Directors' Report

To

The Shareholders,

Your Directors have pleasure in presenting their First Annual Report on the performance of your company along with the Audited Accounts of the Company for the year ended 31st March, 2015.

Financial Results

The Statement of Profit & Loss for the year under review shows a loss of Rs. 28,218/- for the year which is proposed to be carried forward.

Dividend

Your Directors not recommend any dividend for the year ended 31st March, 2015.

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.

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.

CINNATOLLIAH TEA LIMITED

Directors' Report (Contd.)

Board Meetings

During the year under review one Board Meeting was held on 27th March, 2015.

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 loss 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

The Auditors 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) retire as Auditor of your Company at the ensuing Annual General Meeting (AGM) and have confirmed their eligibility and willingness to accept the office of Auditors, if appointed. Your Company has obtained a written consent form M/s. Agrawal Subodh & Co., to the effect that their appointment, if made, will be within the limits specified under Section 139 and 141 of the Companies Act, 2013 and are eligible for appointment.

Directors' Report (Contd.)

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 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 bankers and other lenders for their continued co-operation and assistance.

For and on behalf of the Board
Kailash Chand Gupta
Director
DIN : 00047493

Santosh Kumar Poddar
Director
DIN : 00055786

Kolkata
Dated : 4th May, 2015

CINNATOLLIAH TEA LIMITED

ANNEXURE - 'A'

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on financial year ended on 31st March, 2015

[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	19th March, 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 - 261121 Uttar Pradesh, Phone : 05862 256 220
Whether listed Company	No
Name, Address & Contact details of Registrar & 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 Ltd.	L15421UP1932PLC025141	Holding	100%	2(46)

IV. **SHARE HOLDING PATTERN (Equity Share Capital breakup as percentage of total Equity)**

i. **Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Promoter and Promoter Group	—	—	—	—	—	—	—	—	—
Indian	—	—	—	—	—	—	—	—	—
Individuals / Hindu Undivided Family	—	—	—	—	—	—	—	—	—
Central Government / State Government(s)	—	—	—	—	—	—	—	—	—
Bodies Corporate	—	49930	49930	99.86	—	49930	49930	99.86	—
Financial Institutions / Banks	—	—	—	—	—	—	—	—	—
Any Other (Total)	—	70	70	0.14	—	70	70	0.14	—
Sub Total (A) (1)	—	50000	50000	100.00	—	50000	50000	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) = (A) (1) + (A) (2)	—	50000	50000	100.00	—	50000	50000	100.00	—
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	—	—	—	—	—	—	—	—	—

CINNATOLLIAH TEA LIMITED

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
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	—	—	—	—	—	—	—	—	—
Clearning Member	—	—	—	—	—	—	—	—	—
Directors / Relatives	—	—	—	—	—	—	—	—	—
Foreign Company	—	—	—	—	—	—	—	—	—
Foreign National	—	—	—	—	—	—	—	—	—
HUF	—	—	—	—	—	—	—	—	—
Non Resident Indians (Non Repat)	—	—	—	—	—	—	—	—	—
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)	—	50000	50000	100.00	—	50000	50000	100.00	—

ii) **Shareholding of Promoters**

Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding 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 & Industries Limited	49930	99.86	—	49930	99.86	—	—
	50000	100.00	—	50000	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	50000	100	50000	100
At the end of the year	50000	100	50000	100

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

For each of the Top Ten Shareholders	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
Not Applicable				

CINNATOLLIAH TEA LIMITED

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	—
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	—
Mr. Subramanian Sathyamurthy, 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	—

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 due	—	—	—	—
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 due	—	—	—	—
Total (i+ii+iii)	—	—	—	—

CINNATOLLIAH TEA LIMITED

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
1.	Gross Salary	Nil	Nil
	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

