvt Ltd. (Face Value ₹ 10 lakh each)	200.00	200.00
25.67	-	17.50% Vagad Builders & Developers Pvt. Ltd. (Face Value ₹ 92571.43 each)	23.76	-
		INVESTMENT IN BONDS - QUOTED		
		(Face value of ₹ 1000/- each, unless otherwise stated)		
-	15832	20 years, 8.66% Tax Free Bonds of NTPC Ltd. Series 3 A	-	180.60
-	50000	15 years, 8.48% Tax Free Bonds of IIFCL Ltd. Series 2 A	-	551.79
-	20000	15 years, 8.63% Tax Free Bonds of REC Ltd. Tranche II Series II	-	223.88
-	30000	15 years, 8.63% Tax Free Bonds of REC Ltd. Tranche II Series II	-	335.82
-	50000	15 years, 8.63% Tax Free Bonds of IRFC Ltd. Tranche II Series IIA	-	558.92
50000	-	9% Bonds of Mahindra and Mahindra Financial Services Ltd*	505.36	-
50	-	9.50% Unsecured bonds of Union Bank of India SR-XX 9.5 BD Perpetual FVRS 10 Lakh**	504.00	-
50000	-	9.25% Dewan Housing Finance Corporation Limited Series III Category III & IV*	503.50	-
		INVESTMENTS IN MUTUAL FUNDS - UNQUOTED		
4021968.410	7432921.850	Edelweiss Absolute Return Fund- Direct Plan Dividend option-Payout**	615.36	1115.36
3410953.440	-	Edelweiss Absolute Return Fund- Direct Plan Dividend option-Payout	500.00	-
2673332.175	2673332.175	UTI Short Term Income Fund- Growth*	400.00	400.00
2306081.421	2306081.421	Birla Sunlife Short Term Opportunities Fund-Growth*	500.00	500.00
-	18159.082	Templeton India Short Term Income Plan Fund- Growth	-	500.00
-	2000000.000	Birla Sun Life Fixed Term Plan- Corporate Bond Series A (1170 Days)	-	200.00
3000000.000	3000000.000	HDFC FMP 1184D-Series 33-Regular-Growth**	300.00	300.00
5000000.000	5000000.000	Edelweiss Corporate Debt Opportunities Regular-Growth**	500.00	500.00
		(erstwhile JP Morgan India Corporate Debt Opportunities Fund- Regular- Growth)		
2000000.000	2000000.000	ICICI Prudential FMP Series 75 - 1246 Days Plan U - Regular*	200.00	200.00
1696496.734	1696496.734	Reliance Regular Savings Fund - Debt- Growth*	300.00	300.00
2149797.919	2149797.919	Franklin India Corporate Bond Opportunities Fund*	300.00	300.00
-	858217.013	Reliance Gilt Securities Fund-Growth plan-Growth Option (GL-RG)	-	155.00
-	819059.850	UTI-GILT Advantage Fund -LTP-Growth	-	250.00
-	878175.923	HDFC Gilt Fund Long Term-Growth	-	250.00
-	664671.874	Franklin India Monthly Income Plan-Plan A-Growth	-	285.00
1799539.318	1799539.318	UTI Income Opportunities Fund*	225.00	225.00
1046438.621	1046438.621	ICICI Prudential Corporate Bond Fund*	225.00	225.00
3000000.000	3000000.000	UTI Fixed Term Income Fund Series XXII-VI (1098 days)-Growth*	300.00	300.00
2000000.000	2000000.000	Kotak FMP Series 183 - Growth (Regular Plan)*	200.00	200.00
1026125.146	-	Reliance Short Term Fund-Growth Plan - Growth Option*	300.00	-

Notes to Financial Statements for the year ended 31st March 2017 (Contd.)

2.11 NON CURRENT INVESTMENTS

(₹ in lakh)

As at 31.03.2017	As at 31.03.2016		As at 31.03.2017	As at 31.03.2016
1553196.997	-	Birla Sun Life Medium Term Plan-Growth- Regular Plan*	300.00	-
1184151.319	-	DSP BlackRock Income Opportunities Fund-Regular Plan-Growth*	300.00	-
810139.709	-	SBI Corporate Bond Fund-Regular Plan-Growth*	200.00	-
622281.408	-	ICICI Prudential Short Term Plan-Growth Option*	200.00	-
921370.262	-	ICICI Prudential Income Opportunities Fund-Growth*	200.00	-
4272554.817	-	BOI AXA Corporate Credit Spectrum Fund- Regular Plan**	500.00	-
1125247.554	-	DSP BlackRock Income Opportunities Fund-Regular Plan-Growth	300.00	-
		INVESTMENTS IN REAL ESTATE YIELD FUNDS - UNQUOTED		
		Peninsula Brookfield India Real estate Fund	191.04	184.37
		IDFC Real Estate Yield Fund	114.49	142.51
		INVESTMENTS IN PORTFOLIO MANAGEMENT SERVICES / ALTERNATIVE INVESTMENT FUND - UNQUOTED		
		Reliance Capital Asset Management Company Ltd. (Yield Maximiser Fund)	58.18	108.21
		India Business Excellence Trust	116.92	169.72
		Reliance Yield Maximiser AIF Scheme II	298.80	301.57
		India Realty Excellence Fund III	142.57	23.13
		Indiabulls High Yield Fund	200.00	-
		IIFL Real Estate Fund (Domestic) - Series 4	200.00	-
		Reliance Yield Maximiser AIF Scheme III	300.00	-
		ASK Real Estate Special Situations Fund - I	15.00	-
		Edelweiss Real Estate Opportunities Fund	64.00	-
		KKR India Debt Opportunities Fund II	175.00	-
		TOTAL NON CURRENT INVESTMENT	23350.85	22974.34
		Aggregate Book Value of Non Current Quoted Investments	1512.88	1851.03
		Aggregate Book Value of Non Current Unquoted Investments	21837.97	21123.31
		Total	23350.85	22974.34
		Aggregate Market Value of Non Current Quoted Investments	1528.21	1951.54

*Pledged as security for issuing SBLC used for availing credit facilities for a subsidiary and a step down subsidiary company.

**Pledged as security to secure a long term rupee loan.

Portion of long term investments, as defined by Accounting Standard-13

"Accounting for Investments", which are expected to be realised within twelve months from the Balance Sheet date are disclosed as "Current portion of long term investment".

Notes to Financial Statements for the year ended 31st March 2017 (Contd.)

(₹ in lakh)

	Long Term		Short Term	
	As at 31st March 2017	As at 31st March 2016	As at 31st March 2017	As at 31st March 2016
2.12 LOANS & ADVANCES				
Unsecured, considered good (unless otherwise stated)				
Capital Advances	61.65	68.34	-	-
Security Deposits				
Subsidiary (Refer Note No 2.28.F)	251.00	251.00	-	-
Other	476.20	447.99	14.73	14.63
	727.20	698.99	14.73	14.63
Loan & Advances to Related Parties				
To Subsidiaries / Step Down Subsidiaries (Refer Note No 2.28.F)#	-	-	1075.68	699.05
	-	-	1075.68	699.05
Other Loans and Advances				
Deposit with Nabard	-	-	0.04	0.04
Advance Tax and TDS (Net of provisions)	596.93	843.20	-	-
MAT credit Entitlement (Refer Note No. 2.28.D.ii)	113.41	111.94	-	-
Advance against supply of Goods and Services	-	-	429.62	677.64
Prepaid Expenses	15.33	19.32	125.76	137.11
Insurance, excise and other claims	-	-	119.08	35.90
Loan / Advance to Employees	123.00	127.11	114.62	103.92
Balances with Government & Statutory Authorities	-	-	171.84	228.76
Other Deposits and Advances				
Considered Good	22.72	23.35	117.19	127.80
Considered Doubtful	-	-	3.73	3.73
Less: Provision	-	-	3.73	3.73
	871.39	1124.92	1078.15	1311.17
	1660.24	1892.25	2168.56	2024.85

Disclosure under section 186(4) of Companies Act 2013: Loans/Advances to subsidiaries/step down subsidiary have been given for general purpose and are interest bearing which are not lower than prevailing yield of related Government Security close to the tenure of respective loans. Also Refer Note No.: 2.28.B.ii in respect to disclosure pertaining to guarantee/security provided to a subsidiary/step down subsidiary.

Notes to Financial Statements for the year ended 31st March 2017 (Contd.)

(₹ in lakh)

	Non-current		Current	
	As at 31st March 2017	As at 31st March 2016	As at 31st March 2017	As at 31st March 2016
2.13 OTHER ASSETS				
Bank Fixed Deposit	5.14	4.33	-	-
Interest accrued on Deposits	0.38	0.31	135.56	161.32
Interest accrued on Investments	-	-	108.21	92.99
Interest accrued on loans / Inter corporate Deposits	-	-	5.72	5.72
Incentive and Subsidy Receivable	-	-	1525.19	2619.12
Rent Receivable	-	-	13.04	12.33
less: Reserve for Doubtful Debts (Advance)	-	-	11.24	11.24
Interest Refundable	-	-	-	156.32
Others	-	-	29.40	5.91
	5.52	4.64	1805.88	3042.47

2.14 CURRENT INVESTMENTS

As at 31.03.2017	As at 31.03.2016		As at 31.03.2017	As at 31.03.2016
Number of Shares/ Securities/ Bonds/Units		"CURRENT INVESTMENTS - OTHER THAN TRADE (Valued at cost unless otherwise stated) FULLY PAID SHARES/SECURITIES/BONDS/UNITS (Face Value of ₹ 10 each unless otherwise stated)		
		CURRENT PORTION OF LONG TERM INVESTMENTS AS PER ACCOUNTING STANDARD (AS)-13		
		INVESTMENT IN SECURED NON CONVERTIBLE DEBENTURES - UNQUOTED		
-	10	18.00% Paranjape Schemes (Constructions) Ltd. (Face Value ₹ 10 lakh each)	-	100.00
-	1	10.00% Rajesh Estate & Nirman Pvt Ltd. (Face Value ₹ 1 crore each)	-	99.99
51.33	-	17.50% Vagad Builders & Developers Pvt. Ltd. (Face Value ₹ 92571.43 each)	47.52	-
		INVESTMENT IN MUTUAL FUND - UNQUOTED		
-	6000000.000	ICICI Prudential FMP Series 72-823 Days - Plan H - Growth	-	600.00
-	4000000.000	Reliance Fixed Horizon Fund - XXV-Series 23- 827 Days-Growth	-	400.00
-	4500000.000	DHFL Pramerica Fixed Maturity Plan-Series 58- 2 Yrs Growth (Erstwhile DWS Fixed Maturity Plan-Series 58- 2 Yrs Growth)	-	450.00
-	2000000.000	Reliance Fixed Horizon Fund - XXIV-Series2-1110 Days-Growth	-	200.00
2000000.000	-	Birla Sun Life Fixed Term Plan- Corporate Bond Series A (1170 Days)**	200.00	-
4000000.000	-	Reliance Fixed Horizon Fund - XXV-Series 23- 827 Days-Growth *	400.00	-
6000000.000	-	ICICI Prudential FMP Series 72-823 Days - Plan H - Growth*	600.00	-
		TOTAL CURRENT INVESTMENT	1247.52	1849.99
		Aggregate Book Value of Current Quoted Investments	-	-
		Aggregate Book Value of Current Unquoted Investments	1247.52	1849.99
		Aggregate Market Value of Current Quoted Investments	-	-
		Aggregate Book Value of Current & Non-Current Quoted Investments	1512.88	1851.03
		Aggregate Book Value of Current & Non-Current Unquoted Investments	23085.49	22973.30
		Aggregate Market Value of Current & Non-Current Quoted Investments	1528.21	1951.54

* Pledged as security for issuing SBLC used for availing credit facilities for a subsidiary and a step down subsidiary company.

** Pledged as security to secure a long term rupee loan.

Notes to Financial Statements for the year ended 31st March 2017 (Contd.)

Portion of long term investments, as defined by Accounting Standard-13

"Accounting for Investments", which are expected to be realised within twelve months

from the Balance Sheet date are disclosed as "Current portion of long term investment".

(₹ in lakh)

	As at 31st March 2017	As at 31st March 2016
2.15 INVENTORIES		
(As valued and certified by the management)		
Raw Materials	419.72	637.88
Work in Progress	11.32	26.25
Finished Goods	4018.75	17363.29
Stock-in-trade	3140.36	2095.86
Stores and Spares	1850.93	2393.41
Loose Tools & Others	24.17	0.15
	9465.25	22516.84

Details of Inventories :	Finished Goods / Stock-in-trade		Work-in-Progress	
	As at 31st March 2017	As at 31st March 2016	As at 31st March 2017	As at 31st March 2016
Tea (Finished Goods)	2494.93	3109.42	-	-
Tea (Stock-in-trade)	3140.36	2095.86	-	-
Chemicals	1523.82	1996.30	11.32	13.29
Sugar	-	12257.57	-	12.96
	7159.11	19459.15	11.32	26.25

	As at 31st March 2017	As at 31st March 2016
2.16 TRADE RECEIVABLES		
Outstanding for a period exceeding six months from the date they are due for payments		
Secured, considered good	-	-
Unsecured, considered good	669.72	629.06
Doubtful	146.91	126.31
	816.63	755.37
Less: Provision for doubtful trade receivables	146.91	126.31
	669.72	629.06
Other Receivables		
Secured, considered good	-	-
Unsecured, considered good	9396.50	7601.10
Doubtful	-	-
	9396.50	7601.10
Less: Provision for doubtful trade receivables	-	-
	9396.50	7601.10
	10066.22	8230.16

Notes to Financial Statements for the year ended 31st March 2017 (Contd.)

(₹ in lakh)

	As at 31st March 2017	As at 31st March 2016
2.17 CASH AND BANK BALANCES		
Cash and Cash Equivalents		
Balances With Banks :		
In Current / Cash Credit Account	317.15	878.28
Cheques/drafts on hand and Remittances in transit	219.22	145.21
Cash on hand	87.99	75.53
	624.36	1099.02
Other Bank Balances		
Earmarked balances with Banks (Unpaid Dividend Account)	78.44	81.08
Other Fixed Deposit with Banks (Including ₹ 16.39, (P.Y ₹ 15.29) pledged as margin Money)	1952.61	1951.47
	2031.05	2032.55
	2655.41	3131.57

	For the Year ended	
	31st March 2017	31st March 2016
2.18 REVENUE FROM OPERATIONS (GROSS)		
Sales of Finished Goods & Other Products	51843.12	67305.19
Less: Excise Duty	275.79	902.65
	51567.33	66402.54
Government rebate on Fertilizers	1820.19	2255.12
Sale of Services (Warehousing Charges)	200.88	127.74
	53588.40	68785.40
Other Operating Revenues		
Incentives & Subsidies	116.33	279.56
Export Benefits	331.73	344.82
Insurance and Other Claims (Net)	35.53	10.48
Income from Farm Product (details as below)	-	44.15
Miscellaneous Sale	2.18	137.58
	485.77	816.59
	54074.17	69601.99
Details of Sale of Products		
Tea	44222.75	45840.45
Chemicals	6834.91	6372.32
Sugar	-	15091.34
Others	785.46	1.08
	51843.12	67305.19

Notes to Financial Statements for the year ended 31st March 2017 (Contd.)

(₹ in lakh)

	For the Year ended	
	31st March 2017	31st March 2016
Income from Farm Products :		
Sales of Agricultural Product	-	113.50
Subsidy on Sugar Cane	-	19.39
Lease Rent	-	4.61
	-	137.50
Less: Opening Stock	-	-
Agricultural Farming Expenses (towards cultivation & other expenses)	-	92.34
Other Repairs	-	0.12
Rent, Rates & Taxes	-	0.07
Depreciation	-	0.82
	-	93.35
	-	44.15

2.19 OTHER INCOME		
Interest Income		
On Investments		
- Long term	323.96	229.99
- Current	-	27.16
On Bank Deposits	163.11	186.06
On Loans & Other Deposits, etc	113.11	60.20
On Subsidiaries	151.46	27.24
Dividend Income		
On Long term Investments	79.59	84.31
Net gain/ (loss) on sale of Investments		
On Long term	798.31	226.44
On Current	150.76	16.08
Other Non Operating Income		
Profit on sale of Fixed Assets / Investment Property (Net)	24.02	404.53
Rent	83.84	174.33
Net Gain / (Loss) on foreign currency transaction and translation	229.32	395.04
Excess Liabilities and Unclaimed Balances written	38.24	210.04
Excess provisions, receipts & adjustments pertaining to previous years	7.80	154.01
Less: Short provisions, sundry payments & adjustments relating to previous years	11.11	4.93
Add : Excess/(Short) provision of bonus for previous years (Net)	55.24	10.08
Miscellaneous Income	85.89	171.83
	2293.54	2372.41

Notes to Financial Statements for the year ended 31st March 2017 (Contd.)

(₹ in lakh)

		For the Year ended	
		31st March 2017	31st March 2016
2.20	COST OF MATERIALS CONSUMED		
	Raw Material Consumed		
	Opening Inventories	637.88	883.74
	Add : Purchase	7742.66	19627.25
		8380.54	20510.99
	Less: Closing Inventories	419.72	637.88
		7960.82	19873.11
	Details of Raw Material Consumed		
	Green Tea Leave	2901.62	3530.09
	Chemicals/Minerals	4477.69	5413.25
	Sugarcane	-	10342.85
	Black Tea	581.51	586.92
		7960.82	19873.11
2.21	PURCHASE OF STOCK-IN-TRADE		
	Stock-in-trade: Tea	6789.71	5505.41
	Sugar	-	1379.39
	Chemicals	54.27	142.34
		6843.98	7027.14
2.22	CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
	Inventories at the beginning of the year		
	Finished Goods	17363.29	17520.18
	Work-in-Progress	26.25	27.83
	Stock-in-trade	2095.86	3472.71
		19485.40	21020.72
	Less: Pursuant to the Scheme of Demerger (Refer Note No. 2.28.J)	12270.53	-
		7214.87	21020.72
	Inventories at the end of the year		
	Finished Goods	4018.75	17363.29
	Work-in-Progress	11.32	26.25
	Stock-in-trade	3140.36	2095.86
		7170.43	19485.40
		44.44	1535.32

Notes to Financial Statements for the year ended 31st March 2017 (Contd.)

(₹ in lakh)

		For the Year ended	
		31st March 2017	31st March 2016
2.23	EMPLOYEE BENEFIT EXPENSE		
	Salaries & Wages	17957.24	17947.15
	Contribution to Provident Funds and Others	1470.62	1478.43
	Contribution to Gratuity Fund	740.87	630.85
	Contribution to Superannuation Fund	94.24	86.73
	Staff Welfare Expenses	1595.08	1342.35
		21858.05	21485.51
2.24	FINANCE COST		
	Interest Expenses		
	On Fixed Loans & Deposits	1376.02	2026.48
	To Bank & Others	2074.54	2305.73
		3450.56	4332.21
	Other Borrowing Cost		
	Other Financial Charges	164.34	222.10
	Applicable net gain/(loss) on foreign currency transactions and translations	19.28	51.54
		3634.18	4605.85
	Less : Borrowing cost Capitalized	32.21	-
		3601.97	4605.85
2.25	DEPRECIATION AND AMORTIZATION EXPENSES		
	On Tangible Assets	1432.68	1625.86
	On Investment Property	0.03	12.40
		1432.71	1638.26
2.26	OTHER EXPENSES		
	MANUFACTURING EXPENSES		
	Consumption of Stores, Spare Parts & Packing Materials	1703.51	2228.71
	Power & Fuel	4090.30	4086.24
	Consumption of Manures/ Pesticides etc	1745.26	1794.56
	Repairs to Buildings	308.07	601.00
	Repairs to Machinery	792.65	1029.68
	Repairs to Other Assets	406.87	432.30
	Increase/(Decrease) in Excise Duty & Cess on Finished Goods	(1.04)	286.25
		9045.62	10458.74

Notes to Financial Statements for the year ended 31st March 2017 (Contd.)

