CINNATOLLIAH TEA LIMITED

DIRECTORS' REPORT

To
The Shareholders,

Your Directors have pleasure in presenting their Second Annual Report on the performance of your company along with the Audited Financial Statements of the Company for the year ended 31st March, 2016.

The Statement of Profit & Loss for the year under review shows a loss of Rs 83,715/- for the year which is proposed to be carried forward.

Dividend:

In view of inadequacy of profit/losses your Directors do not recommend any dividend for the year ended 31st March, 2016.

Capital:

During the year under review, there has been no change in the capital base of the Company which comprised of 50,000 fully paid Equity Shares of Rs. 10 each.

State of Company's Affairs and Future Outlook

The Company was incorporated on 19th March, 2015, as a wholly owned subsidiary of Upper Ganges Sugar & Industries Limited, pursuant to a proposed Scheme of Arrangement entered into by them. The said scheme is pending for regulatory approvals.

Material Changes Affecting the Financial Position of the Company

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statement relate on the date of this report.

Details of significant & material orders passed by the regulators or courts or tribunals

No significant & material order has been passed by regulator or court or tribunal against the Company.

Particulars of Loan, Guarantee and Investments under Section 186

There were no Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013.

Related Parties Transactions

There was no arrangement or contracts made with related parties as defined under Section 188 of the Companies Act, 2013 during the year under review.

Directors

The Company has three Non-Executive Directors having varied experience. Mr Santosh Kumar Poddar retires by rotation and being eligible seeks re-appointment.

Board Meetings

During the year under review four Board Meeting were held on 4h May, 2015, 4th August, 2015, 17th November, 2015 and 25th February, 2016 respectively.

Directors' Responsibility Statement

To the best of our knowledge and belief and according to the information and explanations obtained, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013 :

a) that in the preparation of the annual accounts for the financial year ended 31st March, 2015 the applicable accounting standards had been followed along with proper explanations relating to material departures; if any;

b) that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

c) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) that the Directors had prepared the annual accounts on a going concern basis.

e) that the Directors had laid out internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively.

f) that the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and are operating effectively.

Auditors, Audit Qualifications And Board's Explanations
Statutory Auditors

At the 1st Annual General Meeting (AGM) of your Company held on 11th September, 2015, M/s. Agrawal Subodh & Co., Chartered Accountants, 301, Victory House, 3rd Floor, 1, Ganesh Chandra Avenue, Kolkata 700 013 having Firm Registration No. 319260E allotted by The Institute of Chartered Accountants of India (ICAI), were appointed as Statutory Auditors of your Company to hold office for a term of 5 (five) years from the conclusion of 1st AGM (subject to ratification of such appointment by the Members at every AGM) till the conclusion of the 6th AGM of your Company. Accordingly, the appointment of Agarwal Subodh & Co., Chartered Accountants, as Statutory Auditors of your Company, is placed for ratification by the Members. The Board of Directors of your Company recommend ratification of their appointment from the conclusion of this AGM upto the conclusion of the 3rd AGM of your Company.

Fixed Deposits

The Company has not accepted any deposits from the public and as such there are no outstanding fixed deposits in terms of Companies (Acceptance of Deposit Rules) 2014.

Energy Conservation, Technology Absorption And Foreign Exchange Earning & Outgo

As the Company has no manufacturing activity at present the provisions of Section 134(m) of the Companies Act, 2013 do not apply to our Company. There was no foreign exchange inflow or Outflow during the year under review.

Particulars Of Employees

There was no employee in the Company who was in receipt of remuneration as required to be disclosed under section 197 read with Rule, 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Details of Subsidiary, Joint Venture or Associates

The Company does not have any Subsidiary, Associate or Joint Venture Company.

Extract of Annual Return

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as “Annexure A”.

Acknowledgement

Your Directors wish to place on record their appreciation for the services rendered to the Company by its employees and shareholders. Your Directors also wish to express their sincere thanks to and bankers and other lenders for their continued co-operation and assistance.

