



NOTICE

NOTICE is hereby given that the 40th Annual General Meeting of **THE SCOTTISH ASSAM (INDIA) LIMITED** will be held at **GYAN MANCH**, 11, Pretoria Street, Kolkata-700071 on **Monday 4th September, 2017 at 11.30 A.M.** to transact the following business:-

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Accounts and Report of the Directors and the Auditors of the Company for the year ended 31st March, 2017.
2. To declare Dividend for the year 2016-2017.
3. To appoint Director in place of Mr. Hemant Kumar Agarwal (DIN 00355116), who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Statutory Auditors.

To Consider and, if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to provisions of Section 139, 140, 141, 142 and other applicable provisions of the Companies Act, 2013, if any, read with the Companies (Audit & Auditors) Rules, 2014, (including any statutory enactment or modification thereof) and pursuant to recommendation of Audit Committee and Board of Directors, M/s. Jitendra K Agarwal & Associates, Chartered Accountant, (Firm Registration No. 318086E) be and are hereby appointed as the Statutory Auditors of the Company in place of retiring auditor M/s Singhi & Co. (Firm Registration No. 302049E) Chartered Accountants, to hold office from the conclusion of this 40th Annual General Meeting till the conclusion of the 45th Annual General Meeting of the Company and that the Board of Directors be and is hereby authorized to fix their remuneration."

SPECIAL BUSINESS:

Item No. 5

To consider, and if thought fit to pass, with or without modification, the following resolution as an Ordinary Resolution for appointment of Director .

"RESOLVED THAT pursuant to 160 & 161 of the Companies Act, 2013 and any other applicable provision (including any modification or re-enactment thereof), if any, of the Companies Act, 2013, Mrs. Shashi Kumar (DIN- 00199961) who was appointed as Director in casual vacancy (caused due to death of Mr. Vijendra Kumar, Director) in the meeting of the Board of Directors held on 11th February, 2017 and whose term expires at the ensuing Annual General Meeting of the Company be and is hereby appointed as director of the Company."



Item No. 6

To Consider and, if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to Section 196, 197 and other applicable provision, if any, of the Companies Act 2013, read with section 198 and Schedule V of the said Act, and in accordance with Article 80 of the Article of Association of the Company and on the recommendations by Nomination and Remuneration Committee, approval of the Board be and is hereby granted to the appointment of Mr. Kartik Narayan Singh, as Whole-time Director of the Company, not liable to retire by rotation, for a period of 3 (three) years with effect from 11th February, 2017 upto 10th February, 2020, subject to the approval of shareholders in general meeting".

Registered Office:
1, Crooked Lane,
Kolkata - 700 069
The 27th day of May, 2017

By order of the Board

(Dhirendra Kumar)
Director
Din : 00153773



NOTES :

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote, instead of him/her. A proxy need not be a member of the Company. In order to be effective, the instrument appointing proxy must reach the Registered Office of the Company not less than forty-eight hours before the commencement of the meeting. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the Paid up Capital of the Company carrying voting rights. A member holding more than ten percent of the Paid up Capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.

Members are requested to notify to the Registrar of the Company, M/s. ABS CONSULTANT PVT LTD, Stephen House, 6th Floor, Room No. 99, 4, B.B.D. Bag (East), Kolkata - 700 001, any change in their address.

2. **The Register of Members and Equity Share Transfer Registers will remain closed from 27th August, 2017 to 4th September, 2017. (both days inclusive).**
3. **Voting through electronic means**

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended and clause 35B of the Listing Agreement, Members are provided with the facilities to cast their votes on all resolutions set forth in the Notice of the AGM using electronic voting system provided by

Central Depository Services (India) Ltd. (CDSL).

The notice of the **40th Annual General Meeting (AGM)** of the Company inter alia indicating the process and manner of e-Voting process along with printed Attendance Slip and Proxy Form is being dispatched to all the Members. The e-Voting particulars are provided at the bottom of the Attendance Slip for the **40th Annual General Meeting (AGM)**:

The e-voting period begins on 01-09-2017 from 9:00 A.M. and ends on 03-09-2017 till 5:00 P.M. During this period, shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the **cut-off/entitlement date of 26-08-2017** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

Members also have the option to vote through Ballot Form. However, the duly completed Ballot Form should reach the Scrutinizer at 9, Crooked Lane, 3rd Floor, Room No.19, Kolkata - 700 069, not later than 03-09-2017 (5:00 P.M.) (i.e. closing date of E-Voting) Ballot form received after this date will be treated as invalid. If member casts votes by both modes, then voting done through E-voting shall prevail and Ballot Form shall be treated as invalid.