(₹ in lakh)

		For the Year ended	
		31st March 2017	31st March 2016
2.26	OTHER EXPENSES (Contd.)		
	SELLING AND ADMINISTRATION		
	Freight & Cartage	1733.50	1669.89
	Insurance	73.67	99.41
	Brokerage & Commission	554.19	626.87
	Warehousing Charges	130.11	173.74
	Other Selling Expenses (including packing material ₹ 384.75, (P.Y. ₹ 325.87))	1414.53	1395.51
	Rent	303.62	287.31
	Rates & Taxes (Duty & Cess)	386.42	375.45
	Insurance excluding on sales	133.69	155.88
	Auditors' Remuneration -		
	Statutory Auditors -		
	Audit Fees	30.25	30.25
	Tax Audit Fees	7.50	7.50
	Other Services	16.40	24.60
	Reimbursement of Expenses	1.34	1.96
	Reimbursement of Service Tax	8.06	7.41
	Cost Auditors -		
	Audit Fees	1.41	1.41
	Reimbursement of Expenses	0.25	0.30
	Reimbursement of Service Tax	0.10	-
	Corporate Social Responsibility Expenses	9.54	8.78
	Bad Debts & Irrecoverable Loans, Advances & Claims written off.	0.77	22.50
	Reserve for Doubtful Debts & Advances further created	20.60	21.27
	Forward Contract Charges	8.38	-
	Other Miscellaneous Expenses	1892.64	2067.57
		6726.97	6977.61
		15772.59	17436.35
2.27	TAX EXPENSE		
	Current Tax for the year	-	110.00
	Add/(Less) : Adjustment of Tax related to earlier years	(7.43)	133.41
	Current Tax	(7.43)	243.41
	Deferred Tax	405.51	45.81
		398.08	289.22

Notes to Financial Statements for the year ended 31st March 2017 (Contd.)

(₹ in lakh)

		For the Year ended	
		31st March 2017	31st March 2016
2.28	NOTES		
Contingent Liabilities not provided for in respect of:-			
A. Claims/Disputes/Demands not acknowledged as debts:			
(i) Demand from Sales Tax authority : Certain disallowances of Sales Tax were demanded against the company and the appeals before the Commissioner/Tribunal Appellate and revisional Board has been filed and the management is of the opinion that it will obtain full relief		818.99	228.85
(ii) Income Tax demand under appeal		739.31	561.08
(iii) Entry Tax Liability in the state of West Bengal, stay has been granted by Hon'ble High Court at Calcutta *		110.78	88.78
(iv) Demand from a lessor for interest on differential rent		70.14	70.14
(v) Demand of Provident Fund Damages and Interest by the Provident Fund Authorities, West Bengal		117.88	90.69
(vi) Electricity duty demanded by Government of Bihar appealed in Hon'ble Supreme Court **		-	103.10
(vii) Demand of additional electricity charges for connected load by Assam State Electricity Board pending before Hon'ble High Court, Guwahati		12.09	12.09
(viii) Demand of wages of a closed unit for earlier years pending before Labour Court (Estimated)		61.50	61.50
(ix) Demand against differential excise duty in relation to a closed unit for earlier years pending before Central Excise & Service Tax Appellate Tribunal (CESTAT)		50.05	50.05
B. (i) Capital Commitments outstanding (Net of Advances)		66.13	103.22
(ii) Investments pledged with a bank amounting to ₹ 6158.86 (previous year ₹ 5520.19) towards banking facilities availed by a subsidiary and step down subsidiary from the Bank.		2799.99	4280.40
C. Other Commitments			
Letter of credit issued against purchase of fuel		18.40	18.40

Note : In respect of above, future cash flows are determinable only on receipt of judgements pending at various forums/authorities which in the opinion of the Company is not tenable and there is no possibility of any future cash outflow in case of above.

*In view of injunction granted by the Hon'ble High Court at Calcutta, no provision has been made in respect of Entry Tax imposed by Govt. of West Bengal under the "Entry of Goods into Local Area Act 2012".

**Transfer to Majhulia Sugar Industries Private Limited pursuant to the scheme of arrangement (Refer Note 2.28.J).

- D. (i) Fringe Benefit Tax has been abolished from accounting year 2009-10. However in view of the interim stay granted by the Hon'ble High Court at Calcutta, no liability has been provided for earlier years.
- (ii) During the year, the Company has further assessed the recoverability of Minimum Alternate Tax (MAT) for set off with future normal taxes and a sum of ₹ 113.41 (previous year ₹ 111.94) have been carried forward. Based on projections made by the management and current trend of working of the Company the management is virtually certain of recovering the MAT credit entitlements.

Notes to Financial Statements for the year ended 31st March 2017 (Contd.)

(₹ in lakh)

- E. The agreement with Assam Tea Corporation Ltd. (ATCL) for purchase of entire green leaves of Longai and Ishabheel Tea Estates and operating the Longai Tea Factory were further renewed for the season 2017 for a period of one year by bidding through tender. A sum of ₹ 198.77 (previous year ₹ 262.96) is recoverable from ATCL which is being realized on a systematic basis from the payments to be made to ATCL on various grounds. (The above sum is inclusive of ₹ 13.53 (previous year ₹ 13.53) representing outstanding dues on account Amluckie Tea Estate of ATCL which shall also be recovered as mentioned above.)
- F. (i) Particulars in respect of loans and advances as per the disclosure requirement of regulation 34(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 :

Name of the Company	Relationship	Nature	Closing Balance as on 31.03.2017	Closing Balance as on 31.03.2016	Maximum Balance outstanding during 2016-17	Maximum Balance outstanding during 2015-16
Majhulia Sugar Industries Pvt Ltd	Subsidiary	Advance in nature of loans	-	1.00	4586.11	1.00
North Tukvar Tea Company Limited ##	Subsidiary	Security deposit	251.00	251.00	251.00	251.00
North Tukvar Tea Company Limited ##	Subsidiary	Advance in nature of loans	-	137.35	142.35	137.35
Jayantika Investment & Finance Limited (Erstwhile Parvati Tea Company Limited) #	Subsidiary	Advance in nature of loans	974.82	423.29	974.82	423.29
Birla Holdings Co. Ltd #	Subsidiary	Advance in nature of loans	-	45.72	45.72	45.72
Kijura Tea Company Limited #	Step down Subsidiary	Advance in nature of loans	100.86	91.69	100.86	91.69

Repayable on demand

Refer Note ii) below

(ii) The Net Worth of the subsidiary company M/s North Tukvar Tea Company Ltd. is negative. No provision in value of the investment amounting to ₹ 506.20 and for security deposit of ₹ 251.00 is envisaged /provided, being strategic in nature.

Note: Loans/Advances to employees under various schemes of the Company (i.e. housing loan etc) is considered outside the purview of disclosure requirements.

- G. As per the requirements of Accounting Standard -28 on "Impairment of Assets", the company has assessed the carrying amount of the assets vis-a-vis their recoverable values and no impairment is envisaged at the balance sheet date.
- H. The Company has no overdue amounts due to suppliers under the Micro, Small, & Medium Enterprises Development Act, 2006 (MSMED) as at 31st March, 2017. The disclosure as required under the said act is as under :-

	2016-17	2015-16
i) Principal amount and interest due to supplier under MSMED Act and remaining unpaid	Nil	Nil
ii) Interest paid and any payment made to suppliers beyond appointed date (under section 16 of the Act)	Nil	Nil
iii) Interest due and payable to supplier under MSMED Act	Nil	Nil
iv) Interest accrued and remaining unpaid as at 31.03.2017	Nil	Nil
v) Interest remaining due and payable as per section 23 of the Act	Nil	Nil

Notes to Financial Statements for the year ended 31st March 2017 (Contd.)

(₹ in lakh)

The above information has been determined to the extent such parties have been identified on the basis of information available with the company.

- I. (i) The Company's significant leasing agreements (as lessee) are in respect of lease for Land & Premises (residential, office, stores, godowns etc). These Leasing arrangements which are non-cancellable ranging between one month and three years generally or longer and are usually renewable by mutual agreement. The aggregate lease rentals payable are charged as Rent.
- (ii) As per requirements of Accounting Standard-19 on leases, the following disclosures are furnished for significant operating leases as lessor. The assets were sold during the year 2015-16.

Particulars	2016-17			2015-16		
Class of Assets	Gross Carrying Amount	Accumulated Depreciation	Depreciation for the Year	Gross Carrying Amount	Accumulated Depreciation	Depreciation for the Year
Land	-	-	-	-	-	-
Building	-	-	-	-	-	12.40
Plant & Machinery	-	-	-	-	-	4.82
Furniture & Fixture	-	-	-	-	-	5.42
Motor Vehicle	-	-	-	-	-	-
Total	-	-	-	-	-	22.64

- (iii) The Company has taken over the operation and management control of North Tukvar Tea Estate on leave & license basis till 31st March, 2019 from its subsidiary North Tukvar Tea Company Limited at an yearly charge of ₹ 9.00. The annual lease charge has been waived by the subsidiary from the year 2013-2014. The results for the current financial year includes a loss of ₹ 283.58 (P.Y. ₹ 296.19) from the said tea estate.
- J. Pursuant to a Scheme of Arrangement (the Scheme) between the Company and Majhulia Sugar Industries Private Limited (MSIPL) and Jayantika Investment & Finance Limited (JIFL) sanctioned by the Hon'ble High Court at Calcutta on 8th August 2016 under the provisions of the Companies Act 2013, Sugar Division and Jay Shree Beneficiary Trust Unit of the Company has been demerged into MSIPL and JIFL respectively with effect from 1st April, 2016. The Scheme has been filed with Registrar of Companies, Kolkata on 26th September, 2016.

The salient features of the Scheme were as under:

Demerger of Sugar Division:

- i) All the assets and liabilities pertaining to the Sugar Division of the Company as on 1st April, 2016 stands demerged to MSIPL (a Subsidiary).
- ii) MSIPL issued and allotted 3125000 equity shares of ₹10/- each at a premium of ₹111/- per share to the Company in consideration of transfer of the Company's Sugar Division.
- iii) The value of the net assets of the Sugar Division as reduced by the shares as issued by MSIPL of ₹4539.31 and Storage Reserve for Molasses amounting to ₹ 188.10 has been adjusted from the Capital Reserve of the Company.

Demerger of Jay Shree Beneficiary Trust Unit:

- i) All the assets and liabilities pertaining to Jay Shree Beneficiary Trust Unit of the Company as on 1st April, 2016 stands demerged to JIFL (a Subsidiary).
- ii) JIFL issued and allotted 2000000 equity shares of ₹ 10/- each at a premium of ₹ 256.53 per share to the Company in consideration of transfer of the Company's Jay Shree Beneficiary Trust Unit.

Notes to Financial Statements for the year ended 31st March 2017 (Contd.)

(₹ in lakh)

- iii) The value of the net assets of Jay Shree Beneficiary Trust Unit as reduced by the shares as issued by JIFL of ₹4306.80 has been adjusted from the Capital Reserve of the Company.

K. Disclosure as per Accounting Standard-29 "Provisions, Contingent Liabilities & Contingent Assets".

Particulars	2016-17			2015-16		
	Disputed Statutory Matters	Other Obligations	Total	Disputed Statutory Matters	Other Obligations	Total
Opening Balance	25.05	10.61	35.66	94.22	49.38	143.60
Addition	-	-	-	2.14	6.87	9.01
Utilization	-	-	-	-	-	-
Reversal	24.33	2.79	27.12	71.31	45.64	116.95
Closing Balance	0.72	7.82	8.54	25.05	10.61	35.66

The provisions for disputed statutory & obligatory liabilities are on account of cases pending with courts/concerned authorities based on estimates made by the Company considering the facts & circumstances.

- L. There was a fire in one of its tea factory which was damaged substantially. A claim has been lodged with the Insurance Company and the amount of the book value of the damaged assets of ₹ 94.38 has been taken under claim receivable.
- M. The Company uses forward contracts, swaps and other derivative contracts to hedge its risks relating to changes in exchange rates and interest rates. The use of such contract is consistent with the Company's risk management policy. The Company does not use derivative contracts for speculation purposes.
- (i) The particulars of derivative contracts entered into for hedging purposes outstanding as at 31st March, 2017 are as under:

Particulars	Purpose	Currency	As at 31.03.2017		As at 31.03.2016	
			Amount (in Foreign Currency)	Amount	Amount (in Foreign Currency)	Amount
Forward contract	Long term borrowings	USD	12530837	8354.48	7671127	4865.52
	Short term borrowings	USD	3076923	2000.00	-	-
	Buyer's Credit	USD	225000	147.82	1750820	1164.85
	Interest/Payable	USD	274	0.18	6963	4.61
	Trade Receivable	Euro	580000	400.49	450350	339.47
		USD	2499530	1621.07	1862955	1234.21
	Firm Commitments of future sales	USD	850000	551.27	425000	281.56
		Euro	-	-	700000	527.66
		GBP	-	-	100000	95.12

Notes to Financial Statements for the year ended 31st March 2017 (Contd.)

(ii) Unhedged foreign currency exposures as at 31st March, 2017 are as under :

(₹ in lakh)

Particulars	Currency	As at 31.03.2017		As at 31.03.2016	
		Amount (in Foreign Currency)	Amount	Amount (in Foreign Currency)	Amount
Trade Receivable	USD	311401	201.96	12699	8.41
	Euro	962191	664.39	684570	516.03
	GBP	1377	1.12	24030	22.86
Letter of Credit	USD	1448500	940.00	1245700	825.40
Buyer's Credit / Trade Payables / Interest	USD	231401	150.17	150042	99.42
Trade Payable	Euro	24019	16.59	69218	52.21
Advance	USD	155517	100.86	207420	137.41

N. Disclosures of Corporate Social Responsibility expenditure in line with the requirement of Guidance Note on "Accounting for Expenditure on Corporate Social Responsibility Activities".

Particulars	2016-17	2015-16
A) Amount of CSR expenditure to be incurred during the year	-	3.60
B) CSR expenditure (Revenue Nature) incurred during the year	9.54	8.78

O. Employee Benefits (Accounting Standard - 15)

(i) **Defined Contribution Plan:**

The Company makes contribution towards Provident Fund, ESIC and Superannuation Fund to a defined contribution benefit plan for qualifying employees. The provident fund plan is operated partly by Regional Provident Fund Commissioner and partly by an independent Trust, ESIC by government agencies and Superannuation Fund by a trust created for the purpose. Under the said schemes the company is required to contribute a specific percentage of pay roll costs in respect of eligible employees to the retirement benefit scheme to fund the benefits.

During the year the company has recognized ₹ 1470.62 (Previous Year ₹ 1478.43) for provident fund contribution, ₹ 21.43 (Previous Year ₹ 20.34) for ESIC and ₹ 94.24 (Previous Year ₹ 86.73) for Superannuation Contribution. The Contribution payables to these plans by the Company are at the rates specified in the rules of the scheme.

In keeping with the Guidance on implementing Accounting Standard (AS) 15 on Employees Benefits issued by the Accounting Standards Board of the Institute of Chartered Accountants of India (ASB Guidance), employer-established provident fund trusts are treated as Defined Benefit Plans since the company is obligated to meet interest shortfall, if any, with respect to covered employees. In view of year-end position of the fund (for covered employees) and confirmation from the Trustees' of such fund, there is no shortfall as at the year end.

(ii) **Defined benefit plans:**

- The Company makes contribution of gratuity to JSTI Gratuity Fund created for the purpose of qualifying employees. The scheme provides for payment to vested employees upon retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of 5 years of continuous service.
- Certain employees of the Company are also eligible for encashment of leave upon retirement up to 30 days for each year (maximum 240 days).
- The present value of defined benefit obligation and related current cost are measured using the Projected Unit Credit Method with actuarial valuation being carried out at each Balance Sheet date.

Notes to Financial Statements for the year ended 31st March 2017 (Contd.)

(₹ in lakh)

SL	Particulars	2016-2017 Gratuity Plan (Funded)	2015-2016 Gratuity Plan (Funded)
1	Expenses recognised in the Statement of Profit & Loss		
	i. Current Service Cost	475.26	338.25
	ii. Interest Cost	308.27	329.10
	iii. Expected return on Plan Assets	282.46	296.32
	iv. Actuarial (Gain)/Losses	270.86	259.82
	v. Expenses recognised in the Statement of Profit & Loss	740.87	630.85
2	Net (Assets)/Liabilities recognised in Balance Sheet		
	i. Present Value of the Defined Benefit Obligation	5003.81	4690.98
	ii. Fair Value of Plan Assets	4236.53	3980.11
	iii. Net (Assets)/Liabilities recognised in Balance Sheet	767.28	710.87
3	Changes in the Present Value of Defined Benefit Obligation during the year		
	i. Present Value of Defined Benefit Obligation as at beginning of the year	4690.98	4384.11
	ii. Transfer pursuant to the scheme of demerger	(298.40)	-
	iii. Current Service Cost	475.26	338.25
	iv. Interest Cost	308.27	329.10
	v. Actuarial (Gain)/Losses	392.19	180.22
	vi. Benefits Paid	533.43	540.70
	vii. Present Value of obligation as at end of the year	5003.81	4690.98
4	Changes in fair value of Plan Assets during the year ended		
	i. Fair Value of Plan Assets at beginning of the year	3980.11	3704.09
	ii. Expected return on Plan Assets	282.46	296.32
	iii. Actuarial Gain/(Losses)	121.33	(79.60)
	iv. Benefits paid	533.43	540.70
	v. Contributions	600.00	600.00
	vi. Transfer pursuant to the scheme of demerger	213.94	-
	vii. Fair Value of Plan Assets at the end of the year	4236.53	3980.11
	viii. Actual return on Plan Assets	403.79	216.72
5	Principle Actuarial Assumptions used		
	i. Discount rates	7.50%	8.00%
	ii. Expected Return on Plan Assets	7.50%	8.00%
	iii. Expected Salary increase rates	6.00%	6.00%
	iv. Mortality Rates	(2006 - 08) Mortality Table	(2006 - 08) Mortality Table
6	Major categories of Plan Assets as a percentage of Fair Value of Plan Assets	Qualified Insurance Policy	Qualified Insurance Policy

Notes:

- The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply & demand in the employment market.
- The expected rate of return on Plan Assets is determined based on the portfolio of assets, existing investments alongwith the Strategic changes in the portfolio and market scenario. The Plan Assets are diversified reasonable to maximise the return within acceptable risk parameters.
- The Company expects to contribute ₹ 650.00 to its gratuity fund in 2017-18.

Notes to Financial Statements for the year ended 31st March 2017 (Contd.)