For and on behalf of the Board

	Sd/-	Sd/-
	Director	Director
Kolkata	Kailash Chand Gupta	Santosh Kumar Poddar
Dated: 12th May, 2016	DIN - 00047493	DIN -00055786

ANNEXURE –'A'

Form No. MGT-9

EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March, 2016
[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS	
CIN	U15122UP2015PLC069633
Registration Date	19-03-2015
Name of the Company	CINNATOLLIAH TEA LIMITED
Category / Sub-Category of the Company	Company limited by shares, Indian Non-Government Company
Address of the Registered office and contact details	P.O. Hargaon, Dist – Sitapur, Uttar Pradesh – 261 121 Tel No : 05862 256 220
Whether listed company Yes / No	No
Name, Address and Contact details of Registrar and Transfer Agent, if any	

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Not Applicable		

Note – The Company is yet to commence operations.

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	UPPER GANGES SUGAR & INDUSTRIES LIMITED	L15421UP1932PLC025141	Holding	100%	2(46)

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

i) Category-wise Shareholding

Category of Shareholders	**No. of Shares held at the beginning of the year**				**No. of Shares at the end of the year**			**% change during the year**	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	% change during the year
Promoter and Promoter Group									
Indian									
Individuals/Hindu Undivided Family	-	-	-	-	-	-	-	-	-
Central Government/State Government(s)	-	-	-	-	-	-	-	-	-
Bodies Corporate	-	49,930	49,930	99.86	-	49,930	49,930	99.86	-
Financial Institutions/Banks	-	-	-	-	-	-	-	-	-
Any Other (Total)	-	70	70	0.14	-	70	70	0.14	-
Sub-Total (A)(1)	**-**	**50,000**	**50,000**	**100.00**	**-**	**50,000**	**50,000**	**100.00**	-
Foreign									-
Individuals (Non-Resident Individuals/Foreign Individuals)	-	-	-	-	-	-	-	-	-
Bodies Corporate	-	-	-	-	-	-	-	-	-
Institutions	-	-	-	-	-	-	-	-	-
Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
Any Other (Total)	-	-	-	-	-	-	-	-	-
Sub-Total (A)(2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter and Promoter Group (A)=	**-**	**50,000**	**50,000**	**100.00**	**-**	**50,000**	**50,000**	**100.00**	-

(A)(1)+(A)(2)									
Public shareholding									-
Institutions									-
Mutual Funds/UTI	-	-	-	-	-	-	-	-	-
Financial Institutions/Banks	-	-	-	-	-	-	-	-	-
Central Government/State Government(s)	-	-	-	-	-	-	-	-	-
Venture Capital Funds	-	-	-	-	-	-	-	-	-
Insurance Companies	-	-	-	-	-	-	-	-	-
Foreign Institutional Investors	-	-	-	-	-	-	-	-	-
Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
Any Other (Total)	-	-	-	-	-	-	-	-	-
Sub-Total (B)(1)	-	-	-	-	-	-	-	-	-
Non-institutions	-	-	-	-	-	-	-	-	-
Bodies Corporate	-	-	-	-	-	-	-	-	-
Individuals - i. Individual Shareholders Holding Nominal Share Capital Up To >Rs. 1 Lakh.	-	-	-	-	-	-	-	-	-
Individuals - ii. Individual Shareholders Holding Nominal Share Capital In Excess Of Rs. 1 Lakh	-	-	-	-	-	-	-	-	-
Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
Clearing Member	-	-	-	-	-	-	-	-	-
Directors/Relatives	-	-	-	-	-	-	-	-	-
Foreign Company	-	-	-	-	-	-	-	-	-
Foreign National	-	-	-	-	-	-	-	-	-
HUF	-	-	-	-	-	-	-	-	-
Non Resident Indians (Non Repat)l	-	-	-	-	-	-	-	-	-
Non Resident Indians (Repat)	-	-	-	-	-	-	-	-	-
Office Bearers	-	-	-	-	-	-	-	-	-
Trust	-	-	-	-	-	-	-	-	-
Sub-Total (B)(2)	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)= (B)(1)+(B)(2)	-	-	-	-	-	-	-	-	-