The Instructions for E-Voting are as under:

- a) Log on to the e-voting website: www.evotingindia.com during the voting period.
- b) Click on "Shareholders" tab
- c) Now, select Electronic Voting Sequence No. as mentioned in the Attendance Slip alongwith "**THE SCOTTISH ASSAM (INDIA) LIMITED**" from the drop down menu and click on "SUBMIT".
- d) Now Enter your User ID (as mentioned in the Attendance Slip) :
 - i. For CDSL: 16 digits beneficiary ID,
 - ii. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - iii. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- e) Next enter the Image Verification as displayed and Click on Login.
- f) 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.



- g) However, if you are a first time user, please use the e-Voting particular provided in the Attendance Slip and fill up the same in the appropriate boxes:
- h) After entering these details appropriately, click on "SUBMIT" tab.
- i) Members holding shares in physical form will then reach directly 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.
- j) 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.
- k) For Members holding shares in physical form, the **details in Attendance Slip** can be used only for e-voting on the resolutions contained in this Notice.
- l) Click on the relevant EVSN "**THE SCOTTISH ASSAM (INDIA) LIMITED**" for which you choose to vote.
- m) 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.
- n) Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
- o) 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.
- p) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- q) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- r) If Demat account holder has forgotten the **changed password** then enter the User ID and image verification code click on Forgot Password & enter the details as prompted by the system.
- s) **For Non – Individual Shareholders and Custodians:**
 - Non Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians 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 e-mailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details 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 linked in the login 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.
- I. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.
- II. Once the vote on a resolution is cast by the shareholder by electronic means, the shareholder shall not be allowed to change it subsequently or cast his vote by any other means.
- III. **Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the cutoff date of i.e. 27.08.2017, may contact the Company for Login ID and other e-voting related details.**



THE SCOTTISH ASSAM (INDIA) LIMITED

- IV. The voting rights of shareholders shall be in proportion of their shares of the paid up equity share capital of the Company as on the **cut-off/entitlement date of 27.08.2017**.
- V. Mr. Pravin Kumar Drolia, Practicing Company Secretary, (Membership No.2366) of Drolia & Co. has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- VI. The Scrutinizer shall within a period not exceeding two (2) working days from the conclusion of E voting unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

The Results shall be declared after the 40th Annual General Meeting (AGM) of the Company. This Notice as well as the Results declared alongwith the Scrutinizer's Report shall be communicated to **CDSL and The Calcutta Stock Exchange Limited** within 06.09.2017.

- 4) The dividend, as recommended by the Board, if sanctioned at the meeting, will be paid on or **after 10-09-2017** to those members of the Company holding shares in physical form whose name appear on the Register of Members as at the end of **26-08-2017**, in respect of shares held in electronic form, the dividend will be paid to the beneficial owners of the shares as at the end of **26-08-2017**, as per details provided by the Depositors for this purpose.
- 5) Members desirous of getting any information on account of operations of the Company is requested to forward his queries to the Company's Registered Office **at least seven days prior** to the Meeting so that the required information can be made available at the Meeting.
- 6) Members are hereby informed that Dividends which remain unpaid or unclaimed over a period of 7 years have to be transferred by the Company to Investor Education & Protection Fund (IEPF) constituted by the Central Government under Section 205A of Companies Act, 1956 (124 & 125 of the Companies Act 2013) and no claim shall lie for the unclaimed dividend from IEPF or from the Company by the Shareholders. Accordingly unclaimed Equity Dividend for the financial year 2008-2009 has been transferred to such Investor Education Protection Fund (IEPF). The due dates of transfer of the following dividends to the Fund are as under:

Dividends for the year	Date of declaration of dividend	Due date of transfer to the Fund
2009-2010	13.09.2010	20.10.2017
2010-2011	29.09.2011	05.11.2018
2011-2012	07.09.2012	14.10.2019
2012-2013	31.07.2013	07.09.2020
2013-2014	29.08.2014	06.10.2021
2014-2015	27.07.2015	03.09.2022
2015-2016	22.07.2016	29.08.2023

- 7) 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 dividend lying with the Company as on the date of Finalisation of Notice for the General Meeting of the shareholders on the website of the Company (www.scottishassam.com) and on the website of the Ministry of Corporate Affairs.



EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 :

Item No. 4

The Statutory Auditors, M/s. Singhi & Co. who have completed two terms of 10 years and are due to compulsory retire at the forthcoming Annual General Meeting, as per applicable provisions of the Companies Act, 2013 and rules made thereunder. A special notice under the provisions of section 140(4)(i) read with Section 115 of the Companies Act, 2013 has been received from a Member proposing the appointment of M/s Jitendra K Agarwal & Associates, Chartered Accountants, as the Statutory Auditors in place of retiring Auditors, M/s Singhi & Co. A copy of the special notice has been sent to M/s. Singhi & Co.

M/s Jitendra K Agarwal & Associates have confirmed that the appointment, if made, would be acceptable to them and would be in compliance with the statutory requirements under the Companies Act, 2013 and the Listing Obligations.

The Audit Committee has recommended to the Board of Directors, the appointment of M/s Jitendra K Agarwal & Associates as the Statutory Auditors as their qualifications and experience have been found to be commensurate with the size and requirements of the Company.

The Board of Directors considered the matter and has recommended the appointment of M/s. Jitendra K Agarwal & Associates as the Statutory Auditors in place of the retiring Auditors, M/s. Singhi & Co.

The Directors recommend the Resolution for the approval of the Members.

None of the Directors, Key Managerial Personnel of the Company and their relatives, is in way concerned or interested in this Resolution.

Item No. 5

The Board, at its meeting held on February 11, 2017 appointed Mrs. Shashi Kumar as director appointed in casual vacancy (caused due to death of Mr. Vijendra Kumar), with effect from February 11, 2017, pursuant to section 161 of the Companies Act, 2013. Hence she will hold office up to the date of the ensuing Annual General Meeting.

The Company has received the following from Mrs. Shashi Kumar :

- (i) Consent in writing to act as Director in form DIR-2 pursuant to Rule 8 of the Companies (Appointment and Qualifications of Directors) Rules, 2014.
- (ii) Intimation in Form DIR-8 in terms of Companies (Appointment and Qualifications of Directors) Rules, 2014, to the effect that she is not disqualified under sub-section (2) of section 164 of the Companies Act, 2013.

The Board considers that her association would be of immense benefit to the Company and it is desirable to avail her services as Director.

Item No. 6

Pursuant to the recommendation of the Nomination and Remuneration Committee the Board of Directors of the Company vide resolution passed on 11th February, 2017 approved appointment of Mr. Kartik Narayan Singh as Whole-time Director of the Company in accordance with the provisions contained in Section 196 and 197 read with Section 203 of the Companies Act, 2013 and that Mr. Kartik Narayan Singh shall hold office for 3 (three) years (from 11th February, 2017 upto 10th February, 2020) and shall be eligible for re-election subject to the approval of the shareholders at this Annual General meeting.

Approval of the members is required by way of Ordinary Resolution for appointment and payment of remuneration.

This explanatory statement may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Companies Act, 2013.

The remuneration payable to Mr. Kartik Narayan Singh are within the limits and the terms and conditions of the appointment are given below :

The Company has received the following from Mr. Kartik Narayan Singh :

- (i) Consent in writing to act as Director in form DIR-2 pursuant to Rule 8 of the Companies (Appointment and Qualifications of Directors) Rules, 2014.



- (ii) Intimation in Form DIR-8 in terms of Companies (Appointment and Qualifications of Directors) Rules, 2014, to the effect that they are not disqualified under sub-section (2) of section 164 of the Companies Act, 2013.

The Board considers that their association would be of immense benefit to the Company and it is desirable to avail his services as Director.