- Amount for the current annual period and previous four annual periods are as follows : (₹ in lakh)

	2016-17	2015-16	2014-15	2013-14	2012-13
Present value of defined obligation	5003.81	4690.98	4384.11	3785.43	3519.10
Fair Value of Plan Assets	4236.53	3980.11	3704.09	3231.10	3002.73
Excess of obligation over Plan Assets	767.28	710.87	680.02	554.33	516.37

P. Disclosure as per Accounting Standard - 18 on "Related Party Disclosure"

Sl. No.	Name of the Related Party	Relationship	Remuneration Paid	Dividend		Loans & Advances (Net)		NCD		Interest Received	Goods & Services		Balance as on 31st March 2017	
				Paid	Received	Paid	Received	Paid	Received		Sale	Purchase	Receivable	Payable
1.	Majhulia Sugar Industries Pvt.Ltd.	Subsidiary	-	-	-	-	59.08	-	-	73.71	-	-	-	60.08
			(-)	(-)	(-)	(1.00)	(-)	(-)	(-)	(-)	(-)	(-)	(1.00)	(-)
2.	North Tukvar Tea Co. Ltd.	Subsidiary	-	-	-	-	137.35	150.00	-	4.35	-	-	251.00*	-
			(-)	(-)	(-)	(22.67)	(-)	(-)	(-)	(9.25)	(-)	(-)	(388.35)	(-)
3.	Jayantika Investment & Finance Ltd.	Subsidiary	-	65.29	1.50	551.53	-	-	-	64.11	-	-	974.82*	-
			(-)	(-)	(-)	(330.90)	(-)	(-)	(500.00)	(11.70)	(-)	(-)	(423.39)	(-)
4.	Birla Holdings Ltd.	Subsidiary	-	-	-	-	45.72	-	-	1.05	-	-	-	-
			(-)	(-)	(-)	(29.45)	(-)	(-)	(-)	(1.95)	(-)	(-)	(45.72)	(-)
5.	Kijura Tea Co. Ltd.	Step down Subsidiary	-	-	-	9.17	-	-	-	9.17	-	-	100.86*	-
			(-)	(-)	(-)	(14.08)	(-)	(-)	(-)	(6.29)	(-)	(-)	(91.69)	(-)
#6.	Century Textiles & Ind. Ltd.	Associate	-	3.00	-	-	-	-	-	-	-	1.35	-	-
			(-)	(3.00)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(10.22)	(-)	(-)
#7.	Kesoram Industries Ltd.	Associate	-	3.88	-	-	-	-	-	-	-	-	-	-
			(-)	(3.88)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
#8.	Padmavati Investment Ltd.	Associate	-	-	3.43	-	-	-	-	-	-	-	-	-
			(-)	(-)	(3.43)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
#9.	JPM Merchandise Agencies Ltd.	Associate	-	61.14	-	-	-	-	-	-	-	-	-	-
			(-)	(61.14)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
10.	Shri D. P. Maheshwari	Key Management Personnel	122.12	0.06	-	-	-	-	-	-	-	-	-	-
			(111.44)	(0.11)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)

Note: All the above transactions were done at arm's length.

*Represents year end balance of security deposit and Current Account

#These parties are related parties in the broader sense of the term and are included for making the financial statements more transparent.

Figures in bracket indicate for previous year.

Q. Interest in Joint Venture:

The Company has 50% ownership interest in Tea Group Investment Company Limited. The proportionate share in the assets, liabilities, income and expenses (each without elimination of the effect of transactions between the company and the joint venture) related to its in jointly controlled entity are given below:

Accounting period ended on	31.12.2016	31.12.2015
Country of Incorporation	U.A.E.	U.A.E.
Assets	4953.79	5606.41
Liabilities	2248.02	3098.77
Income	2955.67	3743.82
Expenses (including tax)	2591.40	2637.97

Notes to Financial Statements for the year ended 31st March 2017 (Contd.)

R. (i) C.I.F. Value of Imports

(₹ in lakh)

Particulars	2016-17	2015-16
Raw Materials (Including in-transit)	2115.83	2760.31
Stores & Spares	134.18	130.82

(ii) Expenditure in Foreign Currency

Particulars	2016-17	2015-16
Travelling	13.04	24.24
Brokerage & Commission	65.73	37.21
Foreign Bank Charges	6.52	8.25
Interest & Swap Charges	5.06	10.29
Others	101.65	143.22

(iii) Earnings in Foreign Currency

FOB Value of Exports (Excluding to Nepal)	2016-17	2015-16
Black Tea	7981.19	7655.63

(iv) Value of Raw materials and Spares Consumed

Particulars	Raw Materials Consumed				Spares – Parts Consumed			
	2016-17		2015-16		2016-17		2015-16	
	Value	%	Value	%	Value	%	Value	%
Imported	2841.09	35.69	3592.08	18.08	0.52	0.08	1.14	0.17
Indigenous	5119.73	64.31	16281.03	81.92	645.61	99.92	665.50	99.83
Total	7960.82	100.00	19873.11	100.00	646.13	100.00	666.64	100.00

S. Earnings per Share

Particulars	2016-17	2015-16
Profit/ (loss) after taxation as per statement of Profit & Loss	(1544.93)	(1916.36)
Weighted average number of equity shares outstanding at the year end	28877488	28877488
Basic and Diluted Earnings Per Share of Face Value of ₹ 5/- (in ₹)	(5.35)	(6.63)

T. The Board has recommended a dividend @ 10% per share (Face Value of ₹ 5/- per share).

U. Remittance on account of dividend to Non-Resident Shareholders

Remitted in their Banks in India

Year to which Dividend relates	2015-16	2014-15
Net amount of Dividend remitted	18.42	19.13
Number of Shareholders	321	342
Number of Shares held	1841706	1912651

V. Disclosure on Specified Bank Notes

During the year, the Company had Specified Bank Notes (SBNs) and 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 SBNs and other notes as per the notification are as follows :

Notes to Financial Statements for the year ended 31st March 2017 (Contd.)

(in ₹)

Particulars	SBNs (1)	Other denomination notes	Total
Closing cash in hand as on November 8, 2016	9656500	4257400	13913900
Add : Permitted receipts	-	147998395	147998395
Less : Permitted payments	8000	119579798	119587798
Less : Amount deposited in Banks	9648500	535547	10184047
Closing cash in hand as on December 30, 2016	-	32140450	32140450

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

- W.** Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure. In view of approval of scheme of arrangement for demerging the sugar division of the company by Hon'ble High court at Calcutta effective from 1st April, 2016, the results for year ended 31st March, 2017 does not include the performance of Sugar Division. Accordingly results for year ended 31st March, 2017 are not comparable with corresponding period.

As per our report of even date annexed

For **SINGHI & CO.**

Chartered Accountants

(Firm Registration No.302049E)

Aditya Singhi

Partner

(Membership No.305161)

161, Sarat Bose Road, Kolkata - 700 026

Dated, the 8th day of May 2017

As per our report of even date annexed

For **JITENDRA K AGARWAL & ASSOCIATES**

Chartered Accountants

(Firm Registration No.318086E)

Abhishek Mohta

Partner

(Membership No.066653)

110/F Netaji Subhas Chandra Bose Road

Kolkata - 700 040

For and on behalf of the Board of Directors

Jayashree Mohta

(Vice Chairperson)

(DIN: 01034912)

D. P. Maheshwari

(Managing Director)

(DIN: 02203749)

R. K. Ganeriwala

(President, CFO & Secretary)

Independent Auditors' Report on Consolidated Financial Statements

To the Members of

Jay Shree Tea & Industries Limited

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statements of Jay Shree Tea & Industries Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), and a jointly controlled entity, comprising of the Consolidated Balance Sheet as at 31st March, 2017, the Consolidated Statement of Profit & Loss, the Consolidated Cash Flow Statement for the year then ended, 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

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 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 judgements 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

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

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

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.

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

BASIS OF QUALIFIED OPINION

- i) Non-provision of accumulated gratuity liability up to 31.3.2009 of ₹ 96.68 lakh in a subsidiary company as per the requirement of Accounting Standard – 15 on "Employee Benefits". Had the above impact be considered, consolidated profit after tax for the year would have been ₹ 270.65 lakh as against the reported profit of ₹ 367.33 lakh and the reserve and surplus balance as on 31.3.2017 would have been ₹ 24489.50 lakh as against the reported figure of ₹ 24586.18 lakh.

QUALIFIED OPINION

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effect of the matter described in the Basis for Qualified Opinion paragraph, 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 as at 31st March, 2017 and their consolidated profit and their consolidated cash flows for the year ended on that date.

Independent Auditors' Report on Consolidated Financial Statements (Contd.)

EMPHASIS OF MATTER

Refer note no. 2.28.I.ii regarding carry forward of minimum alternate tax (MAT) credit entitlement of ₹ 114 lakh based on future taxable income projected by the company.

Our opinion is not modified in the respect of the above matter.

Other Matters

- a) We have not audited the financial statements/ financial information of two Indian subsidiaries whose financial statements reflect total assets of ₹ 12206.11 Lakh and net assets of ₹ 10759.85 Lakh as at 31st March, 2017, total revenues of ₹ NIL and net cash inflow amounting to ₹ 17.66 Lakh for the year ended on that date, as considered in the annual consolidated financial statements. These financial statements/ financial information have been audited by the other auditors whose reports have been furnished to us by the management and in our opinion on the annual consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries are based solely on the reports of the other auditors.
- b) The financial statement/financial information of one Indian Subsidiary has been audited by one of us singly, whose financial statements reflects total assets of ₹ 26811.04 Lakh and net assets of ₹ 4530.48 Lakh as at 31st March, 2017, total revenues of ₹ 15926.12 Lakh and net cash inflow amounting to ₹ 49.50 Lakh for the year ended on that date, as considered in the consolidated financial statements. The audit report for the subsidiary has been furnished to us and in our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of that subsidiary is based solely on the reports of that respective auditor.
- c) We have not audited the financial statements/ financial information of two step down subsidiaries of a foreign subsidiary and two step down subsidiaries of a foreign jointly controlled entity whose financial statements reflect total assets of ₹ 7009.97 Lakh and net assets of ₹ 4264.57 Lakhs as at 31st March 2017 / 31st December 2016, total revenues of ₹ 4894.08 Lakh and net cash outflow amounting to ₹ 160.82 Lakh for the year ended on the respective dates, as considered in the consolidated financial statements. The Holding Company's management has converted the financial statements of such step down subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the

Holding Company's management. These financial statements/ financial information have been audited by the other auditors whose reports have been furnished to us by the management and in our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these step down subsidiaries are based solely on the reports of the other auditors.

- d) We have relied on the unaudited financial statements / financial information of a foreign subsidiary and a foreign jointly controlled entity, whose financial statements reflects total assets of ₹ 1185.66 Lakh and net assets of ₹ (-) 545.41 Lakh as at 31st March 2017 / 31st December 2016, total revenue of 'NIL' and net cash outflow amounting to ₹ 83.24 Lakh for the year ended on the respective dates. The Holding Company's management has converted the financial statements of such subsidiary and jointly controlled entity located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our report in so far as it relates to the amounts included in respect to above consolidated financial statements is based solely on such approved unaudited financial statements and the conversion adjustments prepared by the management of the Holding Company. In our opinion and according to the information and explanations given to us by the Management of the Holding Company, these financial statements/ financial information are not material to the Group.

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

1. As required by Section 143 (3) of the Act, to the extent applicable, 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 of the aforesaid consolidated financial statements.
 - b) In our opinion, 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

Independent Auditors' Report on Consolidated Financial Statements (Contd.)

examination of those books and the reports of the other auditors.

- c) 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.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) The matters described in the "Basis for Qualified Opinion" and "Emphasis of Matter" paragraph above, in our opinion may not have an adverse effect on the functioning of the Group and jointly controlled entity.
- f) 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 statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group is disqualified as on 31st March, 2017 from being appointed as a director of that company in terms of Section 164 (2) of the Act. However, we are unable to comment in respect of directors of an Associate Company of one of its Subsidiary Company.
- g) With respect to the adequacy of the internal financial controls over financial reporting of the holding Company & its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our

separate report in 'Annexure A'; 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 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Holding Company and its subsidiary companies incorporated in India – refer note 2. 28 (A) & (I) (i) to the financial statements;
 - ii. The Holding Company and its subsidiary companies incorporated in India 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 and its subsidiary companies incorporated in India.
 - iv. The Group has provided requisite disclosures in the financial statement as to holdings as well as dealing in the Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedure and relying on the management representation we report that the disclosures are in accordance with books of accounts maintained by the Group and as produced to us by the management- Refer Note No. 2.28.Y

For **SINGHI & CO.**

Chartered Accountants

(Firm Registration No. 302049E)

Aditya Singhi

Partner

(Membership No. 305161)

Place : Kolkata

Dated, the 8th day of May, 2017

For **JITENDRA K AGARWAL & ASSOCIATES**

Chartered Accountants

(Firm Registration No. 318086E)

Abhishek Mohta

Partner

(Membership No. 066653)

Annexure - A to the Independent Auditors' Report on Consolidated Financial Statements

The Annexure referred to in paragraph 1 (g) under the heading "Report on Other Legal and Regulatory Requirements" of our Independent Auditors' Report of even date in respect to the internal financial control under clause (i) of sub-section 3 of section 143 of the Act of Jay Shree Tea & Industries Limited for the year ended 31st March 2017, we report that:

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March, 2017, we have audited the internal financial controls over financial reporting of the Holding Company. Based on the comments made by the Independent Auditors of the Subsidiaries Companies incorporated in India with respect to the internal financial controls over financial reporting as required in terms of sub-section (3) (i) of Section 143 of the Act, we report as under:

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and

plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained 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 CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial

Annexure - A to the Independent Auditors' Report on Consolidated Financial Statements (Contd.)

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

OPINION

In our opinion, the Holding Company, its subsidiary companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls

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

OTHER MATTERS

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 in so far as it relates to subsidiary companies incorporated in India, is based on the corresponding reports of the auditors of such companies.

For **SINGHI & CO.**

Chartered Accountants

(Firm Registration No. 302049E)

Aditya Singhi

Partner

(Membership No. 305161)

Place : Kolkata

Dated, the 8th day of May, 2017

For **JITENDRA K AGARWAL & ASSOCIATES**

Chartered Accountants

(Firm Registration No. 318086E)

Abhishek Mohta

Partner

(Membership No. 066653)

Consolidated Balance Sheet as at 31st March 2017

(₹ in lakh)

	Note	As at 31st March 2017		As at 31st March 2016	
EQUITY AND LIABILITIES					
SHAREHOLDERS' FUNDS					
Share Capital	2.1	1117.43		1443.87	
Reserves and Surplus	2.2	24586.18	25703.61	38551.67	39995.54
MINORITY INTEREST			1549.03		1701.96
NON-CURRENT LIABILITIES					
Long-Term Borrowings	2.3	14448.74		14159.30	
Deferred Tax Liabilities (Net)	2.4	-		843.86	
Other Long-Term Liabilities	2.5	292.05		251.30	
Long-Term Provisions	2.6	649.12	15389.91	583.76	15838.22
CURRENT LIABILITIES					
Short-Term Borrowings	2.7	21515.58		21093.82	
Trade Payables					
Total outstanding dues of Micro Enterprises and Small Enterprises	2.8	-		-	
Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	2.8	21392.61		17342.13	
Other Current Liabilities	2.9	11975.33		11234.64	
Short-Term Provisions	2.6	3581.55	58465.07	3503.10	53173.69
TOTAL			101107.62		110709.41
ASSETS					
NON-CURRENT ASSETS					
Fixed Assets	2.10				
Tangible Assets		30988.94		36493.82	
Capital Work-In-Progress		1799.53	32788.47	815.79	37309.61
Goodwill on Consolidation		1725.31		1885.25	
Non-Current Investments	2.11	16162.01		25379.66	
Deferred Tax Assets (Net)	2.4	154.06		-	
Long-Term Loans and Advances	2.12	1689.53		1985.49	
Other Non-Current Assets	2.13	5.52	19736.43	5.65	29256.05
CURRENT ASSETS					
Current Investments	2.14	2255.91		2945.22	
Inventories	2.15	26397.04		23264.40	
Trade Receivables	2.16	10495.48		8537.07	
Cash and Bank Balances	2.17	3612.65		3694.42	
Short-Term Loans and Advances	2.12	2528.22		2513.11	
Other Current Assets	2.13	3293.42	48582.72	3189.53	44143.75
TOTAL			101107.62		110709.41

Significant Accounting Policies

1

The Notes are an integral part of the Consolidated Financial Statements

As per our report of even date annexed

As per our report of even date annexed

For **SINGHI & CO.**For **JITENDRA K AGARWAL & ASSOCIATES**

Chartered Accountants

Chartered Accountants

(Firm Registration No.302049E)

(Firm Registration No.318086E)

Aditya Singhi**Abhishek Mohta**

Partner

Partner

(Membership No.305161)

(Membership No.066653)

161, Sarat Bose Road, Kolkata - 700 026

110/F Netaji Subhas Chandra Bose Road

Dated, the 8th day of May 2017

Kolkata - 700 040

For and on behalf of the Board of Directors

Jayashree Mohta

(Vice Chairperson)

(DIN: 01034912)

D. P. Maheshwari

(Managing Director)

(DIN: 02203749)

R. K. Ganeriwala

(President, CFO & Secretary)

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

(₹ in lakh)

	Note No.	For the year ended 31st March 2017	For the year ended 31st March 2016
INCOME			
Revenue from Operations (Gross)	2.18	76402.27	75305.38
Less: Excise duty		1243.01	902.65
Revenue from Operations (Net)		75159.26	74402.73
Other Income	2.19	2212.70	2772.83
Total Revenue		77371.96	77175.56
EXPENSES			
Cost of Materials Consumed	2.20	23512.44	20706.49
Purchases of Stock-in-trade	2.21	6843.98	7027.14
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-trade	2.22	(3569.51)	1484.76
Employee Benefits Expense	2.23	23817.23	22214.01
Finance Costs	2.24	4391.66	4779.67
Depreciation and Amortization Expense	2.25	1973.65	1876.04
Other Expenses	2.26	19456.45	18928.59
Total Expenses		76425.90	77016.70
Profit/(Loss) before Tax		946.06	158.86
Tax Expense:	2.27		
Current Tax		285.59	281.05
Deferred Tax		293.14	508.81
Profit/(Loss) for the year		367.33	(631.00)
Share of Profit/(Loss) of Associate		(90.90)	(56.65)
Share of Minority Interest		(183.85)	(125.61)
Profit/(Loss) attributable to Shareholders after Minority Interest		92.58	(813.26)
Basic & Diluted Earnings Per Share (nominal value ₹ 5/-) (in ₹) (Refer Note. 2.28.W)		0.41	(2.82)

Significant Accounting Policies

1

The notes are an integral part of the Consolidated Financial Statements

As per our report of even date annexed
For **SINGHI & CO.**

Chartered Accountants

(Firm Registration No.302049E)

Aditya Singhi

Partner

(Membership No.305161)

161, Sarat Bose Road, Kolkata - 700 026

Dated, the 8th day of May 2017

As per our report of even date annexed

For **JITENDRA K AGARWAL & ASSOCIATES**

Chartered Accountants

(Firm Registration No.318086E)

Abhishek Mohta

Partner

(Membership No.066653)

110/F Netaji Subhas Chandra Bose Road

Kolkata - 700 040

For and on behalf of the Board of Directors

Jayashree Mohta

(Vice Chairperson)

(DIN: 01034912)

D. P. Maheshwari

(Managing Director)

(DIN: 02203749)

R. K. Ganeriwala

(President, CFO & Secretary)

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

(₹ in lakh)

	2016-17		2015-16	
A. Cash flow from operating activities :				
Net Profit/(Loss) before tax	946.06		158.86	
Adjustments for -				
Depreciation/Amortisation Expenses	1973.99		1876.86	
Dividend income	(91.30)		(94.52)	
Finance Costs	4391.66		4779.67	
Hedging cost of foreign currency loan	8.38		-	
Interest Income	(765.29)		(640.17)	
(Profit)/ Loss on sale of Fixed Assets (net)	(13.75)		(404.53)	
Excess Liabilities & Unclaimed Balances written back	(63.58)		(210.04)	
Excess / Short Provisions related to earlier year (net)	(51.93)		(159.29)	
Loans, Advances, investment & claims written off (net)	47.08		22.50	
Provisions for Doubtful debts & Advances	20.60		21.27	
Net (Gain)/Loss on sale of Investment	(805.11)		(274.93)	
Foreign Currency Translation Reserve	(324.23)		(230.29)	
Net (Gain)/Loss on foreign currency transactions and translations	(188.74)		(267.24)	
Operating profit before working capital changes	5083.84		4578.15	
Adjustments for -				
Trade Receivables and Loans & Advances	(1893.55)		775.38	
Inventories	(3132.64)		1634.26	
Trade payables, Other liabilities & Provisions	4889.68		983.75	
Cash generated from / (used in) operations	4947.33		7971.54	
Direct taxes (paid) / refund ^	257.78		(134.35)	
Exchange difference realised (net)	194.28		263.08	
Net cash from / (used in) operating activities		5399.39		8100.27
B. Cash flow from investing activities :				
Purchase of/advance for Fixed Assets/capital work in progress	(3457.26)		(2268.37)	
Sale of Fixed Assets/ Investment Property	118.91		2467.01	
Receipt of capital subsidy	-		47.17	
(Purchase) / sale of long term investments (net)	878.38		(2254.84)	
(Purchase) / sale of current investments (net)	105.57		(62.07)	
(Investment) / Maturity of Bank Fixed Deposits	(11.95)		(1406.98)	
Loans and Advances to companies (net)	(104.34)		(136.68)	
Interest received	670.06		445.59	
Dividend Income	91.30		97.23	
Net cash from / (used in) investing activities		(1709.33)		(3071.94)

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

(₹ in lakh)

	2016-17		2015-16	
C. Cash flow from financing activities :				
Proceeds of long term borrowings	9500.00		8347.00	
Repayments of long term borrowings	(8755.04)		(6893.37)	
Proceeds from short term borrowings (net)	421.76		(8287.15)	
Dividend including dividend tax paid	(399.85)		(240.35)	
Interest paid	(4528.82)		(4767.26)	
Hedging cost of foreign currency loan	(8.38)		19.56	
Net cash from / (used in) financing activities		(3770.33)		(11821.57)
Net increase / (decrease) in cash and cash equivalent (A+B+C)		(80.27)		(6793.24)
Cash and cash equivalents as at 01.04.2016		1661.87		8455.11
Cash and cash equivalents as at 31.03.2017 \$		1581.60		1661.87
		(80.27)		(6793.24)

^Although investing activities attract tax on income arising out of these activities, for the purpose of the Cash Flow entire tax refund and tax payment has been considered as part of operating activities only.