B. Remuneration to other Directors

Sl. No.	Particulars of Remuneration	Name of Director			Total Amount
		Mr. Kailash Chand Gupta	Mr. Santosh Kumar Poddar	Mr. Subramanian Sathyamurthy	
1.	Independent Directors				
	Fee for attending board committee meetings				
	Commission				
	Others, please specify				
	Total B (1)				
2.	Other Non-Executive Directors				
	Fee for attending board committee meetings				
	Commission				
	Others, please specify				
	Total B (2)				
	Total (B) = (B)(1) + (B)(2)	Nil	Nil	Nil	Nil

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

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 Option			
3.	Sweat Equity			
4.	Commission			
	- as % of profit			
	- as others, specify			
5.	Others, please specify			
	Total	Nil	Nil	Nil

VIII. **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 Punishment Compounding	None				
B. DIRECTORS Penalty Punishment Compounding	None				
C. OTHER OFFICERS IN DEFAULT Penalty Punishment Compounding	None				

CINNATOLLIAH TEA LIMITED

Independent Auditor's Report

To the Members

Report on the Financial Statements

We have audited the accompanying financial statements of M/S. CINNATOLLIAH TEA LIMITED which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the period then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 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 judgments and estimates that are responsible 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 standalone 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.

Independent Auditor's Report (Contd.)

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 financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 2015, and its loss and its cash flows for the period ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the order") issued by the Central Government in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified paragraphs 3 and 4 of the Order, to the extent applicable.

CINNATOLLIAH TEA LIMITED

Independent Auditor's Report (Contd.)

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) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2015 from being appointed as a director in terms of Section 164(2) of the Act.

For AGRAWAL SUBODH & CO.
Chartered Accountants
Firm Registration No. 319260E
SURAJIT PAL
Partner
Membership No. 066285

1, Ganesh Chandra Avenue
Kolkata – 700 013
Dated : 4th May, 2015

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

Annexure referred to in our report of even date to the members of Cinnatolliah Tea Limited on the accounts of the Company for the year ended 31st March, 2015. We report that :

(i) The Company does not have any fixed assets, hence, clause 3(i) (a) and (b) of the order are not applicable to the Company.

(ii) Since the Company did not have any inventory, the requirements under paragraph 3 (ii) of the Order are not applicable to the Company.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a) and (b) of the Order are not applicable to the Company and hence not commented upon.

(iv) The Company has not made any purchase of inventory & fixed assets an has not sold goods or services during the period. Accordingly, the provisions of clause 3(iv) of the Order are not applicable to the Company and hence not commented upon.

(v) The Company has not accepted any deposits from the public.

(vi) Since the Company is yet to commence business activity, in our opinion, the provisions of clause 3(vi) of the order are not applicable to the Company.

(vii) a. The provisions relating to provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, value added tax and cess are not applicable to the Company. Accordingly, the provisions of clause 3(vii) (a) to (c) of the order are not applicable to the Company and hence not commented upon.

b. There were not amounts which were required to be transferred to the investor education and protection fund by the Company in accordance with the relevant provisions of the Companies act, 1956 (1 of 1956) and rules made thereunder.

CINNATOLLIAH TEA LIMITED

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT (Contd.)

(viii) The Company has been registered for a period of less than five years and hence we are not required to comment on whether or not the accumulated losses at the end of the financial year is fifty percent or more of its net worth and whether it has incurred cash losses in the current financial year and in the immediately preceding financial year.

(ix) The Company has no borrowings from any financial institution / bank or outstanding debentures.

(x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.

(xi) The Company did not have any term loans outstanding during the period.

(xii) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the period.

For AGRAWAL SUBODH & CO.
Chartered Accountants
Firm Registration No. 319260E
SURAJIT PAL
Partner
Membership No. 066285

1, Ganesh Chandra Avenue
Kolkata – 700 013
Dated : 4th May, 2015

CINNATOLLIAH TEA LIMITED

Balance Sheet as at 31st March, 2015

	Notes	As at 31st March, 2015
		Rs.
A. EQUITY AND LIABILITIES		
Shareholders' Funds		
(a) Share Capital	3	**5,00,000**
(b) Reserves & Surplus	4	**(28,825)**
		4,71,172
Non-Current Liabilities		
(a) Long-term borrowings		**—**
		—
Current Liabilities		
(a) Other Current Liabilities	5	**28,828**
		28,828
Total		**5,00,000**
B. ASSETS		
Current Assets		
(a) Cash and Cash Equivalents	6	**5,00,000**
		5,00,000
Total		**5,00,000**
Significant accounting policies	2.1	