Accordingly, the Board recommends the resolution Nos. 5 & 6, in relation to appointment of Mrs. Shashi Kumar and Mr. Kartik Narayan Singh as Director and Whole-time Director, respectively, for the approval by the shareholders of the Company. All documents concerning these items are available for inspection at the Registered Office of the Company from 11 A.M. to 1 P.M. on all working days till the date of the forthcoming Annual General Meeting of shareholders.

Except Mrs. Shashi Kumar in case of resolution no.5 and Mr. Kartik Narayan Singh in case of resolution no. 6, none of the Directors of the Company is in any way concerned or interested in the resolution.

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
2. Date of commencement of commercial production	The Company is in manufacturing operation since 1977
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 :

Particulars	31.03.2017 (Rs. in Lacs)	31.03.2016 (Rs. in Lacs)
Revenue from operations (Net)	2477.73	2840.99
Profit / (Loss) before Interest, Depreciation & Tax (PBIDTA)	305.69	340.78
Interest (Net)	(35.56)	(45.26)
Profit / (Loss) before Depreciation & Tax (PBDT)	270.12	295.52
Depreciation / Amortization	(46.21)	(53.21)
Profit / (Loss) before Tax (PBT)	223.92	242.31
Provision for Tax	(50.21)	(54.47)
Profit / (Loss) after Tax (PAT)	173.70	187.84

5. Foreign Investment or collaborators, if any :	Not Applicable
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II. INFORMATION ABOUT THE APPOINTEES:

Mr. Kartik Narayan Singh

1. Background details :

Mr. Kartik Narayan Singh, aged about 49 years, holds a Bachelor degree in Economics along with Masters in Economics. Mr. Singh had a very good knowledge about Tea Gardens and Quality of Tea. He is associated with the Company from past 10 years.

2. Past remuneration:

Remuneration paid during last 3 years

2014-15	₹ 9,64,800/-
2015-16	₹ 10,40,400/-
2016-17	₹ 10,54,200/-

3. Job profile and suitability:

Mr. Kartik Narayan Singh is entrusted with the powers and authorities to manage the affairs of the Company on a day to day basis subject to superintendence, direction and control of the Board of Directors. He has an extensive knowledge of tea industry. His experience at various levels has helped him to successfully manage the affairs of the Company for last several years.

4. 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.

5. 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 activities of the Company in tea. The remuneration to Mr. Kartik Narayan Singh is purely based on merits.

6. Pecuniary relationship directly or indirectly with the Company relationship with the managerial personnel:

Mr. Kartik Narayan Singh has no pecuniary relationship with the Company other than his remuneration as Whole Time Director.

Registered Office:

1, Crooked Lane,
Kolkata - 700 069

The 27th day of May, 2017

By order of the Board

(Dhirendra Kumar)
Director

Din : 00153773



REPORT OF THE DIRECTORS

For the financial year ended 31st March, 2017

Dear Shareholders,

We present the 40th Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2017.

REVIEW OF PERFORMANCE

Particulars	For the year	For the year
	Ended 31.03.2017 (` in Lacs)	Ended 31.03.2016 (` in Lacs)
Profit from operation	271.58	146.77
Other Income	66.89	38.52
Increase / (Decrease) in Stock	(68.35)	110.23
Profit before Depreciation & Taxation	270.12	295.52
Less: Depreciation for the year	46.20	(53.21)
Profit / (Loss) before taxation	223.92	242.31
Less: Provision for taxation - Income Tax-Current Year	32.00	58.50
- Earlier year	6.71	(0.32)
- Deferred Tax	11.51	(3.71)
Profit / (Loss) after Taxation	173.70	187.84
Add: Balance brought forward from last year	265.27	157.71
Amount available for appropriation	438.97	345.55
The Director recommend disposal as follows: -		
Dividend on Equity Shares @ ...% (earlier year @35%)	-	28.00
Tax (Including surcharge & education cess)	-	2.28
Transfer to General Reserve	50.00	50.00
Balance to be carried forward to next year	388.97	265.27
	438.97	345.55



EQUITY DIVIDEND

The Board is pleased to recommend the distribution of dividend of ₹ 3.5/- per share for the year ended 31st March, 2017.

TRANSFER TO RESERVES

The Company proposes to transfer ₹ 50.00 lacs to General Reserve out of the amount available for appropriations and an amount of ₹ 388.97 lacs is proposed to be retained in the Profit and Loss Account.