\$ Cash and cash equivalent consist of :

Cash & Cash Equivalents *

	As at 31.03.2017		As at 31.03.2016	
Cash, cheques, drafts on hand etc.		322.57		225.36
Balance and Fixed deposits with Banks		1259.03		1436.51
Total		1581.60		1661.87

The aforesaid statement is prepared on indirect method.

* Does not include any amount of significant cash & cash equivalent which are not available for use.

The figures of the previous year have been reclassified to conform to current year classification.

As per our report of even date annexed

For **SINGHI & CO.**

Chartered Accountants

(Firm Registration No.302049E)

Aditya Singhi

Partner

(Membership No.305161)

161, Sarat Bose Road, Kolkata - 700 026

Dated, the 8th day of May 2017

As per our report of even date annexed

For **JITENDRA K AGARWAL & ASSOCIATES**

Chartered Accountants

(Firm Registration No.318086E)

Abhishek Mohta

Partner

(Membership No.066653)

110/F Netaji Subhas Chandra Bose Road

Kolkata - 700 040

For and on behalf of the Board of Directors

Jayashree Mohta

(Vice Chairperson)

(DIN: 01034912)

D. P. Maheshwari

(Managing Director)

(DIN: 02203749)

R. K. Ganeriwala

(President, CFO & Secretary)

Notes to Consolidated Financial Statements for the year ended 31st March 2017

1. SIGNIFICANT ACCOUNTING POLICIES

i. Principles of Consolidation

The Consolidated Financial Statements (CFS) relate to Jay Shree Tea & Industries Limited (the Company), its subsidiaries and its interest in Joint Venture (the Group). The CFS has been prepared in accordance with Accounting Standard-21 on "Consolidated Financial Statements" (AS 21), Accounting Standard-23 on "Accounting for Investments in Associates in Consolidated Financial Statements" (AS 23) and Accounting Standard-27 on "Financial Reporting of Interest in Joint Ventures" (AS 27) and is prepared on the following basis:

- (a) The financial statements of the Company and its Subsidiaries 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 inter-group balances and inter-group transactions including unrealized profits/ losses in period end assets, such as inventories, fixed assets etc. The difference between the Company's cost of investments in the Subsidiaries, over portion of equity at the time of acquisition of shares is recognized in the CFS as Goodwill or Capital Reserve, as the case may be. Minority Interest's share in net profit/ loss of consolidated subsidiaries for the year is adjusted against the income of the Group in order to arrive at the net income attributable to equity shareholders of the Company. Minority Interest's share in net assets of consolidated subsidiaries is presented in the Consolidated Balance Sheet separate from liabilities and the equity of the Company's shareholders. Minority Interest in the CFS is identified and recognized after taking into consideration:
 - i. The amount of equity attributable to minorities at the date on which investments in a subsidiary is made.
 - ii. The minorities' share of movement in equity since the date parent-subsidiary relationship came into existence.
 - iii. The losses attributable to the minorities are adjusted against the minority interest in the equity of the subsidiary.
 - iv. The excess of loss over the minority interest in the equity is adjusted against reserve of the group.

- (b) In case of foreign subsidiaries, being non-integral foreign operations, revenue items are translated at the average rates prevailing during the period. Assets, liabilities and equity are translated at the closing rate. Any exchange difference arising on translation is recognized in the "Foreign Currency Translation Reserve".
- (c) Interest in Jointly Controlled Entities, where the company is a direct venturer, is accounted for using proportionate consolidation in accordance with AS 27. The difference between cost of the company's interest in jointly controlled entities over its share of net assets in the jointly controlled entities, at the date on which interest is acquired, is recognized in the CFS as Goodwill or Capital Reserve as the case may be.
- (d) The CFS is prepared by using uniform accounting policies for like transactions and other events in similar circumstances and necessary adjustments required for deviations, if any and to the extent possible, are made in the CFS and are presented in the same manner as the company's separate financial statements except otherwise stated.

ii. Convention

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

iii. Use of Estimates

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

iv. Basis of Accounting

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

Notes to Consolidated Financial Statements for the year ended 31st March 2017 (Contd.)

v. **Change in Accounting Policy****A. Accounting for Proposed Dividend**

As per the requirements of AS – 4 (Revised with effective from 1st April, 2016) on "Contingencies and events occurring after the Balance Sheet date" proposed final dividend including dividend distribution tax are recognized as liability in the period in which they are approved by the shareholders in the General Meeting unlike requirement of recognizing the same as liability in the period to which it relates. Had the company continued with its current practice, surplus in the statement of Profit and Loss would have been lower by ₹120.84 with a corresponding increase in the provision.

B. Bearer Plant Accounting

As per the requirement of AS – 10 (Revised with effective from 1st April, 2016) on "Property, Plant & Equipment", expenditure incurred on "Bearer Plants" have been capitalized was hitherto charged to statement of Profit and Loss in case of existing area of cultivation. The impact of change in Accounting Policy has been given in Note No.2.10.4.

vi. **Recognition of Revenue & Expenses**

- (a) All revenue and expenses are accounted for on accrual basis except as otherwise stated.
- (b) Sales are net of returns, Sales Tax/VAT and trade discount.

vii. **Government Grants**

- (a) Government grants available to the Group are considered for inclusion in accounts where there is reasonable assurance that the company will comply with the conditions attached to them and where such benefits have been earned by the Group and it is reasonably certain that the ultimate collection will be made.
- (b) Government Grants related to specific assets are adjusted with value of fixed assets.
- (c) Government Grants in the nature of Promoter's Contribution towards fixed assets are credited to Capital Reserve.
- (d) Government Grant related to revenue items are adjusted with the related expenditure/taken in income.

viii. **Property, Plant and Equipment & Depreciation****A. Tangible Fixed Assets**

- a) Tangible Fixed assets are stated at cost less accumulated depreciation and accumulated impairment loss, if any.
- b) Bearer Plants which is used in the production or supply of Agriculture produce and expected to bear produce for more than a period of twelve months are capitalized as a part of Property, Plant & Equipment. The cost of Bearer Plant includes uprooting cost, replantation cost and upkeep expenses of young bearer plants.
- c) Depreciation on tangible fixed assets other than land is provided on the "Straight Line Method" at the rates determined based on useful lives of respective assets as prescribed in the Schedule II of the Companies Act, 2013 except (d) and (e) below.
- d) In case of asset "Plucking/Pruning/Power Spraying Machines", depreciation is provided on Straight Line Method at the rates determined considering the useful lives of 5 years which is based on internal assessment and the management believes that the useful lives as considered above best represent the period over which the respective assets shall be expected in use.
- e) Depreciation on Bearer Plants has been provided on "Straight Line Basis" at the rates determined considering useful lives of tea bushes of 45-70 years. The Residual Value in case of Bearer Plants has been considered as 1% of Original Cost.
- f) Leasehold Land (Others) is amortized over the period of lease.

B. Intangible Fixed Assets

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

C. Capital Work In progress

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

Notes to Consolidated Financial Statements for the year ended 31st March 2017 (Contd.)

commercial production.

D. Intangible assets under development

Intangible assets under development is stated at cost which includes expenses incurred during development period and all other expenses incurred in connection with development of Intangible Assets in so far as such expenses relate to the period prior to the getting the assets ready for use.

ix. Impairment of Assets

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

x. Leases

For assets acquired under operating lease, rental payable are recognised as an expense in the statement of profit and loss. Assets acquired under finance lease are capitalized at lower of the fair value and the present value of minimum lease payment. Lease income from operating leases is recognised in the statement of profit and loss over the period of lease.

xi. Investments

- a) Investments which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. The portion of long term investments expected to be realized within twelve months after the reporting date are disclosed under current investments.
- b) On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees & duties.
- c) Long-Term Investments are stated at cost. Provision for diminution is made if the decline in value, in the opinion of the management, is other than temporary.
- d) Current Investments, other than the portion of long term investments disclosed under current investments, are stated at lower of cost or fair value.

xii. Inventories

Inventories are valued at cost or net realizable value whichever is lower. Cost is determined on weighted average/FIFO basis. Cost comprises expenditure incurred in the normal course of business in bringing such inventories to their location and condition and includes appropriate overheads. Provision is made for obsolete and slow moving stocks, wherever necessary.

Net realizable value is the estimated selling prices in the ordinary course of business less estimated cost necessary to make the sale. Materials and other items held for use in production of inventories are not written down below the cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Inventories do not include spare parts, servicing equipments and stand by equipments which meet the definition of Property, Plant & Equipment as per AS – 10. Such item are accounted for in accordance with Accounting Standard (AS – 10), Property, Plant & Equipment.

xiii. Employment Benefits

a) Short term Employees Benefits

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

b) Long Term Employee Benefits

- i. **Defined Contribution Scheme:** This benefit includes contribution to Superannuation Scheme, ESIC (Employees' State Insurance Corporation) and Provident Fund Schemes. The contribution is recognized during the period in which the employee renders service.
- ii. **Defined Benefit Scheme:** For defined benefit scheme the cost of providing benefit is determined using the projected unit credit method with actuarial valuation being carried out at each balance sheet date. The retirement benefit obligation recognized in the Balance Sheet represents value of defined benefit obligation as reduced by the fair value

Notes to Consolidated Financial Statements for the year ended 31st March 2017 (Contd.)

of planned assets. Actuarial gains and losses are recognized in full during the period in which they occur.

- iii. **Other Long Term Benefits:** Long term compensated absence is provided for on the basis of an actuarial valuation, using the Projected Unit Credit Method as at the date of Balance Sheet.
- xiv. **Borrowing Costs**
Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost until the asset is ready for its intended use. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use. Other borrowing costs are recognized as an expense in the period in which they are incurred.
- xv. **Foreign Currency Transactions**
Transactions in foreign currencies are recorded at exchange rates prevailing on the date of the transaction. Monetary items denominated in foreign currency are restated at the exchange rate prevailing on the Balance Sheet date. Foreign currency non-monetary items carried in terms of historical cost are reported using the exchange rate at the date of the transactions. Exchange differences arising on settlement of transactions and/or restatements are dealt with in the statement of profit and loss.

Exchange difference arising on reporting / settlement of long term foreign currency monetary items (other than related to acquisition of depreciable Fixed Assets) at rates different from those at which they were initially recorded during the period or reported in previous CFS which were until now being recognized in the statement of Profit & Loss are now being accumulated in "Foreign Currency Monetary Translation Difference Account" and amortized in the statement of Profit & Loss over the remaining life of the long term foreign currency monetary items.
- xvi. **Derivative Transactions**
The group uses derivative financial instruments such as forward exchange contracts, currency swap, etc. to hedge its risks associated with foreign currency fluctuations relating to the underlying transactions, highly probable forecast

transactions and firm commitments. In respect of Forwards Exchange Contracts with underlying transactions, the premium or discount arising at the inception of such contract is amortized as expense or income over the life of contract.

Other Derivative Contracts outstanding at the Balance Sheet date are marked to market and resulting loss, if any, is provided for in the CFS. Any profit or losses arising on cancellation of derivative instruments are recognized as income or expense for the period.

xvii. **Taxes on Income**

Current tax is determined on the basis of the amount of tax payable for the year under Income Tax Act and Agriculture Income Tax of the respective countries. Deferred tax is calculated at the applicable tax rate and is recognized on timing differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period. Deferred tax assets subject to consideration of prudence, are recognized and carried forward only to the extent that there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Tax Credit for Minimum Alternate Tax (MAT) is recognized when there is a convincing evidence of its realisability against future tax liability.

xviii. **Proposed Dividend**

Dividend recommended/declared after the Balance Sheet Date but before the Financial Statements are approved by Shareholders in the General Meeting are not recognized as a liability at the Balance Sheet Date because no obligation exists at the Balance Sheet Date. Such Dividend is disclosed in the Notes.

xix. **Provisions, Contingent Liabilities & Contingent Assets**

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

Notes to Consolidated Financial Statements for the year ended 31st March 2017 (Contd.)

(₹ in lakh)

	As at 31st March 2017	As at 31st March 2016
2.1 SHARE CAPITAL		
Authorized:		
58000000 Shares of ₹ 5/- each	2900.00	2900.00
Issued:		
28902786 Equity Shares of ₹ 5/- each	1445.14	1445.14
(Previous year 28902786 Equity Shares of ₹ 5/- each)		
Subscribed and Paid up:		
28877488 Equity Shares of ₹ 5/- each	1443.87	1443.87
(Previous year 28877488 Equity Shares of ₹ 5/- each)		
Less: Cancellation on account of consolidation	326.44	-
	1117.43	1443.87

a) Reconciliation of Shares outstanding at the beginning and at the end of year	No. of Shares	No. of Shares
Shares outstanding at the beginning of the year	28877488	28877488
Shares outstanding at the end of the year	28877488	28877488

- b) The Company has only one class of issued shares i.e., Equity Shares having par value of ₹ 5/- per share. Each holder of Ordinary Shares is entitled to one vote per share and equal right for dividend. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the ordinary shareholders are eligible to receive the remaining assets of the Company after payment of all preferential amounts, in proportion to their shareholding.
- c) The Company does not have any Holding Company/ultimate Holding Company.
- d) Details of shareholders holding more than 5% shares in the Company :

	As at 31st March 2017		As at 31st March 2016	
	No. of Shares	%	No. of Shares	%
Ordinary Equity Shares of ₹ 5/- each fully paid up				
JPM Merchandise Agencies Limited	6114108	21.17	6114108	21.17
Jay shree Beneficiary Trust	-	-	6528810	22.61
Jayantika Investment & Finance Ltd.	6528810	22.61	-	-

- e) No Equity Shares have been reserved for issue under options and contracts/commitments for the sale of shares/ disinvestment as at the Balance Sheet date.
- f) No shares have been bought back by the Company during the period of 5 years preceding the date as at which the Balance Sheet is prepared.
- g) No securities convertible into Equity/Preference shares issued by the Company during the year.
- h) No calls are unpaid by any director or officer of the Company during the year.

Notes to Consolidated Financial Statements for the year ended 31st March 2017 (Contd.)

(₹ in lakh)

	As at 31st March 2017	As at 31st March 2016
2.2 RESERVES AND SURPLUS		
Capital Reserve		
(Not Available for Dividend)		
As per the last Consolidated Financial Statements	10865.28	10865.28
Less: Effect of Scheme of Demerger (Refer Note No. 2.28.N)	8658.01	-
Less: Effect of change in Cross Holding	2207.27	-
	-	10865.28
Capital Redemption Reserve		
As per the last Consolidated Financial Statements	165.21	165.21
Capital Reserve arising on accounting of consolidation		
As per the last Consolidated Financial Statements	78.11	78.11
Storage Reserve for Molasses		
As per the last Consolidated Financial Statements	188.10	188.10
Less: Effect of Scheme of Demerger (Refer Note No. 2.28.N)	188.10	-
	-	188.10
RBI Reserve Fund		
As per the last Consolidated Financial Statements	7.96	-
Add: Addition during the year	16.72	7.96
	24.68	7.96
Investment Reserve		
As per the last Consolidated Financial Statements	803.89	1895.22
Less: Adjusted from Sale of Shares	-	1091.33
	803.89	803.89
Revaluation Reserve		
As per the last Consolidated Financial Statements	125.05	133.44
Add: Foreign Currency Translation Reserve	(10.34)	(8.39)
	114.71	125.05
Foreign Currency Translation Reserve		
As per the last Consolidated Financial Statements	(340.97)	(81.32)
Add: Movement during the year	(31.03)	(259.65)
	(372.00)	(340.97)
Debenture Redemption Reserve		
As per the last Consolidated Financial Statements	-	125.00
Less: Transferred to General Reserve	-	125.00
	-	-
General Reserve		
As per the last Consolidated Financial Statements	20330.28	20205.28
Add: Transferred from Surplus	-	125.00
Less: Effect of change in Cross Holding	2796.88	-
	17533.40	20330.28

Notes to Consolidated Financial Statements for the year ended 31st March 2017 (Contd.)

(₹ in lakh)

	As at 31st March 2017	As at 31st March 2016
Surplus		
As per the last Consolidated Financial Statements	6328.76	7450.82
Add: Dividend paid to subsidiary company	65.50	-
Add: Depreciation on Plantation of earlier years (Net of Deferred Tax)	(230.25)	-
Add: Profit/(Loss) for the year	92.58	(813.26)
Add: Accumulated share of Profit of Associate of earlier years	-	164.04
	6256.59	6801.60
Less: Appropriations		
Proposed Dividend	1.50	441.93
Corporate Dividend Tax (Net)	0.18	22.95
RBI Reserve Fund	16.73	7.96
Net Surplus	6238.18	6328.76
Total Reserve and Surplus	24586.18	38551.67

		Non-current		Current	
		As at 31st March 2017	As at 31st March 2016	As at 31st March 2017	As at 31st March 2016
2.3	LONG-TERM BORROWINGS				
	Secured				
	Term Loan from Banks	6258.33	6774.99	5016.67	3858.34
	Foreign Currency Term Loan from Banks	1741.69	3169.60	1429.16	941.45
	External Commercial Borrowings from Bank	-	344.06	344.06	688.13
	Sugar Development Fund Loan	344.22	430.27	86.05	-
	Sugar Term Loan	1417.00	3277.00	925.00	920.00
	Total Secured Borrowings	9761.24	13995.92	7800.94	6407.92
	Unsecured				
	Foreign Currency Term Loan from Banks	4687.50	-	312.50	-
	Working Capital Loan from Banks	-	-	-	1250.00
	From Related Party - Joint Venture Partner	-	163.38	-	-
	Total Unsecured Borrowings	4687.50	163.38	312.50	1250.00
	Amount disclosed under the head "Other Current Liabilities" (Refer Note No.2.9)	-	-	(8113.44)	(7657.92)
		14448.74	14159.30	-	-

Security:

- Term Loan from Banks including Foreign Currency Term Loan and External Commercial Borrowings amounting to ₹ 12604.48 are secured/to be secured by equitable mortgage by deposit of title deeds of tea estates alongwith all immovable properties thereon ranking pari-passu, interse with working capital lenders for tea division. Further Term Loan from a Bank amounting to ₹ 2025.00 is secured by pledge of certain non current investments.
- Foreign Currency Loan from Bank amounting to ₹ 160.43 is secured against fixed assets of Gisakura Tea Factory.
- Sugar Development Fund Loan is secured/to be secured by way of by a second charge on equitable mortgage of all the immovable and movable assets, present and future of Majhulia Sugar Industries Private Limited.
- Sugar Term Loan from a bank is secured by first charge of hypothecation of stocks, book debts/receivable and other current assets of Majhulia Sugar Industries Private Limited ranking pari-passu with other working capital consortium bank.