The accompanying notes are an integral part of the financial statements

As per our report of even date

For Agrawal Subodh & Co.
Chartered Accountants
Firm Registration No. 319260E
Surajit Pal
Partner
Membership No. 066285

For and on behalf of the
Board of Directors
Santosh Kumar Poddar
Director
Kailash Chand Gupta
Director

1, Ganesh Chandra Avenue
Kolkata - 700 013
Dated : 4th May, 2015

CINNATOLLIAH TEA LIMITED

Statement of Profit and Loss for the period ended March, 2015

	Notes	For the period ended 31st March, 2015
		Rs.
Revenue from Operations		**—**
Total Revenue		**—**
Expenses		
(a) Other Expenses	7	**28,828**
Total Expense		**28,828**
Profit / (Loss) before Tax		**(28,828)**
Total Expense :		
(a) Current Tax Expense for Current Year		**—**
Profit / (Loss) for the year		**(28,828**
Earnings per Equity Share		
[of Rs. 10/- each]		
(a) Basic & Diluted	9	**(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 Registration No. 319260E
Surajit Pal
Partner
Membership No. 066285

For and on behalf of the
Board of Directors
Santosh Kumar Poddar
Director
Kailash Chand Gupta
Director

1, Ganesh Chandra Avenue
Kolkata - 700 013
Dated : 4th May, 2015

CINNATOLLIAH TEA LIMITED

Cash Flow Statement for the period ended 31st March, 2015

		For the period ended 31st March, 2015
		Rs.
(A)	**CASH FLOW FROM OPERATING ACTIVITIES**	
	Net Profit / (Loss) before Tax	**(28,828)**
	Operating Profit before Working Capital Changes	
	Increase in Trade Payables & Other Liabilities	**28,828**
	NET CASH GENERATED FROM OPERATIONS	**—**
(B)	**CASH FLOW FROM FINANCING ACTIVITIES**	
	Issue of Equity Shares	**5,00,000**
	NET CASH FROM FINANCING ACTIVITIES	**5,00,000**
	NET CHANGES IN CASH & CASH EQUIVALENTS (A+B)	**5,00,000**
	* Cash & Cash Equivalents - Closing Balance	**5,00,000**

As per our report of even date

For Agrawal Subodh & Co.
Chartered Accountants
Firm Registration No. 319260E
Surajit Pal
Partner
Membership No. 066285

1, Ganesh Chandra Avenue
Kolkata - 700 013
Dated : 4th May, 2015

For and on behalf of the
Board of Directors
Santosh Kumar Poddar
Director
Kailash Chand Gupta
Director

CINNATOLLIAH TEA LIMITED

Notes to Financial Statements for the year ended 31st March, 2015

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 on an accrual basis and under the historical cost convention.

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 refiect 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.

Notes to Financial Statements for the year ended 31st March, 2015 (Contd.)

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 cettainty 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 availabe 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 assts against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

CINNATOLLIAH TEA LIMITED

Notes to Financial Statements for the year ended 31st March, 2015 (Contd.)

(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 in which 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 occurrenoe 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 in the cash now statement comprise cash at bank and in hand, Cheque in hand and short-term investments with an original maturity of three months or less.

Notes to Financial Statements for the year ended 31st March, 2015 (Contd.)

	As at 31.03.2015 No. of shares	Rs.
3. Share Capital		
(a) Authorised		
Equity Shares of Rs. 10 each with voting rights	50,000	50,00,000
(b) Issued, Subscribed and fully Paid up		
Equity Shares of Rs. 10 each with voting rights	50,000	5,00,000
Total	50,000	5,00,000

Refer Notes 3.1 to 3.3 below

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

	As at 31.03.2015 No. of shares	Rs.
Equity Shares with Voting rights		
Opening Balance	—	—
Add : Fresh Issue	**50,000**	**5,00,000**
Less : Shares Bought Back	—	—
Closing Balance	**50,000**	**5,00,000**

3.2 Rights, Preferences 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.

CINNATOLLIAH TEA LIMITED

Notes to Financial Statements for the year ended 31st March, 2015 (Contd.)