PERFORMANCE

Our production for the calendar year was better than the previous year by approximately 26,000 kgs but the production in March 2016 was a record high compare to March, 2017 and as such the final figure for the financial year was lower by approx. 74,000 kgs.

This is considered to be fairly acceptable as the weather conditions after March, 2016 were not particularly conducive during the rest of the year.

The final production for the year (both own & bought leaf) was impacted as we had to curtail purchase of bought leaf because the quality of leaf being supplied had deteriorated, as a result of which the margins were negative.

The Final production for the year was 13,38,941 kgs. {both own (10,87,711)+ bought (2,51,230) leaf} against previous year's figure of 16,54,295 kgs. {both own (11,61,610)+ bought (4,92,685) leaf}

The average price realization for the year was ₹ 183.05 per kg. against last year's ₹ 185.90 per kg mainly.

However, in spite of these setbacks, due to stringent cost control and emphasis on quality of our own leaf, the overall results are considered satisfactory and all concerned are to be commended for the same.

PROSPECT

The current year's harvest for the financial year has started on a positive note with weather conditions being generally favourable in April and May.

Subject to weather conditions we expect a better crop from our own estate during the year.

Cost escalation is unavoidable due to the mandatory increase in wages of Rs. 11/- (9%) per man day.

In addition to this the subsidy on fertilisers is likely to be withdrawn from 1st June, 2017 but this will not have a major impact on us during this year. The Association has taken up the matter with the Govt. of India.

Every effort is being made to control costs and hopefully we may be able to offset some of the increases by producing a higher crop and better prices.

A point which needs further clarifications is the impact of Goods and Service Tax (GST) recently introduced by the Govt. of India.

Despite all this, we view the year with cautious optimism.

CORPORATE GOVERNANCE

As per the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirement) Regulations, 2015 (previously Listing Agreement) introduced a uniform code of corporate governance by executing uniform agreement for all types of securities listed on stock exchange. This becomes operational within the financial year ending March 31, 2016. Your Company has executed the new uniform agreement with Calcutta Stock Exchange (CSE) as shares of your Company are listed on CSE.

Regulation 17(7), 17(8) and Regulation 27 of new SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 (relates to Clause 49 of old Listing Agreement) is of Corporate Governance which is applicable on companies whose paid up share capital is ₹ 3 crore or above and Net worth is ₹ 25 crore or above. Since your Company is having paid up share capital of ₹ 80 Lakhs, implementation and compliance of requirements as per SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 (Clause 49 of old Listing Agreement) with Calcutta Stock Exchange, is not mandatory.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

As per section 135 of Companies Act, 2013 a Company whose Net Worth is ₹ 500 crore or more or Turnover ₹ 1000 crore or more or Net profit of ₹ 5 crore or more during any financial year shall have to abide by the rules of Corporate Social Responsibility. Since your company does not fall in the above mentioned category, hence your Company does not have to follow the rules of CSR.



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 Companies Act 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 Statutory Auditors, Messrs Singhi & Co., 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 system has been devised to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

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 as Annexure-1 to this report. 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 Personnel) Rules 2014 are given in the Annexure – 1 forming part of the Report.

PUBLIC DEPOSITS

The Company has neither accepted nor renewed any deposits during the year under review.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

During the year Company invested some of its surplus earnings in Mutual Funds and is getting reasonable returns on its investments.

GOING CONCERN STATUS

No significant and material orders have been passed by the Regulators or Courts or Tribunals impacting the going concern status of the Company and its operation in the future.

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

There are no contracts / arrangements / transactions entered by the Company during the financial year with related parties in the ordinary course of business.

RISK MANAGEMENT

In today's economic environment, Risk Management is a very important part of business. The main aim of risk management is to identify, monitor and take precautionary measures in respect of the events that may pose risks for the business. 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.



THE SCOTTISH ASSAM (INDIA) LIMITED

DISCLOSURE OF PARTICULARS WITH REGARD TO CONSERVATION OF ENERGY ETC.

Necessary information pursuant to sub-section (3) of section 134 of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is presented in **Annexure-2** 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.