TOTAL (A)+(B)	-	-	-	-	-	-	-	-	-
Shares held by Custodians and against which Depository Receipts have been issued	-	-	-	-	-	-	-	-	-
Promoter and Promoter Group	-	-	-	-	-	-	-	-	-
Public	-	-	-	-	-	-	-	-	-
GRAND TOTAL (A)+(B)+(C)	**-**	**50,000**	**50,000**	**100.00**	**-**	**50,000**	**50,000**	**100.00**	-

ii) Shareholding of Promoters

Shareholders Name	**Shareholding at the beginning of the year**			**Shareholding at the end of the year**			**% change in share-holding during the year**
	No of Shares	**% of total shares of the Company**	**% of shares pledged/ encumbered to total shares**	**No of Shares**	**% of total shares of the Company**	**% of shares pledged/ encumbered to total shares**	
SANTOSH KUMAR PODDAR	10	0.02	-	10	0.02		
DILIP PATODIA	10	0.02	-	10	0.02		
ANAND SHARMA	10	0.02	-	10	0.02		
KAILASH CHAND GUPTA	10	0.02	-	10	0.02		
BRIJ MOHAN AGARWAL	10	0.02	-	10	0.02		
SUNIL CHORARIA	10	0.02	-	10	0.02		
SUBRAMANIAN SATHYAMURTHY	10	0.02	-	10	0.02		
UPPER GANGES SUGAR & INDUSRIES LIMITED	49930	99.86	-	49930	99.86	-	-
	50,000	**100.00**	-	**50,000**	**100.00**	-	-

[#] These are nominee shareholders on behalf of Upper Ganges Sugar & Industries Limited

-iii) Change in Promoters' Shareholding

Shareholding at the beginning of the year			Cumulative Shareholding during the year	
	No of Shares	% of total shares of the Company	No of Shares	% of total shares of the Company
At the beginning of the year				
Changes during the year	50,000	100	50,000	100
At the end of the year	50,000	100	50,000	100

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

		Shareholding at the beginning of the year		Shareholding at the end of the year	
	For Each of the Top Ten Shareholders	No of Shares	% of total shares of the Company	No of Shares	% of total shares of the Company
1	NOT APPLICABLE				

(v) Shareholding of Directors and Key Managerial Personnel:

For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
MR SANTOSH KUMAR PODDAR, DIRECTOR	No of Shares	% of total shares of the Company	No of Shares	% of total shares of the Company
At the beginning of the year	-	-	-	-
Changes during the year	10		10	
At the end of the year	10		10	

For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
MR. KAILASH CHAND GUPTA, DIRECTOR	No of Shares	% of total shares of the Company	No of Shares	% of total shares of the Company
At the beginning of the year	-	-	-	-
Changes during the year	10		10	
At the end of the year	10		10	

For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
MR. SUBRAMANIAN SATHYAMURTHY, DIRECTOR	No of Shares	% of total shares of	No of Shares	% of total shares of the

		the Company		Company
At the beginning of the year	-	-	-	-
Changes during the year	10		10	
At the end of the year	10		10	

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	**Unsecured Loans**	**Deposits**	**Total Indebtedness**
Indebtedness at the beginning of the financial year				
i) Principal Amount	--	--	--	--
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not	--	--	--	--
Total (i+ii+iii)	--	--	--	--
Change in Indebtedness during the financial year				
Addition	--	--	--	--
Reduction	--	--	--	--
Net Change	--	--	--	--
Indebtedness at the end of the financial year				
i) Principal Amount	--	--	--	--
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not	--	--	--	--
Total (i+ii+iii)	--	--	--	--

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl No.	Particulars of Remuneration		Total Amount Lacs
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1)		
	of the Income-tax Act, 1961		
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		
2	Stock Options		
3	Sweat Equity		
4	Commission		
	- As % of profit		
	- As others specify		
5	Others please specify		
	Total (A)		

B. Remuneration to other Directors:

1. Independent Directors

		Name of Director			Total Amount
Sl No.	Particulars of Remuneration	Mr Kailash Chand Gupta	Mr Santosh Kumar Poddar	Mr Subramanian Sathyamurthy	
	Fee for attending Board/Committee Meetings				
	Commission				
	Others, please specify				
	Total B (1)	NIL	NIL	NIL	NIL