Notes to Consolidated Financial Statements for the year ended 31st March 2017 (Contd.)

(₹ in lakh)

v) Maturity Profile and Repayment Schedule

Nature of Loans	Loan Amount	Repayment Term	Repayment Years			
			2017-2018	2018-2019	2019-2020	2020-2023
Secured						
Rupee Term Loan	1000.00	Payable in one (last) installment	1000.00	—	—	—
Rupee Term Loan	2500.00	Payable in five half yearly installments	500.00	1000.00	1000.00	—
Rupee Term Loan	900.00	Payable in two half yearly installments	900.00	—	—	—
Rupee Term Loan	1000.00	Payable in two equal yearly installments	500.00	500.00	—	—
Rupee Term Loan	666.67	Payable in two equal half yearly installments	666.67	—	—	—
Rupee Term Loan	2083.33	Payable in five equal half yearly installments	833.33	833.33	416.67	—
Rupee Term Loan	1125.00	Payable in five half yearly installments	450.00	450.00	225.00	—
Rupee Term Loan	2000.00	Payable in twelve equal quarterly installments	166.68	666.68	666.68	499.96
Foreign Currency Term Loan	666.66	Payable in one (last) installment	666.66	—	—	—
Foreign Currency Term Loan	160.43	Payable in two yearly installments	137.49	22.94	—	—
FCNR Term Loan	2343.76	Payable in fifteen equal quarterly installments	625.00	625.00	625.00	468.76
External Commercial Borrowings	344.06	Payable in one (last) installment	344.06	—	—	—
Sugar Development Fund	430.27	Payable in ten half yearly installments	86.05	86.05	86.05	172.12
Sugar Term Loan	900.00	Payable in eleven equal quarterly installments	500.00	400.00	—	—
Sugar Soft Loan	1442.00	Payable in twenty equal quarterly installments	425.00	340.00	340.00	337.00
Total	17562.18		7800.94	4924.00	3359.40	1477.84
Unsecured						
Foreign Currency Term Loan	5000.00	Payable in sixteen equal quarterly installments	312.50	1250.00	1250.00	2187.50
Total	5000.00		312.50	1250.00	1250.00	2187.50
Grand Total	22562.18		8113.44	6174.00	4609.40	3665.34

Note: The rate of interest on the above term loans are in the range of 7.00% p.a to 10.00% p.a

Notes to Consolidated Financial Statements for the year ended 31st March 2017 (Contd.)

(₹ in lakh)

		As at 31st March 2017	As at 31st March 2016
2.4	DEFERRED TAX LIABILITIES / (ASSETS) (NET)		
	Deferred Tax Liabilities arising on account of :		
	Difference between written down value of block of assets as per Income Tax Laws and written down value of the Fixed Assets as per books	1765.90	3305.40
	Less: Deferred Tax Assets arising on account of :		
	Items allowable for tax purpose on payment	644.34	1062.07
	Unabsorbed Depreciation	1220.94	1211.76
	Others	54.68	187.71
		1919.96	2461.54
		(154.06)	843.86

Deferred Tax asset on unabsorbed depreciation, has been further recognised and carried forward based on the certainty of reversal of the same based on the projected availability of the future taxable income.

		As at 31st March 2017	As at 31st March 2016
2.5	OTHER LONG TERM LIABILITIES		
	Trade and Security Deposits	184.46	143.70
	Interest accrued but not due	107.59	107.60
		292.05	251.30

		Long Term		Short Term	
		As at 31st March 2017	As at 31st March 2016	As at 31st March 2017	As at 31st March 2016
2.6	PROVISIONS				
	Provision for Employee Benefits				
	Leave	561.56	569.50	308.86	232.86
	Gratuity	-	-	827.26	710.87
	Bonus	-	-	2132.80	2025.13
	Other Provisions				
	Provisions for Contingencies	-	-	27.37	39.46
	Provisions for Taxation (Net of advance)	87.56	14.26	283.46	29.52
	Proposed Dividend	-	-	1.50	441.93
	Corporate Dividend Tax	-	-	0.30	23.33
		649.12	583.76	3581.55	3503.10

Notes to Consolidated Financial Statements for the year ended 31st March 2017 (Contd.)

		(₹ in lakh)	
		As at 31st March 2017	As at 31st March 2016
2.7	SHORT TERM BORROWINGS		
	Working Capital Borrowings		
	From Banks		
	Working Capital Loan (Secured)	8015.58	11593.82
	Packing Credit Loan (Secured)	2500.00	2500.00
	Packing Credit Loan (Unsecured)	1000.00	-
	Short Term Rupee Loan (Unsecured)	8000.00	7000.00
	Foreign Currency (Unsecured)	2000.00	-
		21515.58	21093.82
	The above amount includes		
	Secured Borrowings	10515.58	14093.82
	Unsecured Borrowings	11000.00	7000.00
		21515.58	21093.82

Security:

- Secured working capital loan and other secured loans are secured by first charge by way of hypothecation over entire current assets of the Company ranking pari-passu with other consortium banks as primary security & second charge by way of hypothecation of entire movable plant & machinery of the Company ranking pari-passu with other consortium banks as collateral.
- Secured working capital loan to the tune of ₹ 2799.99 in the books of a subsidiary and a step down subsidiary company are secured by pledge of investment of ₹ 6158.86.
- Secured working capital loan for tea division are also secured by equitable mortgage over the immovable properties of Company's 21 Tea Estates ranking pari-passu with term lenders for tea division.
- The rate of interest on the above loans are in the range of 6.50 % p.a to 8.40 % p.a

		As at 31st March 2017	As at 31st March 2016
2.8	TRADE PAYABLES		
	For Goods and Services		
	Dues of Micro Enterprises and Small Enterprises	-	-
	Others	21392.61	17342.13
		21392.61	17342.13

Notes to Consolidated Financial Statements for the year ended 31st March 2017 (Contd.)

(₹ in lakh)

	As at 31st March 2017	As at 31st March 2016
2.9 OTHER CURRENT LIABILITIES		
Current maturities of Long Term Debt (See Note 2.3)	8113.44	7657.92
Interest accrued but not due on Borrowings	410.30	529.50
Interest accrued and due on Borrowings	26.34	44.29
For Salary & Wages	846.74	818.95
Unpaid and unclaimed dividends	78.44	81.08
Statutory Dues	1435.40	1350.80
Amount payable for Capital Goods	191.09	141.78
Trade and Security Deposits	19.82	17.37
Advances Received from Customers	272.40	186.92
Others	581.36	406.03
	11975.33	11234.64

Particulars	GROSS BLOCK			DEPRECIATION/AMORTISATION				NET BLOCK		
	As at 31/03/2016	Additions / Adjustment	Sales / Adjustment	As at 31/03/2017	As at 31/03/2016	For the year	Sales / Adjustment	As at 31/03/2017	As at 31/03/2017	As at 31/03/2016
2.10 Fixed Assets										
Tangible Assets										
Land	7366.96 (1)	4.91	2830.32	4541.55	-	-	-	-	4541.55	7366.96
Leasehold Land	206.33	-	-	206.33	2.32	-	-	2.32	204.01	204.01
Plantation	7227.22	(7.02) (2)	115.34	7104.86	-	212.90	(218.18) (12)	431.08	6673.78	7227.22
Leasehold Land Others	122.54	-	-	122.54	43.45	8.11	-	51.56	70.98	79.09
Building & Flats (including those on Leasehold & Rented Land), Electric Installation, Water Line, Tubewell, Fencing, Road, Bridge etc.	11059.69	690.12	105.86	11643.95	3177.16	372.71	105.73	3444.14	8199.81	7882.53
Plant & Machinery, X-ray units, Electric Installation, Air Conditioning Units, Refrigerators, Road Rollers, Gas Pipe Lines, Roadways etc.	23416.45	1686.61 (3)	5377.39	19725.67	10916.64	993.03	2315.26	9594.41	10131.26	12499.81
Motor Lorries, Cars, Trailors, Tractors, Trolleys, Cycles, Vans, Loaders etc.	2527.30	211.46	160.62	2578.14	1,621.13	218.51	138.66	1700.98	877.16	906.17
Furniture & Fixtures, Tools & implements etc.	595.14	27.69	55.12	567.71	345.09	34.91	39.31	340.69	227.02	250.05
Live Stock	0.19	-	-	0.19	-	-	-	-	0.19	0.19
Office Equipments	281.42	30.41	57.28	254.55	203.63	33.17	45.43	191.37	63.18	77.79
Total	52803.24	2644.18	8701.93	46745.49	16309.42	1873.34	2426.21	15756.55	30988.94	36493.82
Capital Work-in-Progress									1799.53 (4)	815.79
									32788.47	37309.61
Previous Year	50277.98	3487.80	962.54	52803.24	14954.56	1819.11	464.25	16309.42	36493.82	
Capital Work-in-Progress									815.79	
									37309.61	

Notes to Consolidated Financial Statements for the year ended 31st March 2017 (Contd.)

(₹ in lakh)

NOTES TO FIXED ASSETS:

- 1) Land of Tribeni, West Bengal - Appeal for the final determination of compensation was decided in favour of the Group by the District Court of Hooghly and final compensation determined at ₹ 8.33 (Including interest ₹ 0.50) against which a sum of ₹ 2.05 was received in earlier years and credited to fixed assets. ₹ 6.28 including ₹ 1.50 released during the year 1967 against hypothecation of Khardah Land by the District Court has been shown in Current Liabilities. The Hon'ble High Court at Calcutta has decided the appeal against the Group in an earlier year by reducing the amount of compensation for which an appeal before the Hon'ble Supreme Court of India was filed. Hon'ble Supreme Court has upheld the decision of the Hon'ble High Court and accordingly the adjustments will be carried out when the amount to be refunded is ascertained.
- 2) Includes estimated cost of New Extension of area under tea ₹ 43.01 (Previous Year ₹ 136.30) capitalized during the year as certified by management.
- 3) Excluding ₹ Nil (Previous Year ₹ 47.17) on account of subsidy received from Tea Board under Tea Quality Upgradation & Product Diversification Scheme.
- 4) Includes development expenditure on Bearer Plants of ₹ 624.87 which meets the definition of Property, Plant and Equipment, as per AS -10, which was hitherto charged to Statement of Profit & Loss, has been capitalized during the year ended 31st March, 2017.
- 5) Land, Buildings and Plant & Machinery include ₹ 1.18, ₹ 6.43 and ₹ 0.81 respectively (Previous Year ₹ 1.18, ₹ 6.43, and ₹ 0.81 respectively) being 5.18% share of cost of Land, Buildings and Plant & Machinery held on co-ownership by the Group with other parties.
- 6) Land & Plantation include ₹ 29.28 (Previous Year ₹ 29.28) and Building includes ₹ 1.55 (Previous Year ₹ 1.55) (being cost of floor of a leasehold building) in the name of the nominees of the Group on co-ownership basis, pending execution of conveyance deed.
- 7) Land & Plantation includes 6 hectares for which execution of conveyance deed in favour of the Group is pending.
- 8) Majhulia Sugar Industries Private Limited is holding 1070.57 acre of land which is in dispute under Bihar Land Reforms (Fixation of Ceiling Area and Acquisition of Surplus Land) Act, 1961 & Rules, 1963. Vide order dated 29.12.2012, the Additional Collector, Bettiah had declared 970.57 acre of land as surplus and ordered for surrender of such land. It has filed an appeal against the order of the Collector and the matter is subjudice. Further compensation of 146.92 acres of land which was surrendered under the above Act in earlier years is yet to be determined and shall be accounted for in the year of receipt.
- 9) Depreciation during the year includes ₹ 0.34 (Previous year ₹ 0.82) towards assets of farm.
- 10) Plant & Machinery and Vehicles of a sub-subsidiary were revalued in 2009 which resulted in an increase of ₹ 462.42.
- 11) Addition to Fixed Assets and Depreciation/Amortization during the year includes ₹ (336.62) (Previous Year ₹ (184.28)) and ₹ (100.62) (Previous Year ₹ (45.35)) respectively on account of Foreign Currency Translation Reserve.
- 12) Depreciation on Plantation upto 31st March 2016 in respect of MTCL ₹ 132.66 (Net of Deferred Tax ₹ (-) 16.15) and GTCL ₹ 85.52 (Net of Deferred Tax ₹ 4.08) has been adjusted with Surplus of the Group due to change in Accounting Policy as per AS-10 (IGAAP) where Depreciation on Plantation is required to be charged.
- 13) Borrowing cost capitalized in accordance with Accounting Standard-16 is ₹ 32.21 (Previous Year ₹ Nil).
- 14) The ownership of land of a tea estate measuring 72.39 acre has been disputed by a section of local people against which stay order has been obtained from Hon'ble High Court at Calcutta. The matter is subjudice and is pending before the Land Reforms & Tenancy Tribunal.
- 15) The Group has constructed a warehouse on leasehold land taken for a period of 15 years from Kolkata Port Trust with an option to renew the same after 15 years based on prevailing rentals at that time with a 1st right of refusal. Considering the above fact, the management is confident of renewing the same and hence life of the asset is considered 30 years as per rate prescribed under Schedule – II of the Companies Act, 2013.

Notes to Consolidated Financial Statements for the year ended 31st March 2017 (Contd.)

2.11 NON CURRENT INVESTMENTS

(₹ in lakh)

As at 31.03.2017	As at 31.03.2016		As at 31.03.2017	As at 31.03.2016
		Number of Shares/ Securities/Bonds/Units		
		TRADE INVESTMENT - LONG TERM (Valued at cost unless otherwise stated)		
		FULLY PAID SHARES / SECURITIES / BONDS / UNITS (Face Value of ₹ 10/- each unless otherwise stated)		
		INVESTMENT IN EQUITY INSTRUMENTS		
		IN JOINT STOCK COMPANIES - UNQUOTED		
		Beneficial interest in shares held by JSTI Beneficiary Trust (Face value ₹ 5/- each)	332.29	332.29
		Beneficial interest in shares held by Jay Shree Beneficiary Trust (Face value ₹ 5/- each)	-	9637.41
		OTHER INVESTMENT - LONG TERM (Valued at cost unless otherwise stated)		
		INVESTMENT PROPERTY (At cost less accumulated depreciation)		
		Cost of Land & Building	2.74	2.74
		Less: Accumulated Depreciation / Amortisation	0.54	0.51
		Net Block	2.20	2.23
		FULLY PAID SHARES / SECURITIES / BONDS / UNITS (Face Value of ₹ 10/- each unless otherwise stated)		
		INVESTMENT PROPERTY - UNQUOTED		
25	25	Embassy centre Premises Co. Op. Society Ltd. (Face value ₹ 50/- each)	0.01	0.01
55	55	The Bayside Co. Op. Housing Society Ltd. (Face value ₹ 50/- each)	0.03	0.03
460	460	Paramount Owners Syndicate Pvt. Ltd.	0.05	0.05
		EQUITY SHARES IN ASSOCIATE COMPANIES - QUOTED		
2709997	2709997	ECE Industries Ltd. (Includes Capital Reserve of ₹ 11.62 crore)	3818.43	3818.43
		Add: Accumulated Share of Profit for earlier years	104.67	164.04
		Add: Current Year Share of Profit/(Loss)	(90.90)	(56.65)
		Less: Dividend	-	2.72
		Net Carrying Value of Investment	3832.20	3923.10
		EQUITY SHARES (OTHERS) - UNQUOTED		
2500	2500	Birla International Ltd. (Face value 100 CHF each)	52.25	52.25
20	20	Essel Mining & Industries Ltd.	8.35	8.35
-	68560	Padmavati Investment Ltd.	-	247.02
205680	205680	JPM Merchandise Agencies Limited	9.60	9.60
25000	25000	Kesoram Insurance Broking Services Ltd.	0.50	0.50
4600	4600	Vasavadatta Services Ltd.	0.46	0.46
10	10	The Coimbatore & Nilgiris Dist. Small Scale Service Ind. Co-Op. Society Ltd.	0.01	0.01
		(Face Value ₹ 100/-)		
1	1	The Tamilnadu Tea Manufacturers' Service Industrial Co-Op. Society Ltd.	0.05	0.05
		(Face Value ₹ 5000/-)		
		EQUITY SHARES (OTHERS) - QUOTED		
75	75	McLeod Russel India Ltd.	0.02	0.02
100000	100000	Century Enka Ltd.	275.20	275.20
569089	569089	Kesoram Textile Mills Ltd. (Face Value ₹ 2/-)	1.42	1.42
6700	6700	Pilani Investment & Industries Corpn. Ltd.	52.26	52.26
86200	86200	HGI Industries Ltd.	17.93	17.93
-	85759	International Paper APPM Limited	-	136.26
101500	101500	Kiran Vyapar Limited	79.17	79.17

Notes to Consolidated Financial Statements for the year ended 31st March 2017 (Contd.)