COST AUDIT

The provisions of Section 148 of Companies Act, 2013 read with (Cost Records and Audit) Rules, 2014, are not applicable on the Company as your company does not fall in the eligibility criterion of the same.

INTERNAL AUDIT

The Company continued to engage reputed firms of Chartered Accountants as its internal auditors at its Head Office and Tea Estate. 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 Mr. Pravin Kumar Drolia of M/s. Drolia & Co. Practicing Company Secretaries to undertake the Secretarial Audit of the Company. The report of the Secretarial Audit is annexed herewith as **Annexure-3** and forms part of the Directors' Report. There is no qualification or reservation or adverse remark or disclaimer made by the Secretarial Auditor in the Report.

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 & KEY MANAGERIAL PERSONNEL

Last year was quit unfortunate as we lost Mr. Vijendra Kumar on 20th November, 2016. He was Director and Promoter of your Company from 2006 and had contributed a lot in the growth and development of the Company. We will always miss his contributions. As per provisions of Section 152 of the Companies Act, 2013, Mr. Hemant Kumar Agarwal (DIN 00355116) is liable to retire by rotation in the ensuing Annual General Meeting and being eligible offer himself for re-appointment. The Board recommends his reappointment.

The Board appointed Mrs. Shashi Kumar (DIN 00199961) on 11th February, 2017 as Director appointed in a casual vacancy caused by the death of Mr. Vijendra Kumar who shall hold office upto the date of the ensuing Annual General Meeting. Based on the recommendation of Nomination & Remuneration Committee, the Board desired that Mrs. Shashi Kumar having all round experience in various fields be appointed as Director. A resolution has been included in the Agenda of the ensuing Annual General Meeting of the Company.

Approval of the members is sought for the said appointment.

The Board appointed Mr. Kartik Narayan Singh (DIN 07779482) as Whole-time Director on 11th February, 2017. Based on the recommendation of Nomination & Remuneration Committee, the Board desired that Mr. Kartik Narayan Singh having all round



experience in various fields be appointed as Whole-time Director. A resolution has been included in the Agenda of the ensuing Annual General Meeting of the Company.

The tenure of Mr. Sankar Kumar Basu Sarbadhikary (Whole-time Director designated as Director - Finance), had expired on 31st March 2017. Mr. Sankar Kumar Basu Sarbadhikary has resigned from the post of Whole-time Director as he was not willing to continue the same.

Mr. Hari Kishan Rajbhar, Chief Financial Officer of the Company had resigned from his post. He was associated with the Company from past 5 years. The Company is in search of a suitable candidate to fill the vacancy.

Ms. Priyanka Sharma, Company Secretary & Compliance Officer of the Company had resigned from her post. The Company is searching a suitable candidate.

The Company has received declarations from the Independent Director of the Company confirming that he meet the criteria of Independence as prescribed under the Companies Act 2013.

The Board has, on the recommendation of the Nomination and Remuneration Committee, framed the policy for selection and appointment of Directors, Senior Management Personnel and their remuneration. The Committee has also framed the criteria for performance evaluation of every Director and accordingly has carried out the performance evaluation.

VIGIL MECHANISM/ WHISTLE BLOWER POLICY

There is a Vigil Mechanism or Whistle Blower policy as per section 177(9) of Companies Act, 2013 prevails as per the size and operations of the Company. Protected disclosures can be made by a whistle blower to the management of the Company.

OTHER DISCLOSURES

EXTRACT OF ANNUAL RETURN

The details for the financial year ended 31st March, 2017 forming part of the extract of the annual return is enclosed as Annexure - 4.

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 latter sheets.

CHANGES IN 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 - 80,00,000/- comprising of 8,00,000 equity shares of ` 10/- each.

SEPARATE MEETING OF INDEPENDENT DIRECTORS

As stipulated by the Code of Independent Directors under Companies Act, 2013 and the Listing Agreement, a separate meeting of the Independent Directors of the Company was held on 11th 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.



COMPOSITION OF COMMITTEE OF DIRECTORS

The Board has constituted the following Committees of Directors:

(a) Audit Committee

The Audit Committee comprises Independent Directors namely Mr. Ghanshyam Das Gupta (Chairman), Mr. Golam Momen and Mr. Naveen Bansal as other members. All the recommendations made by the Audit Committee were accepted by the Board.