2. Other Non-Executive Directors

Sl No.	Particulars of Remuneration			Total Amount
	Fee for attending Board/Committee Meetings			
	Commission			
	Others, please specify			
	Total B (2)	NIL	NIL	NIL
	Total (B) = (B)(1)+(B)(2)	NIL	NIL	NIL

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

Sl No.	Particulars of Remuneration			Total Amount
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1)			
	of the Income-tax Act, 1961			
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961			
2	Stock Options			
3	Sweat Equity			
4	Commission			
	- As % of profit			
	- As others specify			
5	Others please specify			
	Total (A)			
		NIL	NIL	NIL

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority[RD / NCLT/ COURT]	Appeal made, if any(give Details)
A. COMPANY					
Penalty	None				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	None				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	None				
Punishment					
Compounding					

For and on behalf of the Board

Sd/-
Director
Kailash Chand Gupta
DIN - 00047493

Sd/-
Director
Santosh Kumar Poddar
DIN -00055786

Kolkata
Dated: 12th May, 2016

Agrawal Subodh & Co.
Chartered Accountants

301, Victory House, 3rd Floor
1, Ganesh Chandra Avenue, Kolkata - 700 013
Phone : 2225-9430/31/32 • Fax : 2225 9431
E-mail : subodhka@yahoo.com

INDEPENDENT AUDITORS' REPORT

To the Members of
Cinnatolliah Tea Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Cinnatolliah Tea Limited ("the Company") which comprise the Balance Sheet as at 31 March 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under the reference to this report.

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 the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of 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.

Auditors' Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' 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 auditors' consider 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 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 31 March 2016, and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2015 we give in the "Annexure A", a statement on the matters specified in paragraphs 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 purpose of our audit.

   b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.

   c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account.

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

e. On the basis of the written representation received from the directors as on 31 March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".

g. With respect to the other matters to be included in the Auditors' report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanation given to us:

   i. There are no pending litigations and hence, the disclosure relating to the impact of pending litigations on its financial position in its financial statements does not arise.

   ii. The Company is not required to make any provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

   iii. The Company is not required to transfer any amounts to the Investor Education and Protection Fund.

For **AGRAWAL SUBODH & CO**
Chartered Accountants
Firm Reg. No. 319260E

Ranju Mukhopadhyay

AGRAWAL SUBODH & CO KOLKATA Chartered Accountants

Ranju Mukhopadhyay
Partner
Membership No. 066237

Place: Kolkata
Date: 12.05.2016

Annexure –A to the Independent Auditors' Report

(Referred to in Paragraph 1 of our report of even date addressed to the members of Cinnatolliah Tea Limited on the financial statements for the year ended 31 March, 2016)

i. Clauses (i) to (ix), (xii), (xiv) and (xvi), as stated in Paragraph 3 of the Order are not presently applicable to the Company;

ii. No fraud by the Company and no fraud on the Company by its officers or employees has neither been noticed or reported during the year nor have we been informed any of such case by the management;

iii. Managerial Remuneration has not been paid or provided during the year;

iv. All the transactions with the related parties are in compliance with the sections 177 and 188 of the Companies Act, 2013, wherever applicable and the details have been disclosed in the financial statements, as required by the applicable Accounting Standard; and

v. The Company has not entered into any non-cash transactions with the directors or persons connected with him/her.

For **AGRAWAL SUBODH & CO**
Chartered Accountants
Firm Reg. No. 319260E

Ranju Mukhopadhyay
Partner
Membership No. 066237

Place: Kolkata
Date: 12.05.2016

Annexure –B to the Independent Auditors' Report of 31 March 2016 on the Financial Statements of Cinnatolliah Tea Limited

(Referred to in Paragraph 2(f) of our report of even date addressed to the members of Cinnatolliah Tea Limited on the financial statements for the year ended 31 March, 2016)

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

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

Management's Responsibility for Internal Financial Controls

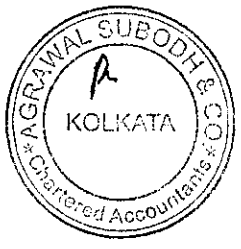
The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial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