	As at 31.03.2015 No. of shares held	% holding in that class of shares
3.3 Shareholders holding more than 5% shares		
Class of shares / Name of shareholder		
Equity shares with voting rights		
Upper Ganges Sugar & Industries Limited*	50,000	100

(*including its nominee shareholders)

	As at 31st March, 2015 Rs.
4. Reserves & Surplus	
Surplus / (Deficit) in the Statement of Profit & Loss	
Opening Balance	—
Add : Profit / (Loss) for the period	**(28,828)**
Closing Balance	**(28,828)**
Total	**(28,828)**
5. Other Current Liabilities	
Amount Payable to Holding Company (Refer Note 8)	**23,210**
Audit Fee Payable	**5,618**
Total	**28,828**
6. Cash and Cash Equivalents	
(a) Balances with scheduled banks - Current Account	—
(b) Cash in hand	—
(c) Cheque in hand (Refer Note 12)	**5,00,000**
Total	**5,00,000**

Notes to Financial Statements for the year ended 31st March, 2015 (Contd.)

	As at 31st March, 2015
	Rs.
7. **Other Expenses**	
Preliminary Expenses	**23,210**
Auditors Remuneration	
- Audit Fees	**5,618**
	28,828

8. **Disclosures of Related Party Transactions**

8.1.a) **Details of related parties :**

Description of relationship : Holding Company

Names of related parties : Upper Ganges Sugar & Industries Ltd.

Details of related party transactions during the year ended 31st March, 2015 and balances outstanding as at 31st March, 2015 :

8.1.b) Upper Ganges Sugar & Industries Ltd.	Holding Company
Issue of Shares	5,00,000
Expenses incurred by the Holding Company for incorporation (Reimbursable to Holding Company)	23,210
Amount payable at the year end	

Notes :

9. **Earnings per Share**

	For the year ended 31st March, 2015
	Rs.
Net profit Attributable to Equity Shareholders	**(28,828)**
Weighted average number of equity shares for calculation of basic / diluted EPS	**50,000**
Nominal Value per Equity Share (Rs.)	**10**
Earnings per Share (Basic / Diluted)	**(0.58)**

CINNATOLLIAH TEA LIMITED

Notes to Financial Statements for the year ended 31st March, 2015 (Contd.)

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 & Investments business undertaking of Upper Ganges Sugar & Industries Limited shall be demerged to and vested in Ganges Securities and which will further be transferred to the Company at a specified consideration.

11. The Upper Ganges Sugar & Industries Limited, the holding Company, has incurred certain miscellenous expenses towards the incorporation of the Company as stated in Note 5 above, which are to be borne by the Company. The said expenses are reimburseable to the holding Company and accordingly, the same has been shown under the head Current Liabilities.

12. The Company issed shares to Subscribers of Memorandum & Articles of Association (Upper Ganges Sugar & Industries Ltd.) during the year and consideration for the above was received in the form of cheque. The said cheque was cleared on 24.04.2015 after opening of Company's current account. Accordingly, the said cheque is shown as Cheque-in-hand in the accounts.

13. 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.

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

15. There is no amount paid / payable to Directors.

Since the Company was incorporated and commenced business on and from 19th March, 2015, previous year's figures are not applicable and hence not furnished.

As per our report of even date

For Agrawal Subodh & Co.
Chartered Accountants
Firm Registration No. 319260E
Surajit Pal
Partner
Membership No. 066285

1, Ganesh Chandra Avenue
Kolkata - 700 013
Dated : 4th May, 2015

For and on behalf of the Board of Directors
Santosh Kumar Poddar
Director
Kailash Chand Gupta
Director