(b) Nomination & Remuneration Committee

The Nomination and Remuneration Committee comprises Independent Directors namely Mr. Naveen Bansal (Chairman), Mr. Ghanshyam Das Gupta and Mr. Golam Momen as other members.

(c) Stakeholder relationship Committee

The Stakeholders Relationship Committee comprises Independent Directors namely Mr. Golam Momen (Chairman), Mr. Ghanshyam Das Gupta and Mr. Naveen Bansal as other members.

The Board of Directors decided to create a Compliance Committee for better compliances of the applicable laws of the Country.

COMPLIANCE COMMITTEE

The Compliance Committee comprises Members namely Mr. Sankar Kumar Basu Sarbadhikary, Mr. Kartik Narayan Singh, Mr. Sunil Singhi and Ms. Priyanka Sharma.

EVALUATION OF BOARD'S PERFORMANCE

The Company has a system of Formal Annual Evaluation of performance of Board, it's Committees & Individual Directors as per the size and operations of the Company.

During the year, the Board formulated and adopted a Board Evaluation Framework for evaluating the performance of the Board as a whole, Committees of the Board and the Individual Directors on the Board.

Pursuant to the said Evaluation Framework, the Board evaluated the performance of the Board, its Committees and the Individual Directors for the financial year 2016-17.

The Board was of the view that the performance of the Board as a whole was adequate and fulfilled the parameters stipulated in the evaluation framework in its pro growth activity and facing challenging operational, climatic and economic adversities during the year. The Board also ensured that the Committees functioned adequately and independently in terms of the requirements of the Companies Act, 2013 and the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and at the same time supported as well as coordinated with the Board to help in its decision making. The individual Directors' performance was also evaluated and the Board was of the view that the Directors fulfilled their applicable responsibilities and duties as laid down by the listing agreement and the Companies Act, 2013 and at the same time contributed with their valuable knowledge, experience and expertise to grab the opportunity and counter the adverse challenges faced by the Company during the year.

AUDITOR'S REPORT & ACCOUNTS

The auditors Messers Singhi & Co., Chartered Accountants, Statutory Auditors of the company were re-appointed as Auditors in the Annual General Meeting held on 22nd July 2016 for the Financial Year 2016-2017 at remuneration fixed by the Board. Further the Messrs Singhi & Co. cannot be re-appointed as Statutory Auditors as their term of 10 years expired under the Companies Act, 2013.



Annexure 1 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

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 :

(i) **Remuneration to the Director/Key Managerial Personnel of the Company:**

Name of Director / KMP and Designation	Remuneration for the financial year	Remuneration for the financial year	% Change	Ratio to mean Remuneration
	2016-17	2015-16		
	(₹)	(₹)		
Mr. Vijendra Kumar (upto 20.11.2016)	-	-	-	N.A.
Mrs. Sashi Kumar (wef. 11.02.2017)	-	-	-	N.A.
Mr. Dhirendra Kumar	-	-	-	N.A.
Mr. Sandeep Kumar Jalan	-	-	-	N.A.
Mr. Ghanshyam Das Gupta	-	-	-	N.A.
Mrs. Divya Jalan	-	-	-	N.A.
Mr. Hemant Kumar Agrawal	-	-	-	N.A.
Mr. Golam Momem	-	-	-	N.A.
Mr. Alok Krishna Agarwal	-	-	-	N.A.
Mr. Naveen Bansal	-	-	-	N.A.
Mr. Kartik Narayan Singh (wef. 11.02.2017)	1,75,700/-	-	-	N.A.
Mr. Sankar Kumar Basu Sarbadhikary	6,57,000/-	6,12,000/-	7.35	17.38:1
Mr. Hari Kishan Rajbhar	4,11,600/-	3,92,350/-	4.91	10.89:1
Ms. Priyanka Sharma	4,06,500/-	2,84,503/-*	7.16	10.75:1

* For Part of the year (July, 2015 to March, 2016)

Annexure 2 to the Directors' Report

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.