Auditors' Responsibility

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

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

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



Annexure –B to the Independent Auditors' Report of 31 March 2016 on the Financial Statements of Cinnatolliah Tea Limited (continued)

Meaning of Internal Financial Controls Over Financial Reporting

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

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **AGRAWAL SUBODH & CO**
Chartered Accountants
Firm Reg. No. 319260E

AGRAWAL SUBODH & CO KOLKATA Chartered Accountants

Ranju Mukhopadhyay
Partner
Membership No. 066237

Place: Kolkata
Date: 12.05.2016

Cinnatolliah Tea Limited

Balance Sheet as at 31st March, 2016

	Particulars	Note No.	As at 31st March, 2016 Rs. P.	As at 31st March, 2015 Rs. P.
A	**EQUITY AND LIABILITIES**			
	Shareholders' funds			
	(a) Share capital	3	500,000.00	500,000.00
	(b) Reserves and surplus	4	(112,543.00)	(28,828.00)
			387,457.00	471,172.00
	Non-current liabilities			
	(a) Long-term borrowings		-	-
			-	-
	Current liabilities			
	(a) Other current liabilities	5	5,725.00	28,828.00
			5,725.00	28,828.00
	TOTAL		**393,182.00**	**500,000.00**
B	**ASSETS**			
	Current assets			
	(a) Cash and cash equivalents	6	393,182.00	500,000.00
			393,182.00	500,000.00
	TOTAL		**393,182.00**	**500,000.00**
	Significant accounting policies	2.1		
	The accompanying notes are an integral part of financial statements			

As per our report of even date

For AGRAWAL SUBODH & CO.
Chartered Accountants
Firm Reg. No. 319260E

Ranju Mukhopadhyay
Partner
Membership No. 066237

Place : Kolkata
Date: 12.05.2016

For and on behalf of the Board of Directors

Director

Director

Cinnatolliah Tea Limited

Statement of Profit and Loss for the year ended 31st March, 2016

Particulars	Note No.	For the year ended 31st March, 2016		For the year ended 31st March, 2015	
		Rs.	P.	Rs.	P.
Revenue from operations		-		-	
Total revenue		-		-	
Expenses					
(a) Other expenses	7	83,715.00		28,828.00	
Total expenses		83,715.00		28,828.00	
Profit / (Loss) before tax		(83,715.00)		(28,828.00)	
Tax expense:					
(a) Current tax expense for current year		-		-	
Profit / (Loss) for the year		(83,715.00)		(28,828.00)	
Earnings per share (of Rs. 10/- each):					
(a) Basic & Diluted	9	(1.67)		(0.58)	
Significant accounting policies	2.1				
The accompanying notes are an integral part of financial statements					

As per our report of even date.

For AGRAWAL SUBODH & CO.
Chartered Accountants
Firm Reg. No. 319260E

Ranju Mukhopadhyay
Partner
Membership No. 066237

Place : Kolkata
Date: 12.05.2016

For and on behalf of the Board of Directors

Director

AGRAWAL SUBODH & CO. KOLKATA Chartered Accountants

Director

Cinnatolliah Tea Limited

Cash Flow Statement for the period ended 31st March, 2016

	Particulars	*31st March, 2016 (Rs)*	*31st March, 2015 (Rs)*
(A)	**CASH FLOW FROM OPERATING ACTIVITIES :**		
	Net Profit/(loss) before Tax	(83,715.00)	(83,715.00)
	Operating Profit before Working Capital Changes :		
	Increase in Trade Payables & Other Liabilities	(23,103.00)	28,828.00
	Net CASH GENERATED FROM OPERATIONS:	(106,818.00)	(54,887.00)
(B)	**CASH FLOW FROM FINANCING ACTIVITIES :**		
	Issue of Equity Shares	-	500,000.00
	NET CASH FROM FINANCING ACTIVITIES	-	500,000.00
	NET CHANGES IN CASH & CASH EQUIVALENTS (A+B)	(106,818.00)	445,113.00
	Cash & Cash Equivalents - Opening Balance	500,000.00	
	Cash & Cash Equivalents - Closing Balance	**393,182.00**	**500,000.00**