2.11 NON CURRENT INVESTMENTS

(₹ in lakh)

As at 31.03.2017	As at 31.03.2016		As at 31.03.2017	As at 31.03.2016
		INVESTMENT IN GOVERNMENT & TRUST SECURITIES - UNQUOTED		
		(Face Value of ₹ 1000/- each)		
3	3	National Savings Certificates	0.03	0.03
		INVESTMENT IN SECURED NON CONVERTIBLE DEBENTURES - UNQUOTED		
-	2	10.0% Rajesh Estate & Nirman Private Limited (Face Value of ₹ 1 crore each)	-	218.13
-	20	16.0% Puranik Builders Private Limited (Face Value ₹ 10 lakh each)	-	200.00
20	20	17.0% Reddy Housing Private Limited (Face Value ₹ 10 lakh each)	200.00	200.00
25.67	-	17.5% Vagad Builders & Developers Pvt. Ltd. (Face Value ₹ 92571.43 each)	23.76	-
		INVESTMENT IN UNSECURED NON CONVERTIBLE DEBENTURES - UNQUOTED		
1000000	1000000	1% Kushagra Properties Private Limited (Face Value ₹ 100/- each)	1000.00	1,000.00
		INVESTMENT IN BONDS - QUOTED		
		(Face value of ₹ 1000/- each , unless otherwise stated)		
-	15832	20 years, 8.66% Tax Free Bonds of NTPC Ltd. Series 3 A	-	180.60
-	50000	15 years, 8.48% Tax Free Bonds of IIFCL Ltd. Series 2 A	-	551.79
-	20000	15 years, 8.63% Tax Free Bonds of REC Ltd. Tranche II Series II	-	223.88
-	30000	15 years, 8.63% Tax Free Bonds of REC Ltd. Tranche II Series II	-	335.82
-	50000	15 years, 8.63% Tax Free Bonds of IRFC Ltd. Tranche II Series IIA	-	558.92
50000	-	9% Bonds of Mahindra & Mahindra Financial Services Ltd. *	505.36	-
50	-	9.5% Unsecured Bonds of Union Bank of India SR-XX 9.5 BD Perpetual (FV - ₹ 10 lakh) **	504.00	-
50000	-	9.25% Dewan Housing Finance Corporation Limited Series III Category III & IV *	503.50	-
		INVESTMENTS IN MUTUAL FUNDS - UNQUOTED		
4021968.410	7432921.850	Edelweiss Absolute Return Fund- Direct Plan Dividend option-Payout**	615.36	1115.36
3410953.440	-	Edelweiss Absolute Return Fund- Direct Plan Dividend option-Payout	500.00	-
2673332.175	2673332.175	UTI Short Term Income Fund- Growth*	400.00	400.00
2306081.421	2306081.421	Birla Sunlife Short Term Opportunities Fund-Growth*	500.00	500.00
-	18159.082	Templeton India Short Term Income Plan Fund- Growth	-	500.00
-	2000000.000	Birla Sun Life Fixed Term Plan- Corporate Bond Series A (1170 Days)	-	200.00
3000000.000	3000000.000	HDFC FMP 1184D-Series 33-Regular-Growth**	300.00	300.00
5000000.000	5000000.000	Edelweiss Corporate Debt Opportunities Fund- Regular- Growth**	500.00	500.00
		(Erstwhile JP Morgan India Corporate Debt Opportunities Fund- Regular-Growth)		
2000000.000	2000000.000	ICICI Prudential FMP Series 75 - 1246 Days Plan U - Regular*	200.00	200.00
1696496.734	1696496.734	Reliance Regular Savings Fund - Debt- Growth*	300.00	300.00
2149797.919	2149797.919	Franklin India Corporate Bond Opportunities Fund*	300.00	300.00
-	858217.013	Reliance Gilt Securities Fund-Growth plan-Growth Option (GL-RG)	-	155.00
-	819059.850	UTI-GILT Advantage Fund -LTP-Growth	-	250.00
-	878175.923	HDFC Gilt Fund Long Term-Growth	-	250.00
-	664671.874	Franklin India Monthly Income Plan-Plan A-Growth	-	285.00
1799539.318	1799539.318	UTI Income Opportunities Fund *	225.00	225.00
1046438.621	1046438.621	ICICI Prudential Corporate Bond Fund *	225.00	225.00
3000000.000	3000000.000	UTI Fixed Term Income Fund Series XXII-VI (1098 days)-Growth *	300.00	300.00
2000000.000	2000000.000	Kotak FMP Series 183 - Growth (Regular Plan) *	200.00	200.00
1026125.146	-	Reliance Short Term Fund - Growth Plan - Growth Option *	300.00	-
1553196.997	-	Birla Sun Life Medium Term Plan - Growth - Regular Plan *	300.00	-
1184151.319	-	DSP BlackRock Income Opportunities Fund-Regular Plan-Growth*	300.00	-

Notes to Consolidated Financial Statements for the year ended 31st March 2017 (Contd.)

2.11 NON CURRENT INVESTMENTS

(₹ in lakh)

As at 31.03.2017	As at 31.03.2016		As at 31.03.2017	As at 31.03.2016
810139.709	-	SBI Corporate Bond Fund-Regular Plan-Growth *	200.00	-
622281.408	-	ICICI Prudential Short Term Plan-Growth Option *	200.00	-
921370.262	-	ICICI Prudential Income Opportunities Fund-Growth *	200.00	-
4272554.817	-	BOI AXA Corporate Credit Spectrum Fund- Regular Plan **	500.00	-
1125247.554	-	DSP Black Rock Income Opportunities Fund-Regular Plan-Growth	300.00	-
		INVESTMENTS IN REAL ESTATE YIELD FUNDS - UNQUOTED		
		Peninsula Brookfield India Real Estate Fund	191.04	184.37
		IDFC Real Estate Yield Fund	114.49	142.51
		Indiabulls High Yield Fund	20.00	-
		INVESTMENTS IN PORTFOLIO MANAGEMENT SERVICES / ALTERNATIVE INVESTMENT FUND - UNQUOTED		
		Reliance Capital Asset Management Company Ltd. (Yield Maximiser Fund)	58.18	108.21
		India Business Excellence Trust	116.92	169.72
		Reliance Yield Maximiser AIF Scheme II	298.80	301.57
		India Realty Excellence Fund III	142.57	23.13
		Indiabulls High Yield Fund	200.00	-
		IIFL Real Estate Fund (Domestic) - Series 4	200.00	-
		Reliance Yield Maximiser AIF Scheme III	300.00	-
		ASK Real Estate Special Situations Fund - I	15.00	-
		Edelweiss Real Estate Opportunities Fund	64.00	-
		KKR India Debt Opportunities Fund II	175.00	-
		TOTAL NON CURRENT INVESTMENT	16162.01	25379.66
		Aggregate Book Value of Non Current Quoted Investments	5771.06	6336.37
		Aggregate Book Value of Non Current Unquoted Investments	10390.95	19043.29
		TOTAL	16162.01	25379.66
		Aggregate Market Value of Non Current Quoted Investments	15661.93	7009.67

* Pledged as security for issuing SBLC used for availing credit facilities for a subsidiary and a step down subsidiary company.

** Pledged as security to secure a Long Term Rupee Loan.

Portion of long term investments, as defined by Accounting Standard-13 "Accounting for Investments", which are expected to be realised within twelve months from the Balance Sheet date are disclosed as "Current portion of long term investment".

Notes to Consolidated Financial Statements for the year ended 31st March 2017 (Contd.)

(₹ in lakh)

	Long Term		Short Term	
	As at 31st March 2017	As at 31st March 2016	As at 31st March 2017	As at 31st March 2016
2.12 LOANS & ADVANCES				
(Unsecured, considered good (unless otherwise stated)				
Capital Advances	233.45	238.45	-	-
Security Deposits	476.20	447.99	27.71	15.63
Loan & Advances to Related Parties				
To a Joint Venture Partner	-	163.67	-	7.04
	-	163.67	-	7.04
Other Loans and Advances				
Loans & Deposit to Companies	-	-	1096.69	992.35
Deposit with NABARD	-	-	0.04	0.04
Advance Tax and TDS (Net of provisions)	622.12	848.82	50.63	37.28
MAT credit Entitlement (Refer Note No.2.28.I.ii)	114.00	116.78	-	-
Advance against supply of Goods and Services	-	-	535.65	714.84
Prepaid Expenses	98.04	19.32	178.93	246.83
Insurance, excise and other claims	-	-	119.08	35.90
Loan / Advance to Employees	123.00	127.11	117.89	103.92
Balances with Government & Statutory Authorities	-	-	281.70	228.76
Other Deposits and Advances				
Considered Good	22.72	23.35	119.90	130.52
Considered Doubtful	-	-	3.73	3.73
Less: Provision	-	-	3.73	3.73
	979.88	1135.38	2500.51	2490.44
	1689.53	1985.49	2528.22	2513.11

	Non-current		Current	
	As at 31st March 2017	As at 31st March 2016	As at 31st March 2017	As at 31st March 2016
2.13 OTHER ASSETS				
Bank Fixed Deposit (Including ₹ 10.00 (Previous Year ₹ Nil) pledged as margin money)	5.14	4.33	10.00	-
Interest accrued on Deposits	0.38	1.32	135.56	161.32
Interest accrued on Investments	-	-	147.41	113.35
Interest accrued on loans / Inter corporate Deposits	-	-	106.75	111.28
Incentive and Subsidy Receivable	-	-	2279.96	2631.83
Rent Receivable	-	-	13.04	12.32
Less: Reserve for Doubtful Debts (Advance)	-	-	11.24	11.24
Interest Receivable	-	-	247.71	156.32
Others	-	-	364.23	14.35
	5.52	5.65	3293.42	3189.53

Notes to Consolidated Financial Statements for the year ended 31st March 2017 (Contd.)

(₹ in lakh)

2.14 CURRENT INVESTMENTS

As at 31.03.2017	As at 31.03.2016		As at 31.03.2017	As at 31.03.2016
		"CURRENT INVESTMENTS - OTHER THAN TRADE"		
		(Valued at cost unless otherwise stated)		
		FULLY PAID SHARES / SECURITIES / BONDS / UNITS		
		(Face Value of ₹ 10/- each unless otherwise stated)		
		CURRENT PORTION OF LONG TERM INVESTMENTS AS PER ACCOUNTING STANDARD (AS)-13		
		INVESTMENT IN SECURED NON CONVERTIBLE DEBENTURES - UNQUOTED		
-	10	18% Paranjape Schemes (Constructions) Limited (Face Value ₹ 10 lakh each)	-	100.00
-	1	10% Rajesh Estate & Nirman Private Limited (Face Value ₹ 1 crore each)	-	99.99
51.33	-	17.5% Vagad Builders & Developers Pvt. Ltd. (Face Value ₹ 92571.43 each)	47.52	-
		INVESTMENT IN MUTUAL FUND - UNQUOTED		
-	6000000.000	ICICI Prudential FMP Series 72 - 823 Days - Plan H - Growth	-	600.00
-	4000000.000	Reliance Fixed Horizon Fund - XXV-Series 23 - 827 Days - Growth	-	400.00
-	4500000.000	DHFL Pramerica Fixed Maturity Plan-Series 58 - Regular Plan Growth	-	450.00
		(Erstwhile DWS Fixed Maturity Plan-Series 58 - 2 Yrs Growth)		
-	2000000.000	Reliance Fixed Horizon Fund - XXIV-Series 2 - 1110 Days - Growth	-	200.00
2000000.000	-	Birla Sun Life Fixed Term Plan- Corporate Bond Series A (1170 Days)**	200.00	-
4000000.000	-	Reliance Fixed Horizon Fund - XXV-Series 23- 827 Days-Growth *	400.00	-
6000000.000	-	ICICI Prudential FMP Series 72-823 Days - Plan H - Growth*	600.00	-
		OTHER CURRENT INVESTMENTS		
		INVESTMENT IN SECURED NON CONVERTIBLE DEBENTURES / BONDS - UNQUOTED		
2000	2000	7% ICICI Bank UK PLC	136.24	139.15
1300	1300	7% ICICI Bank UK PLC	88.55	90.44
1700	1700	7% ICICI Bank UK PLC	115.80	118.27
-	5000	5% Indian Overseas Bank	-	340.25
-	3000	4.75% Syndicate Bank Ltd.	-	201.88
-	3000	5% Bank of Baroda	-	205.24
2000	-	4.125% IDBI Bank Ltd.	133.64	-
3000	-	4.125% IDBI Bank Ltd.	201.05	-
3000	-	4.85% Abja Investment Co Pte Ltd.	196.38	-
2000	-	4.625% Tata Motors Ltd.	136.73	-
		TOTAL CURRENT INVESTMENT	2255.91	2945.22
		Aggregate Book Value of Current Quoted Investments	-	-
		Aggregate Book Value of Current Unquoted Investments	2255.91	2945.22
		Aggregate Market Value of Current Quoted Investments	-	-
		Aggregate Book Value of Current & Non-Current Quoted Investments	5771.06	6336.37
		Aggregate Book Value of Current & Non-Current Unquoted Investments	12646.86	21988.51
		Aggregate Market Value of Current & Non-Current Quoted Investments	15661.93	7009.67

* Pledged as security for issuing SBLC used for availing credit facilities for a subsidiary and a step down subsidiary company.

** Pledged as security to secure a Long Term Rupee Loan.

Portion of long term investments, as defined by Accounting Standard-13 "Accounting for Investments", which are expected to be realised within twelve months from the Balance Sheet date are disclosed as "Current portion of long term investment".

Notes to Consolidated Financial Statements for the year ended 31st March 2017 (Contd.)

(₹ in lakh)

	As at 31st March 2017	As at 31st March 2016
2.15 INVENTORIES		
(As valued and certified by the management)		
Raw Materials	419.72	637.88
Work in Progress	26.74	26.25
Finished Goods	20250.22	17757.90
Stock-in-trade	3140.36	2095.86
Stores and Spares	2535.83	2746.36
Loose Tools & Others	24.17	0.15
	26397.04	23264.40

Details of Inventories :

	Finished Goods / Stock-in-trade		Work-in-Progress	
	As at 31st March 2017	As at 31st March 2016	As at 31st March 2017	As at 31st March 2016
Tea (Finished Goods)	2993.34	3504.03	-	-
Tea (Stock-in-trade)	3140.36	2095.86	-	-
Chemicals	1523.82	1996.30	11.32	13.29
Sugar	15185.59	12257.57	15.42	12.96
Others	547.47	-	-	-
	23390.58	19853.76	26.74	26.25

	As at 31st March 2017	As at 31st March 2016
2.16 TRADE RECEIVABLES		
Outstanding for a period exceeding six months from the date they are due for payment		
Secured, considered good	-	-
Unsecured, considered good	793.86	629.06
Doubtful	146.91	126.31
	940.77	755.37
Less: Provision for doubtful trade receivables	146.91	126.31
	793.86	629.06
Other Receivables		
Secured, considered good	-	-
Unsecured, considered good	9701.62	7908.01
Doubtful	-	-
	9701.62	7908.01
Less: Provision for doubtful trade receivables	-	-
	9701.62	7908.01
	10495.48	8537.07

Notes to Consolidated Financial Statements for the year ended 31st March 2017 (Contd.)

(₹ in lakh)

	As at 31st March 2017	As at 31st March 2016
2.17 CASH AND BANK BALANCES		
Cash and Cash Equivalents		
Balances With Banks :		
In Current / Cash Credit Account	1259.03	1436.51
Cheques/drafts on hand and Remittances in transit	219.22	145.21
Cash on hand	103.35	80.15
	1581.60	1661.87
Other Bank Balances		
Earmarked balances with Banks (unpaid Dividend Account)	78.44	81.08
Other Fixed Deposit with Banks (Including ₹ 16.39, (P.Y. ₹ 15.29) pledged as margin Money)	1952.61	1951.47
	2031.05	2032.55
	3612.65	3694.42

	For the Year ended	
	31st March 2017	31st March 2016
2.18 REVENUE FROM OPERATIONS (GROSS)		
Sales of Finished Goods & Other Products	73201.40	72105.93
Less: Excise Duty	1243.01	902.65
	71958.39	71203.28
Government rebate on Fertilizers	1820.19	2255.12
Sale of Services (Warehousing Charges)	200.88	127.74
	73979.46	73586.14
Other Operating Revenues		
Incentives & Subsidies	387.83	279.56
Export Benefits	331.73	344.82
Insurance and Other Claims (Net)	35.53	10.48
Income from Farm Product (details as below)	61.56	44.15
Management Fees	355.83	-
Miscellaneous Sale	7.32	137.58
	1179.80	816.59
	75159.26	74402.73
Details of Sale of Products		
Tea	49026.24	50641.19
Chemicals	6834.91	6372.32
Sugar	15567.19	15091.34
Others	1773.06	1.08
	73201.40	72105.93

Notes to Consolidated Financial Statements for the year ended 31st March 2017 (Contd.)

(₹ in lakh)

		For the Year ended	
		31st March 2017	31st March 2016
2.18	REVENUE FROM OPERATIONS (GROSS) (Contd.)		
	Income from Farm Products :		
	Sales of Agricultural Product	194.07	113.50
	Subsidy on Sugar Cane	10.38	19.39
	Lease Rent	2.40	4.61
		206.85	137.50
	Less: Agricultural Farming Expenses (towards cultivation & other expenses)	144.79	92.34
	Other Repairs	0.06	0.12
	Rent, Rates & Taxes	0.10	0.07
	Depreciation	0.34	0.82
		145.29	93.35
		61.56	44.15

		For the Year ended	
		31st March 2017	31st March 2016
2.19	OTHER INCOME		
	Interest Income		
	On Investments		
	Long term	323.96	228.05
	Current	62.19	85.60
	On Bank Deposits	165.37	186.22
	On Loans & Other Deposits, etc.	213.77	140.30
	Dividend Income		
	On Long term Investments	91.30	94.52
	Net gain/ (loss) on sale of Investments		
	Long term	673.08	258.85
	Current	132.03	16.08
	Other Non Operating Income		
	Profit on sale of Fixed Assets (Net)	23.62	404.53
	Rent	89.22	177.05
	Net Gain/(Loss) on Foreign Currency Transactions and Translations	188.74	267.24
	Excess Liabilities and Unclaimed Balances written back	63.58	210.04
	Excess provisions, receipts & adjustments pertaining to previous years	7.80	154.14
	Less: Short provisions, sundry payments & adjustments relating to previous years	11.11	4.93
	Add : Excess/(Short) provision of bonus for previous years (Net)	55.24	10.08
	Miscellaneous Income	133.91	545.06
		2212.70	2772.83

Notes to Consolidated Financial Statements for the year ended 31st March 2017 (Contd.)

(₹ in lakh)

		For the Year ended	
		31st March 2017	31st March 2016
2.20	COST OF MATERIALS CONSUMED		
	Raw Material Consumed		
	Opening Inventories	637.88	883.74
	Add : Purchase	23294.28	20460.63
		23932.16	21344.37
	Less: Closing Inventories	419.72	637.88
		23512.44	20706.49
	Details of Raw Material Consumed		
	Green Tea Leaves	4084.35	4363.47
	Chemicals/Minerals	4477.69	5413.25
	Sugarcane	14368.89	10342.85
	Black Tea	581.51	586.92
		23512.44	20706.49
2.21	PURCHASE OF STOCK-IN-TRADE		
	Stock-in-trade: Tea	6789.71	5505.41
	Sugar	-	1379.39
	Chemicals	54.27	142.34
		6843.98	7027.14
2.22	CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
	Inventories at the beginning of the year		
	Finished Goods	17757.90	17877.28
	Work-in-Progress	26.25	27.83
	Stock-in-trade	2095.86	3472.71
		19880.01	21377.82
	Inventories at the end of the year		
	Finished Goods	20250.22	17757.90
	Work-in-Progress	26.74	26.25
	Stock-in-trade	3140.36	2095.86
		23417.32	19880.01
	Fluctuation in Exchange Rate carried to Foreign Currency Translation Reserve	(32.20)	(13.05)
		(3569.51)	1484.76

Notes to Consolidated Financial Statements for the year ended 31st March 2017 (Contd.)

(₹ in lakh)

		For the Year ended	
		31st March 2017	31st March 2016
2.23	EMPLOYEE BENEFITS EXPENSE		
	Salaries & Wages	19706.83	18642.00
	Contribution to Provident Funds and Others	1601.43	1484.44
	Contribution to Gratuity Fund	740.87	630.85
	Contribution to Superannuation Fund	94.24	86.73
	Staff Welfare Expenses	1673.86	1369.99
		223817.23	22214.01
2.24	FINANCE COST		
	Interest Expenses		
	On Fixed Loans & Deposits	1376.02	2026.48
	To Bank & Others	2816.12	2424.52
		4192.14	4451.00
	Other Borrowing Cost		
	Other Financial Charges	212.45	277.13
	Applicable net gain/(loss) on foreign currency transactions and translations account	19.28	51.54
		4423.87	4779.67
	Less : Borrowing cost Capitalized	32.21	-
		4391.66	4779.67
2.25	DEPRECIATION AND AMORTIZATION EXPENSES		
	On Tangible Assets	1973.62	1863.64
	On Investment Property	0.03	12.40
		1973.65	1876.04
2.26	OTHER EXPENSES		
	MANUFACTURING EXPENSES		
	Consumption of Stores, Spare Parts & Packing Materials	2458.39	2478.55
	Power & Fuel	4610.45	4450.81
	Consumption of Manures/ Pesticides	1747.49	1802.86
	Repairs to Buildings	396.36	601.00
	Repairs to Machinery	1333.53	1029.68
	Repairs to Other Assets	580.17	529.36
	Increase/(Decrease) in Excise Duty & Cess on Finished Goods	92.04	286.25
	Other Manufacturing Expenses	138.58	1.39
		11357.01	11179.90

Notes to Consolidated Financial Statements for the year ended 31st March 2017 (Contd.)