As per our report of even date

For AGRAWAL SUBODH & CO.
Chartered Accountants
Firm Reg. No. 319260E

Ranju Mukhopadhyay
Partner
Membership No. 066237

Place : Kolkata
Date: 12.05.2016

For and on behalf of the Board of Directors

Director

AGRAWAL SUBODH & CO. KOLKATA Chartered Accountants

Director

Cinnatolliah Tea Limited

Notes to financial statements for the year ended 31st March 2016

1. BACKGROUND

Cinnatolliah Tea Limited is a subsidiary company of Upper Ganges Sugar & Industries Limited. The Company has been incorporated on 19th March, 2015, for the purpose of Tea business, however the company has not started any business activity.

2. Basis of preparation

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under the *Companies (Accounting Standards) Rules, 2006, (as amended)* and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared

2.1 Summary of significant accounting policies

(a) **Use of estimates**

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

(b) **Income taxes**

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

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

In the situations where the company is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognized in respect of timing differences which reverse during the tax holiday period, to the extent the company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate. However, the company restriction recognition of deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.

At each reporting date, the company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

(c) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

(d) Preliminary Expenses

In accordance with the requirements of Accounting Standard - 26, Preliminary expenses incurred in connection with the formation of the company are charged off in the year such expenses are incurred.

(e) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

(f) Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand, Cheque in hand and short-term investments with an original maturity of three months or less.

Cinnatolliah Tea Limited

Notes forming part of the financial statements

Note 3 Share capital

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	Number of shares	Rs. P.	Number of shares	Rs. P.
(a) Authorised Equity shares of Rs. 10 each with voting rights	50,000	500,000.00	50,000	500,000.00
(b) Issued, Subscribed and fully Paid up Equity shares of Rs. 10 each with voting rights	50,000	500,000.00	50,000	500,000.00
Total	**50,000**	**500,000.00**	**50,000**	**500,000.00**
Refer Notes 3.1 to 3.3 below				

Note 3.1 Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	Number of shares	Rs. P.	Number of shares	Rs. P.
Equity Shares with Voting rights				
Opening Balance	50,000	500,000.00	-	-
Add: Fresh Issue	-	-	50,000	500,000.00
Less: Shares Bought Back	-	-	-	-
Closing Balance	**50,000**	**500,000.00**	**50,000**	**500,000.00**

Note 3.2 Rights, Prefrences and restrictions attached to shares :

Equity Shares : The company has one class of equity shares having a par value of Rs. 10/- per share. Each equity shareholder is eligible for one vote per share held. The company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation of the company, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all prefrential amount, in proportion to their shareholding.

Note 3.3 Shareholders holding more than 5% shares :

Class of shares / Name of shareholder	As at 31st March, 2016		As at 31st March, 2015	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights :				
Upper Ganges Sugar & Industries Limited*	50,000	100.00	50,000	100.00
(*including its nominee Shareholders)				

AGRAWAL SUBODH & CO. KOLKATA Chartered Accountants

Cinnatolliah Tea Limited

Note 4 Reserves and surplus

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	Rs.	P.	Rs.	P.
General Reserve		(28,828.00)		
Surplus / (Deficit) in Statement of Profit and Loss				
Opening balance		-		-
Add: Profit / (Loss) for the period		(83,715.00)		(28,828.00)
Closing balance		(112,543.00)		(28,828.00)
Total		**(112,543.00)**		**(28,828.00)**

Note 5 Other current liabilities

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	Rs.	P.	Rs.	P.
Amount Payable to Holding Company(Refer Note 8)		-		23,210.00
Audit Fee Payable		5,725.00		5,618.00
Total		**5,725.00**		**28,828.00**

Note 6 Cash and Cash Equivalents

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	Rs.	P.	Rs.	P.
(a) Balances with scheduled banks				
- Current Account		390,389.00		-
(b) Cash in hand		2,793.00		-
(b) Cheque in hand		0.00		500,000.00
Total		**393,182.00**		**500,000.00**

AGRAWAL SUBODH & CO. KOLKATA Chartered Accountants

Cinnatolliah Tea Limited

Notes forming part of the financial statements

Note 7 Other expenses

Particulars	For the year ended 31st March, 2016		For the year ended 31st March, 2015	
	Rs.	P.	Rs.	P.
Preliminary Expenses		-		23,210.00
Filling Fes		9,464.00		-
General Expenses		15,425.00		-
Printing & Stationery		13,000.00		-
Professional Fees		35,651.00		-
Rates & Taxes		4,450.00		-
Auditors Remuneration				
- Audit Fees		5,725.00		5,618.00
Total		**83,715.00**		**28,828.00**

AGRAWAL SUBODH & CO. KOLKATA Chartered Accountants

Cinnatolliah Tea Limited

Notes forming part of the financial statements

Note 8 Disclosures of Related Party Transactions

Note	Particulars		
8.1	**Related party transactions**		
8.1.a	**Details of related parties:**		
	Description of relationship	**Names of related parties**	
	Holding Company	Upper Ganges Sugar & Industries Ltd.	
	Details of related party transactions during the year ended 31st March, 2016. and balances outstanding as at 31st March, 2015:		
8.1.b	**Particulars**	**During the year ended 31st March, 2016**	**During the year ended 31st March, 2015**
	Upper Ganges Sugar & Industries Ltd.		
	Issue Of Shares	-	500,000.00
	Opening Balance	23,210.00	-
	Expenses incurred by the Holding Company for incorporation	600.00	23,210.00
	(Reimbursible to Holding Company)		
	Amount paid during the year	23,810.00	
	Amount payable at the year end	-	23,210.00
	Note:		
	1. Related Party Have been identified by the Management.		

Note 9 Earnings Per Share

Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
	Rs. P.	Rs. P.
Net Profit Attributable to Equity Shareholders	(83,715.00)	(28,828.00)
Weighted Average Number of Equity Shares for	50,000.00	50,000.00
Nominal Value Per Equity Share (Rs.)	10.00	10.00
Earnings Per Share (Basic/Diluted)	**(1.67)**	**(0.58)**

AGRAWAL SUBODH & CO. KOLKATA Chartered Accountants

Cinnatolliah Tea Limited

Note 10.

The Composite Scheme of Arrangement between The Oudh Sugar Mills Limited ('Oudh Sugar'), Upper Ganges Sugar & Industries Limited ('Upper Ganges'), Palash Securities Limited ('Palash Securities'), Allahabad Canning Limited ('Allahabad Canning'), Ganges Securities Limited ('Ganges Securities'), Cinnatolliah Tea Limited ('Cinnatolliah Tea'), Vaishali Sugar & Energy Limited ('Vaishali Sugar'), Magadh Sugar & Energy Limited ('Magadh Sugar'), Avadh Sugar & Energy Limited ('Avadh Sugar') and their respective Shareholders and Creditors (hereinafter referred to as 'the Scheme' has been approved by the Board of Directors of the company as per Board Resolution dated on 27th March, 2015.

The appointed date of the scheme is 1st April 2015 with effect from which or such other date as may be fixed or approved by the court and upon the Scheme becoming effective the Tea business undertaking of the Upper Ganges Sugar & Ind. Limited shall be demerged to and vested in Ganges Securities and which will further be transferred to the company at a specified consideration. The Company is in process of obtaining necesary approvals from concerned authorities and pending such approvals, no accounting treatment has been made in the accounts.

Note 11.

As the Company has not yet commenced any business activity, segment reporting disclosures as per Accounting Standard - 17, are not applicable and hence not furnished.

Note 12.

There is no amount due to suppliers registered under Micro, Small and Medium Enterprises Development Act,2006 to the extent identified from the available documents/information. No interest in terms of such Act has either been paid or provided during the year.

Note 13.

There is no amount paid/payable to Directors

Note 14.

Previous year figures have been re-grouped/re-arranged whereever necessary

As per our report of even date

For AGRAWAL SUBODH & CO.
Chartered Accountants

Firm Reg. No. 319260E

Ranju Mukhopadhyay
Partner
Membership No. 066237

Place : Kolkata
Date: 12.05.2016

AGRAWAL SUBODH & CO. KOLKATA Chartered Accountants

For and on behalf of the Board of Directors

Director

Director