(₹ in lakh)

		For the Year ended	
		31st March 2017	31st March 2016
2.26	OTHER EXPENSES		
	SELLING AND ADMINISTRATION		
	Freight & Cartage	2092.21	2004.20
	Insurance	73.67	99.41
	Brokerage & Commission	644.13	668.14
	Warehousing Charges	201.15	236.29
	Other Selling Expenses (Including packing material ₹ 384.75 (Previous Year ₹ 325.87))	1433.63	1395.72
	Rent	315.38	301.43
	Rates & Taxes (Duty & Cess)	507.60	486.50
	Insurance excluding on sales	190.42	179.05
	Charity & Donation	1.50	-
	Auditors' Remuneration -		
	Statutory Auditors -		
	Audit Fees	44.90	39.89
	Tax Audit Fees	8.50	7.50
	Other Services	17.31	24.68
	Reimbursement of Expenses	1.56	1.96
	Reimbursement of Service Tax	8.21	7.57
	Cost Auditors -		
	Audit Fees	1.41	1.41
	Reimbursement of Expenses	0.25	0.30
	Reimbursement of Service Tax	0.10	-
	Corporate Social Responsibility Expenses	9.54	8.78
	Bad Debts & Irrecoverable Loans, Advances & Claims written off	47.08	22.50
	Reserve for Doubtful Debts & Advances further created	20.60	21.27
	Forward Contract Charges	8.38	-
	Loss on sale of Fixed Assets (Net)	9.87	-
	Other Miscellaneous Expenses	2462.04	2242.09
		8099.44	7748.69
		19456.45	18928.59
2.27	TAX EXPENSE		
	Current Tax for the year	293.02	148.47
	Add/(Less) : Adjustment of Tax related to earlier years	(7.43)	132.58
	Current Tax	285.59	281.05
	Deferred Tax	293.14	508.81
		578.73	789.86

Notes to Consolidated Financial Statements for the year ended 31st March 2017 (Contd.)

(₹ in lakh)

	As at 31st March 2017	As at 31st March 2016
2.28 NOTES		
A. Contingent Liabilities not provided for in respect of:-		
Claims/Disputes/Demands not acknowledged as debts:		
(i) Demand from Sales Tax authority : Certain disallowances of Sales Tax were demanded against the Group and the appeals before the Commissioner/ Tribunal Appellate and Revisional Board has been filed and the management is of the opinion that it will obtain full relief	832.15	242.01
(ii) Income Tax demand under appeal	739.31	561.08
(iii) Entry Tax Liability in the state of West Bengal, stay has been granted by the Hon'ble High Court at Calcutta *	110.78	88.78
(iv) Demand from a Lessor for interest on differential rent	70.14	70.14
(v) Demand of Provident Fund Damages and Interest by the Provident Fund Authorities, West Bengal	117.88	90.69
(vi) Electricity duty demanded by Government of Bihar appealed in Hon'ble Supreme Court	103.10	103.10
(vii) Demand of additional electricity charges for connected load by Assam State Electricity Board pending before Hon'ble High Court, Guwahati	12.09	12.09
(viii) Demand of wages of a closed unit for earlier years pending before Labour Court (Estimated)	61.50	61.50
(ix) Demand against differential excise duty in relation to a closed unit for earlier years pending before Central Excise & Service Tax Appellate Tribunal (CESTAT)	50.05	50.05
B. Capital Commitments outstanding (Net of Advances)	99.20	136.97
C. Other Commitments		
Letter of credit issued against purchase of fuel	18.40	18.40

Note : In respect of above, future cash flows are determinable only on receipt of judgements pending at various forums/authorities which in the opinion of the Group is not tenable and there is no possibility of any future cash outflow in case of above.

*In view of injunction granted by the Hon'ble High Court at Calcutta, no provision has been made in respect of Entry Tax imposed by Govt. of West Bengal under the "Entry of Goods into Local Area Act 2012"

Notes to Consolidated Financial Statements for the year ended 31st March 2017 (Contd.)

(₹ in lakh)

- D. The list of subsidiaries and joint venture which are included in the CFS of the Group and the Group's effective ownership interest therein are as under:

Name of the Company	Relationship	Country of Incorporation	Group's Proportion of Ownership Interest (%)	
			2016-17	2015-16
Majhulia Sugar Industries Private Limited	Subsidiary	India	100.00	100.00
North Tukvar Tea Company Limited	Subsidiary	India	90.50	90.50
Jayantika Investment & Finance Limited (Formerly Parvati Tea Company Limited)	Subsidiary	India	100.00	100.00
Birla Holdings Limited	Subsidiary	United Arab Emirates	100.00	100.00
Tea Group Investment Company Limited	Joint Venture	United Arab Emirates	50.00	50.00

- E. The Consolidated Statement of Profit & Loss has been prepared by incorporating the Consolidated Statement of Profit & Loss of Jayantika Investment & Finance Limited (JIFL) in which JIFL had incorporated the performance of its Associate (ECE Industries Limited) for nine months ended 31.12.2016 as the financial results of the Associate was available till 31.12.2016 only at the Balance Sheet date.

Further, the Profit/(Loss) for the period 01.01.2016 to 31.03.2016 (relating to Financial Year 2015-16) has been considered in the Current Year. The Breakup of the same is given hereunder:

Particulars	2016-17	2015-16
Profit/(Loss) for the period from 1st April to 31st December of respective years	(108.47)	(59.36)
Profit/(Loss) from 01.01.2016 to 31.03.2016 of previous year	17.57	-
Profit/(Loss) included in the Consolidated Statement of Profit & Loss	(90.90)	(59.36)

- F. The financial statement of Birla Holdings Limited (BHL) is unaudited as the audit is not compulsory in the particular country hence certified by the management of the Company. The financial statements of its subsidiaries i.e., Kijura Tea Company Limited (KTCL) and Bondo Tea Estates Limited (BTCL) are audited as per laws of the respective country. For the purpose of consolidation, the CFS of BHL reflecting consolidated accounts as at 31st March, 2017 which have been prepared in accordance with International Financial Reporting Standards, have been restated wherever considered material to comply with Generally Accepted Accounting Principles in India and other recognized accounting practices and policies followed by the Group except as disclosed in Note No.2.28.H. The details of subsidiaries of BHL are as follows:

Name of the Company	Relationship	Country of Incorporation	Group's Proportion of Ownership Interest (%)	
			2016-17	2015-16
Kijura Tea Company Limited	Subsidiary	Uganda	100.00	100.00
Bondo Tea Estates Limited	Subsidiary	Uganda	100.00	100.00

- G. The financial statement of Tea Group Investment Company Limited (TGICL) is unaudited as the audit is not compulsory in the particular country hence certified by the management of the Company. The financial statements of its subsidiaries i.e., Mata Tea Company Limited (MTCL) and Gisakura Tea Company Limited (GTCL) are audited on calendar year basis as per the law of the respective country. To align with the financial year closing of subsidiaries of TGICL, the CFS of TGICL consisting of Consolidated Balance Sheet as at 31.12.2016 and Statement of Profit & Loss and Cash Flow Statement for the period from 01.01.2016 to 31.12.2016 has been considered for the purpose of preparation of CFS of group. Further no significant transactions, other than of routine nature, took place in TGICL, MTCL and GTCL during 01.01.2017 and 31.03.2017.

For the purpose of consolidation, the CFS of TGICL reflecting consolidated accounts as at 31st December, 2016 which have been prepared in accordance with International Financial Reporting Standards, have been restated wherever considered material to comply with Generally Accepted Accounting Principles in India and other recognized accounting practices and policies followed by the Group. The details of subsidiaries of TGICL are as follows:

Notes to Consolidated Financial Statements for the year ended 31st March 2017 (Contd.)

(₹ in lakh)

Name of the Company	Relationship	Country of Incorporation	Group's Proportion of Ownership Interest (%)	
			2016-17	2015-16
Mata Tea Company Limited	Subsidiary	Rwanda	30.00	30.00
Gisakura Tea Company Limited	Subsidiary	Rwanda	30.00	30.00

- H. The accounting policy in respect of depreciation followed by the Group's sub-subsidiary namely Kijura Tea Company Limited and Bondo Tea Estates Limited are on Written Down Value method which is different from the accounting policy followed by the Group, i.e., Straight Line Method. In view of different sets of environment in which foreign subsidiaries operate in their respective countries, provision for depreciation is made to comply with respective country's laws and by use of management estimate. It is not practical to align rates and method of charging of depreciation of such subsidiaries with those of the Group. The gross value of depreciable tangible assets in Note 2.10 includes ₹ 1354.01 (Previous Year ₹ 942.22) on which depreciation has been charged on Written Down Value method.
- I. i. Fringe Benefit Tax has been abolished from accounting year 2009-10. However in view of the interim stay granted by the Hon'ble High Court at Calcutta, no liability has been provided for earlier years.
- ii. During the year, the Group has further assessed the recoverability of Minimum Alternate Tax (MAT) for set off with future normal taxes and a sum of ₹ 114.00 (Previous Year ₹ 116.78) have been carried forward. Based on projections made by the management and current trend of working of the Group the management is virtually certain of recovering the MAT credit entitlements.
- J. The agreement with Assam Tea Corporation Limited (ATCL) for purchase of entire green leaves of Longai and Ishabheel Tea Estates and operating the Longai Tea Factory were further renewed for the season 2017 for a period of one year by bidding through tender. A sum of ₹ 198.77 (Previous Year ₹ 262.96) is recoverable from ATCL which is being realized on a systematic basis from the payments to be made to ATCL on various grounds. (The above sum is inclusive of ₹ 13.53 (Previous Year ₹ 13.53) representing outstanding dues on account Amluckie Tea Estate of ATCL which shall also be recovered as mentioned above.)
- K. As per the requirements of Accounting Standard-28 on 'Impairment of Assets', the Group has assessed the carrying amount of the assets vis-a-vis their recoverable values and no impairment is envisaged at the balance sheet date.
- L. The Group has no overdue amounts due to suppliers under the Micro, Small & Medium Enterprises Development Act, 2006 (MSMED) as at 31.03.2017. The disclosure required under the said act is as under:-

	2016-17	2015-16
i) Principal amount and interest due to suppliers under MSMED Act and remaining unpaid	NIL	NIL
ii) Interest paid and any payment made to suppliers beyond appointed date (under Section 16 of the Act)	NIL	NIL
iii) Interest due and payable to suppliers under MSMED Act	NIL	NIL
iv) Interest accrued & remaining unpaid as at 31.03.2017	NIL	NIL
v) Interest remaining due & payable as per Section 23 of the Act	NIL	NIL

The above information has been determined to the extent such parties have been identified on the basis of information available with the Group.

- M. The Group's significant leasing agreements (as lessee) are in respect of lease for Land & Premises (residential, office, stores, godowns, etc.) These Leasing arrangements which are non-cancellable ranging between one month and three years generally or longer and are usually renewable by mutual agreement. The aggregate lease rentals payable are charged as Rent.

As per requirements of Accounting Standard-19 on 'Leases', the following disclosures are furnished for significant operating leases as lessor. The assets were sold during the year 2015-16:

Notes to Consolidated Financial Statements for the year ended 31st March 2017 (Contd.)

(₹ in lakh)

Particulars Class of Assets	2016-17			2015-16		
	Gross Carrying Amount	Accumulated Depreciation	Depreciation for the year	Gross Carrying Amount	Accumulated Depreciation	Depreciation for the year
Land	-	-	-	-	-	-
Building	-	-	-	-	-	12.40
Plant & Machinery	-	-	-	-	-	4.82
Furniture & Fixture	-	-	-	-	-	5.42
Motor Vehicle	-	-	-	-	-	-
Total	-	-	-	-	-	22.64

- N. Pursuant to a Scheme of Arrangement (the Scheme) between the Company and Majhulia Sugar Industries Private Limited (MSIPL) and Jayantika Investment & Finance Limited (JIFL) sanctioned by the Hon'ble High Court at Calcutta on 8th August 2016 under the provisions of the Companies Act 2013, Sugar Division and Jay Shree Beneficiary Trust Unit of the Company has been demerged into MSIPL and JIFL respectively with effect from 1st April, 2016. The Scheme has been filed with the Registrar of Companies, Kolkata on 26th September 2016.

The salient features of the Scheme were as under:

Demerger of Sugar Division:

- All the assets and liabilities pertaining to the Sugar Division of the Company as on 1st April 2016 stands demerged to MSIPL (a Subsidiary).
- MSIPL issued and allotted 3125000 equity shares of ₹ 10/- each at a premium of ₹ 111/- per share to the Company in consideration of transfer of the Company's Sugar Division.
- The value of the net assets of the Sugar Division as reduced by the shares as issued by MSIPL of ₹ 4539.31 and Storage Reserve for Molasses amounting to ₹ 188.10 has been adjusted from the Capital Reserve of the Company.

Demerger of Jay Shree Beneficiary Trust Unit:

- All the assets and liabilities pertaining to Jay Shree Beneficiary Trust Unit of the Company as on 1st April 2016 stands demerged to JIFL (a Subsidiary).
- JIFL issued and allotted 2000000 equity shares of ₹ 10/- each at a premium of ₹ 256.53 per share to the Company in consideration of transfer of the Company's Jay Shree Beneficiary Trust Unit.
- The value of the net assets of Jay Shree Beneficiary Trust Unit as reduced by the shares as issued by JIFL of ₹ 4306.80 has been adjusted from the Capital Reserve of the Company.

- O. Disclosure as per Accounting Standard - 29 on 'Provisions, Contingent Liabilities & Contingent Assets':

Particulars	2016-17			2015-16		
	Disputed Statutory Matters	Other Obligations	Total	Disputed Statutory Matters	Other Obligations	Total
Opening Balance	25.05	14.41	39.46	94.22	49.38	143.60
Addition	15.97	-	15.97	2.14	10.67	12.81
Utilization	-	-	-	-	-	-
Reversal	24.33	3.73	28.06	71.31	45.64	116.95
Closing Balance	16.69	10.68	27.37	25.05	14.41	39.46

The provisions for disputed statutory & obligatory liabilities are on account of cases pending with courts/concerned authorities based on estimates made by the Group considering the facts & circumstances.

- P. There was a fire in a factory and the factory got damaged substantially against which a claim has been lodged and a sum equivalent to book value of the damaged assets of ₹ 94.38 is shown under claim receivable.

Notes to Consolidated Financial Statements for the year ended 31st March 2017 (Contd.)

(₹ in lakh)

- Q. The Group uses forward contracts, swaps and other derivative contracts to hedge its risks relating to changes in exchange rates and interest rates. The use of such contract is consistent with the Group's risk management policy. The Group does not use derivative contracts for speculation purposes.

- i) The particulars of derivative contracts entered into for hedging purposes outstanding as at 31.03.2017 are as under:

Particulars	Purpose	Currency	As at 31.03.2017		As at 31.03.2016	
			Amount (in Foreign Currency)	Amount	Amount (in Foreign Currency)	Amount
Forward contract	Long term borrowings	USD	12530837	8354.48	7671127	4865.52
	Short term borrowings	USD	3076923	2000.00	-	-
	Buyer's Credit	USD	225000	147.82	1750820	1164.85
	Interest/Payable	USD	274	0.18	6963	4.61
	Trade Receivable	Euro	580000	400.49	450350	339.47
		USD	2499530	1621.07	1862955	1234.21
	Firm Commitments of future sales	USD	850000	551.27	425000	281.56
		Euro	-	-	700000	527.66
		GBP	-	-	100000	95.12

- ii) Unhedged foreign currency exposures as at 31.03.2017 are as under:

Particulars	Currency	As at 31.03.2017		As at 31.03.2016	
		Amount (in Foreign Currency)	Amount	Amount (in Foreign Currency)	Amount
Trade Receivables	USD	311401	201.96	12699	8.41
	Euro	962191	664.39	684570	516.03
	GBP	1377	1.12	24030	22.86
Letter of Credit	USD	1448500	940.00	1245700	825.40
Buyer's Credit/Trade Payables/Interest	USD	231401	150.17	150042	99.42
Trade Payables	Euro	24019	16.59	69218	52.21
Advances	USD	155517	100.86	207420	137.41

- R. Disclosures of Corporate Social Responsibility (CSR) expenditure in line with the requirement of Guidance Note on "Accounting for Expenditure on Corporate Social Responsibility Activities":

Particulars	2016-17	2015-16
a) Amount of CSR expenditure to be incurred during the year	-	3.60
b) CSR expenditure (revenue nature) incurred during the year	9.54	8.78

- S. Disclosure as per Accounting Standard-15 on 'Employee Benefits':

- i) **Defined Contribution Plan:**

The Group makes contribution towards Provident Fund, ESIC and Superannuation Fund to a defined contribution benefit plan for qualifying employees. The provident fund plan is operated partly by Regional Provident Fund Commissioner and partly by an independent Trust, ESIC by government agencies and Superannuation Fund by a trust created for the purpose. Under the said schemes the Group is required to contribute a specific percentage of pay roll costs in respect of eligible employees to the retirement benefit scheme to fund the benefits.

Notes to Consolidated Financial Statements for the year ended 31st March 2017 (Contd.)

(₹ in lakh)

During the year the Group has recognized ₹1601.43 (Previous Year ₹1484.44) for provident fund contribution, ₹21.43 (Previous Year ₹20.34) for ESIC and ₹94.24 (Previous Year ₹86.73) for Superannuation Contribution. The Contribution payable to these plans by the Group are at the rates specified in the rules of the scheme.

In keeping with the Guidance on implementing Accounting Standard-15 on Employees Benefits issued by the Accounting Standards Board of the Institute of Chartered Accountants of India (ASB Guidance), employer-established provident fund trusts are treated as Defined Benefit Plans since the Group is obligated to meet interest shortfall, if any, with respect to covered employees. In view of year-end position of the fund (for covered employees) and confirmation from the Trustees' of such fund, there is no shortfall as at the year end.

ii) Defined benefit plans:

- a) The Group makes contribution of gratuity to JSTI Gratuity Fund created for the purpose of qualifying employees. The scheme provides for payment to vested employees upon retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of 5 years of continuous service.
- b) Certain employees of the Group are also eligible for encashment of leave upon retirement up to 30 days for each year (maximum 240 days).
- c) The present value of defined benefit obligation and related current cost are measured using the Projected Unit Credit Method with actuarial valuation being carried out at each Balance Sheet date.
- d) Liability in respect of gratuity of North Tukvar Tea Company Limited in accordance with Accounting Standard-15 has not been provided for in the books of accounts upto 31.03.2009 amounting to ₹ 96.68.

	2016-2017 Gratuity Plan	2015-2016 Gratuity Plan
A Expenses recognized in the Statement of Profit & Loss for the year ended 31st March 2017		
i Current Service Cost	492.26	338.25
ii Interest Cost	330.31	329.10
iii Expected return on Plan Assets	298.51	296.32
iv Actuarial (Gains)/Losses	192.33	259.82
v Expenses recognized in the Statement of Profit & Loss	* 716.39	630.85
* An amount of ₹ 24.48 has been written back on account of gratuity liability which has been grouped under 'Other Income' in one of the Subsidiary Company.		
B Net (Assets)/Liabilities recognized in Balance Sheet as at 31st March 2017		
i Present Value of the Defined Benefit Obligation	5279.81	4690.98
ii Fair Value of Plan Assets	4452.55	3980.11
iii Net (Assets)/Liabilities recognized in Balance Sheet	827.26	710.87
C Changes in the Present Value of Defined Benefit Obligation during the year ended 31st March 2017		
i Present Value of Defined Benefit Obligation as at beginning of the year	4690.98	4384.11
ii Current Service Cost	492.26	338.25
iii Interest Cost	330.31	329.10
iv Actuarial (Gains)/Losses	308.86	180.22
v Benefits Paid	542.60	540.70
vi Present Value of obligation as at end of the year	5279.81	4690.98

Notes to Consolidated Financial Statements for the year ended 31st March 2017 (Contd.)

		(₹ in lakh)	
		2016-2017 Gratuity Plan	2015-2016 Gratuity Plan
D	Changes in fair value of Plan Assets during the year ended 31st March 2017		
i	Fair Value of Plan Assets as at beginning of the year	3980.11	3704.09
ii	Expected return on Plan Assets	298.51	296.32
iii	Actuarial Gains/(Losses)	116.53	(79.60)
iv	Benefits paid	542.60	540.70
v	Contributions	600.00	600.00
vi	Fair Value of Plan Assets as at end of the year	4452.55	3980.11
vii	Actual return on Plan Assets	415.04	216.72
E	Principle Actuarial Assumptions used		
i	Discount rates	7.50%	8.00%
ii	Expected Return on Plan Assets	7.50%	8.00%
iii	Expected Salary increase rates	6.00%	6.00%
iv	Mortality Rates	LIC (2006 - 08) Mortality Table	LIC (2006 - 08) Mortality Table
F	Major categories of Plan Assets as a percentage of Fair Value of Plan Assets	Qualified Insurance Policy	Qualified Insurance Policy

Notes:

- The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply & demand in the employment market.
- The expected rate of return on Plan Assets is determined based on the portfolio of assets, existing investments along with the strategic changes in the portfolio and market scenario. The Plan Assets are diversified reasonable to maximize the return within acceptable risk parameters.
- The Group expects to contribute ₹ 700.00 to its gratuity fund in 2017-18.
- Amounts for the current annual period and previous four annual periods are as follows:

Particulars	2016-17	2015-16	2014-15	2013-14	2012-13
Present value of defined obligation	5279.81	4690.98	4384.11	3785.43	3519.10
Fair Value of Plan Assets	4452.55	3980.11	3704.09	3231.10	3002.73
Excess of obligation over Plan Assets	827.26	710.87	680.02	554.33	516.37

Notes to Consolidated Financial Statements for the year ended 31st March 2017 (Contd.)

(₹ in lakh)

T. Disclosures per Accounting Standard-18 on 'Related Party Disclosure':

Sl. No.	Name of the Related Party	Relationship	Remuneration paid	Dividend		Loans & Advances (Net)		Goods & Services		Balance as on 31st March, 2017	
				Paid	Received	Paid	Received	Sale	Purchase	Receivable	Payable
1	Tea Group Investment Company Limited	Joint Venture	- (-)	- (-)	- (-)	- (-)	170.71 (516.69)	- (-)	- (-)	- (170.71)	- (-)
2	Rwanda Mountain Tea SARL	Investor in Joint Venture	- (-)	- (-)	- (-)	163.38 (524.42)	- (-)	- (-)	- (-)	- (-)	- (163.38)
#3	Century Textiles & Industries Limited	Associate	- (-)	3.00 (3.00)	- (-)	- (-)	- (-)	- (-)	1.35 (10.22)	- (-)	- (-)
#4	Kesoram Industries Limited	Associate	- (-)	3.88 (3.88)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
#5	Padmavati Investment Limited	Associate	- (-)	- (-)	3.43 (3.43)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
#6	JPM Merchandise Agencies Limited	Associate	- (-)	61.14 (61.14)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
7	Shri D. P. Maheshwari	Key Management Personnel	122.12 (111.44)	0.06 (0.11)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)

Note: All the above transaction were done at arm's length.

These parties are related parties in the broader sense of the term and are included for making the financial statements more transparent.

Figures in bracket indicate for previous year.

U. Disclosure of Interest in Joint Ventures:

The Group has 50% ownership interest in Tea Group Investment Company Limited.

The proportionate share in the assets, liabilities, income and expenses (each without elimination of the effect of transactions between the Group and the joint venture) related to its interest in jointly controlled entities included in these CFS are given below:

	As at 31st December 2016	As at 31st December 2015
Assets:		
Non-Current Assets		
Fixed Assets:		
Tangible Assets	3221.33	3636.20
Intangible Assets	386.33	408.43
Capital Work-in-Progress	258.70	393.91
Long Term Loans and Advances	16.49	(0.78)
Current Assets		
Inventories	616.08	554.82
Trade Receivables	75.35	181.62
Cash and Bank Balances	186.08	394.23
Short Term Loans and Advances	30.67	37.20
Other Current Assets	162.76	-

Notes to Consolidated Financial Statements for the year ended 31st March 2017 (Contd.)

(₹ in lakh)

	As at 31st December 2016	As at 31st December 2015
Liabilities:		
Minority Interest	1549.03	1701.96
Non-Current Liabilities		
Long Term Borrowing	22.94	485.93
Deferred Tax Assets (Net)	223.60	439.96
Current Liabilities		
Trade Payables	89.41	166.85
Other Current Liabilities	363.04	145.56
Short Term Provisions	-	157.73
Reserves and Surplus*	2636.87	2440.58

* Represents Company's share in post-acquisition reserve of consolidated TGICL

	For the year ended 31st December 2016	For the year ended 31st December 2015
Income:		
Revenue from Operations	2853.09	3283.01
Other Income	102.58	460.81
Expenses:		
Cost of Material Consumed	564.57	398.31
Changes in Inventories of Finished Goods & Stock-in-trade	(67.71)	(31.10)
Employee Benefit Expense	505.21	496.67
Finance Costs	28.60	43.23
Other Expenses	1314.86	938.09
Depreciation / Impairment	248.60	164.60
Profit before Tax	361.54	1734.01
Tax Expense	(186.58)	502.55
Profit After Tax Before Minority Interests	548.12	1231.46
Minority Interests	183.85	125.61
Net Profit	364.27	1105.85

Notes to Consolidated Financial Statements for the year ended 31st March 2017 (Contd.)

(₹ in lakh)

- V. Based on the guiding principles given in Accounting Standard on "Segment Reporting"(AS-17) as per applicable Accounting Standards, the Group's primary business segments are tea, chemicals & fertilisers and sugar business.

		2016 - 17	2015 - 16
(A) PRIMARY SEGMENT			
1 Segment Revenue (Net Sales/Income from each segment)			
a) Tea		50644.89	51077.59
b) Chemicals & Fertilisers		8379.30	8374.65
c) Sugar		15925.78	14771.02
d) Others		582.98	515.04
Less: Inter-segmental Revenue		373.69	335.57
Total		75159.26	74402.73
2 Segment Results [Profit/(Loss) before Tax & Interest]			
a) Tea		2446.12	5287.80
b) Chemicals & Fertilisers		399.37	130.62
c) Sugar		1846.00	(947.43)
d) Others		105.25	22.27
Total		4796.74	4493.26
Less: Interest (Net)		3626.37	4139.50
Add: Unallocable income net of unallocable expenditure		(224.31)	(194.90)
Total Profit/(Loss) before Tax		946.06	158.86

		Assets	Liabilities	Assets	Liabilities
3 Segment Assets (Including revaluation reserve) & Segment Liabilities					
a) Tea		41833.41	7073.52	38987.31	6920.79
b) Chemicals & Fertilisers		6153.73	2457.77	6952.44	2876.08
c) Sugar		26750.96	19390.05	28522.63	13954.08
d) Others		2335.62	108.40	2135.62	96.87
e) Unallocable		24033.90	871.48	34111.41	1946.54
Total		101107.62	29901.22	110709.41	25794.36

- 4 Capital Expenditure including capital work-in-progress and depreciation/amortization (excluding on revaluation reserve) for the year

		Capital Expenditure	Depreciation/Amortisation	Capital Expenditure	Depreciation/Amortisation
a) Tea		2461.43	1479.13	1368.40	1310.12
b) Chemicals & Fertilisers		70.27	53.29	69.35	53.22
c) Sugar		726.88	210.13	88.84	374.69
d) Others		67.38	10.76	639.08	8.00
e) Unallocable		180.62	120.06	27.54	85.48
Total		3506.58	1873.37	2193.21	1831.51

Notes to Consolidated Financial Statements for the year ended 31st March 2017 (Contd.)

(₹ in lakh)

	India	Rest of World	Total
(B) SECONDARY SEGMENT			
Segment Revenue	61911.12	13248.14	75159.26
(Previous Year)	(61924.38)	(12478.35)	(74402.73)
Segment Assets	89587.55	11520.07	101107.62
(Previous Year)	(98493.40)	(12216.01)	(110709.41)
Capital Expenditure	3474.56	32.02	3506.58
(Previous Year)	(1968.57)	(224.64)	(2193.21)

Note: The Group has disclosed business segment as the Primary Segment.

W. Earnings per share (EPS)

	31.03.2017	31.03.2016
Profit/(Loss) after Tax as per Statement of Profit & Loss	92.58	(813.26)
Weighted average number of equity shares outstanding at the year end	22348678	28877488
Basic & Diluted Earnings Per Share (Face Value ₹ 5/- per share) (in ₹)	0.41	(2.82)

X. Additional Information, as required under Schedule III to the Companies, Act 2013, of Enterprises consolidated as Subsidiary/Joint Venture.

Name of the Enterprises	Net Assets i.e., Total Assets minus Total Liabilities		Share in Profit or Loss	
	As% of Consolidated Net Assets	Amount (₹ in lakh)	As% of Consolidated Profit or Loss	Amount (₹ in lakh)
Parent				
Jay Shree Tea & Industries Limited	56.68 (81.28)	24454.71 (34845.62)	-548.25 (-235.66)	-1544.93 (-1916.36)
Subsidiaries				
Indian				
Majhulia Sugar Industries Private Limited	10.50 (0.01)	4530.48 (0.88)	265.52 (-0.01)	748.21 (-0.12)
North Tukvar Tea Company Limited	-0.14 (-0.13)	-59.89 (-53.76)	-2.18 (-0.09)	-6.13 (-0.73)
Jayantika Investment & Finance Limited (Formerly Parvati Tea Company Limited)	25.08 (12.82)	10819.74 (5498.21)	-2.58 (-2.41)	-7.27 (-19.58)
Foreign				
Birla Holdings Limited	1.61 (0.17)	692.89 (72.08)	258.22 (2.18)	727.63 (17.76)
Joint Ventures (as per proportionate consolidation/ Investment as per the equity method)				
Foreign				
Tea Group Investment Company Limited	6.27 (5.85)	2705.77 (2507.64)	129.27 (135.99)	364.27 (1105.85)
Total	100.00 (100.00)	43143.70 (42870.67)	100.00 (100.00)	281.78 (-813.18)
Minority interests in all Subsidiaries and Joint Ventures		1549.03 (1701.96)		183.85 (125.61)

Figures in bracket indicate for previous year.

Notes to Consolidated Financial Statements for the year ended 31st March 2017 (Contd.)

Y. Disclosure on Specified Bank Notes:

During the year, the Group had Specified Bank Notes (SBNs) and 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 and other notes as per the notification are as follows:

Particulars	SBNs * (in ₹)	Other Denomination Notes (in ₹)	Total (in ₹)
Closing Cash in hand as on November 8, 2016	91656500	5025960	96682460
Add: Permitted receipts	-	198076283	198076283
Less: Permitted payments	8000	128340716	128348716
Less: Amount deposited in Banks	91648500	39869547	131518047
Closing Cash in hand as on December 30, 2016	-	34891980	34891980

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

BHL and TGICL, being companies incorporated outside India, are outside the purview of above disclosure.

Z. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

As per our report of even date annexed

For **SINGHI & CO.**

Chartered Accountants

(Firm Registration No.302049E)

Aditya Singhi

Partner

(Membership No.305161)

161, Sarat Bose Road, Kolkata - 700 026

Dated, the 8th day of May 2017

As per our report of even date annexed

For **JITENDRA K AGARWAL & ASSOCIATES**

Chartered Accountants

(Firm Registration No.318086E)

Abhishek Mohta

Partner

(Membership No.066653)

110/F Netaji Subhas Chandra Bose Road

Kolkata - 700 040

For and on behalf of the Board of Directors

Jayashree Mohta

(Vice Chairperson)

(DIN: 01034912)

D. P. Maheshwari

(Managing Director)

(DIN: 02203749)

R. K. Ganeriwala

(President, CFO & Secretary)

JAY SHREE TEA & INDUSTRIES LTD.

Registered Office: "Industry House", 10, Camac Street, Kolkata - 700 017

CIN: L15491WB1945PLC012771 · Website: www.jayshreetea.com

Email: shares@jayshreetea.com · Phone: 033-22827531-4 · Fax: 033-22827535

ATTENDANCE SLIP

Name of the Member(s) :

Registered Address :

FolioNo /Client ID No. & DP ID

No. of Share(s) held

I/We hereby record my/our presence at the **71st Annual General Meeting of Jay Shree Tea & Industries Ltd. held on Monday, the 31st July, 2017 at 10:30 a.m. at "Kala Kunj", 48, Shakespeare Sarani, Kolkata 700 017**

.....
Name of the Shareholder/Proxy
(in capital letters)

.....
Signature of Shareholder/Proxy

Note : Shareholders attending the Meeting in person or by Proxy are requested to complete the attendance slip properly and hand it over at the entrance of the meeting venue.

JAY SHREE TEA & INDUSTRIES LTD.

Registered Office: "Industry House", 10, Camac Street, Kolkata - 700 017

CIN: L15491WB1945PLC012771 · Website: www.jayshreetea.com

Email: shares@jayshreetea.com · Phone: 033-22827531-4 · Fax: 033-22827535

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of Companies (Management and Administration) Rules, 2014]

71st Annual General Meeting to be held on Monday, the 31st July, 2017 at 10:30 a.m. at "Kala Kunj", 48, Shakespeare Sarani, Kolkata 700 017

Name of the Member(s) :

Registered Address :

E-mail ID :

FolioNo /Client ID No. & DP ID

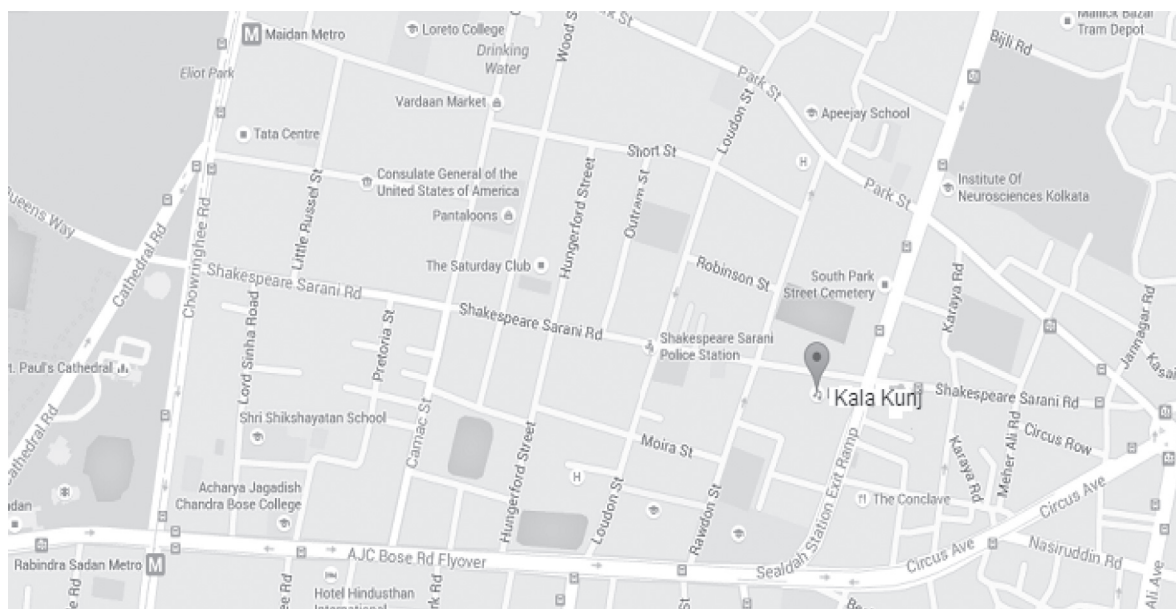
I/We, being the member(s) of Shares of the above named company, hereby appoint

1. Name :
Address :
E-mail Id : Signature:, or failing him
2. Name :
Address :
E-mail Id : Signature:, or failing him
3. Name :
Address :
E-mail Id : Signature:, or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at 71st Annual General Meeting of the Company, to be held on Monday, the 31st July 2017 at 10:30 a.m. at "Kala Kunj" 48, Shakespeare Sarani, Kolkata 700 017 and at any adjournment thereof in respect of such resolutions as are indicated below:

P.T.O.

Venue of the Meeting
"Kala Kunj", 48 Shakespeare Sarani, Kolkata-700 017



Resolution No.	Particulars	Optional	
Ordinary Business		For	Against
1	Adoption of Annual Financial Statements for the year ended March 31, 2017		
2	Approval of Dividend		
3	Re-appointment of Mrs.Jayashree Mohta who retires by rotation.		
4	Appointment of S.R Batliboi & Co. LLP, Chartered Accountants, as Statutory Auditors of the Company.		
Special Business			
5	Re-appointment of Mr.Vikash Kandoi as Whole-time Director for a term of three years w.e.f 01.04.2018		
6	To approve continuation of employment of Mr.D.P.Maheshwari, Managing Director		
7	Approval of the remuneration of the Cost Auditor for the year 2017-18		

Signed this day of 2017.

Signature of Shareholder :

Signature of Proxy holder(s):

Affix
Revenue
Stamp

Note : 1. This form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

2. A Proxy need not be a member of the Company.

3. For the resolutions, Explanatory Statement and Notes, please refer to the Notice of the 71st Annual General Meeting

4. A person can act as a proxy on behalf of member(s) not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not acts as a proxy for any other person or shareholder.



Towkok, Manjushree, Mangalam,
Nahorhabli

Sibsagar, Assam

Meleng

Jorhat, Assam

Dewan, Burtoli, Labac, Kalline,
Jellalpore

Cachar, Assam

Tukvar, Risheehat Singbuli, Balasun,
North Tukvar, Sungma Marionbarie,
Jayantika

Darjeeling, West Bengal

Aryaman

Jalpaiguri, West Bengal

Ananyashree

Uttar Dinajpur, West Bengal

Sholayar, Kallyar

Coimbatore, Tamil Nadu

TEA FACTORY

Vinayak Tea Factory
Ledo, Margharita, Assam

CHEMICALS & FERTILISERS UNIT

The Jay Shree Chemicals & Fertilisers, Khardah
24 Parganas (North), West Bengal

The Jay Shree Chemicals & Fertilisers, Pataudi
Gurgaon, Haryana

OTHERS

Warehousing & Tea Export Deptt
Kolkata, West Bengal

Tea Warehouse & Sales Deptt.
Kochi, Kerala

SUBSIDIARY COMPANIES

North Tukvar Tea Company Limited
Jayantika Investment & Finance Limited
(Erstwhile Parvati Tea Company Limited)
Majhaulia Sugar Industries Private Limited
Birla Holdings Limited, U.A.E.

OVERSEAS JOINT VENTURE

Tea Group Investment Company Limited, U.A.E.



available online



IF UNDELIVERED PLEASE RETURN TO
JAY SHREE TEA & INDUSTRIES LIMITED

"Industry House", 10 Camac Street
Kolkata 700017, India

CIN No. : L15491WB1945PLC012771

☎ 91-033-22827531-34 ☎ 91-033-22827535/22825830

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