Statement of particulars with respect to conservation of energy, technology absorption and foreign exchange earnings and outgo forming part of Directors' Report for the year ended 31st March 2017. Necessary information required by Companies (Disclosure of particulars in Report of Board of Directors) Rules, 1988 for conservation of energy, technology absorption and foreign exchange earnings and outgo enumerated below :



FORM A

Form of Disclosure of particulars with respect to conservation of energy :

A) POWER AND FUEL CONSUMPTION

<u>Particulars</u>	<u>Current Year 2016-2017 (-)</u>	<u>Previous Year 2015-2016 (-)</u>
1. Electricity	9,44,029	12,24,264
a) Purchased (Unit)	80,82,835	10,050,388
Total Amount (-)	8.56	8.21
Rate/Unit (-)		
b) Own Generation	1,29,773	2,17,252
i) Through Diesel (Unit)	2.46	2.55
Units per ltrs. of Diesel	26.07	23.83
Cost/Unit (-)		
2. Gas	6,11,937	6,90,694
Quantity (Scum)	73,67,324	1,06,47,277
Total Amount (-)	12,039	15,415
Rate per 1000 Scum		

B) CONSUMPTION PER UNIT OF PRODUCTION

Standards (if any)	13,38,941	16,54,295
Products – Made Tea (Kgs)	0.80	0.87
Electricity (in units) / per Kg	0.46	0.42
Gas (in Scum) / per Kg		

FORM-B

Form of disclosure of particulars with respect to Absorption, Research and Development (R & D)

1. Specified area in which R & D carried out by the Company
2. Benefits derived as a result of above R & D
3. Future Plan of action
4. Expenditure on R & D
 - a) Capital R & D
 - b) Recurring
 - c) Total
 - d) Total R & D expenditure as a percentage of total turnover

The Company subscribes to Tea Research Association which is registered under Section 35(i)(ii) of the Income Tax Act, 1961



Technology absorption, adaptation and innovation

1. Efforts in brief, made towards technology absorption, adaptation and innovation

Continuous efforts are being made towards absorption, adaptation and innovation of technology absorption maintaining close liaison with advisory officer of Tocklai Experimental Station.

2. Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, import substitution etc.

Increase in Productivity and cost reduction by optimization of inputs.

Foreign Exchange Earning and outgo

- 1. Foreign Exchanged Earned (F.O.B.)
- 2. Foreign Exchanged used

-	Nil
-	10,79,343

Registered Office:
1, Crooked Lane
Kolkata - 700069
The 27th Day of May, 2017

Mr. DHIRENDRA KUMAR (DIN : 00153773)
 Mr. S.K.JALAN (DIN : 00015836)
 Mr. SHASHI KUMAR (DIN 00199961)
 Mrs. DIVYA JALAN (DIN : 00016102)
 Mr. G. MOMEN (DIN : 00402662)
 Mr. G. D. GUPTA (DIN : 00174114)
 Mr. ALOK KRISHNA AGARWAL (DIN 00127273)

Director

Mr. K.N. SINGH (DIN 07779482)

Whole-time Director



THE SCOTTISH ASSAM (INDIA) LIMITED

ANNEXURE 4 TO THE DIRECTOR'S REPORT

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

AS ON THE FINANCIAL YEAR ENDED 31ST MARCH, 2017
[Pursuant to section 92(3) of the Companies Act, 2013 and Rule No. 12(1) of the Companies
(Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

(i)	CIN	L01132WB1977PLC031175
(ii)	Registration Date	27th September, 1977
(iii)	Name of the Company	THE SCOTTISH ASSAM (INDIA) LTD
(iv)	Category/Sub-Category of the Company	TEA
(v)	Address of the Registered Office	1, Crooked Lane, Kolkata – 700 069
(vi)	Whether Listed Company	Listed
(vii)	Name, Address and contact details of Registrar	ABS Consultant Pvt. Ltd. "Stephen House" Room No.-99, 6th Floor 4, B.B.D. Bag (East) Kolkata – 700 001 Ph. : (033) 2230-1043

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

The principal business activity of the Company is of manufacturing and sale of TEA. It comprises 100% of total turnover of the Company

III. HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

GANGA STEEL & ALLOYS LIMITED

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

(i) Table I - Category-wise Share Holding

Category of Shareholding	No. of Share held as on 31.03.2017				No. of Share held as on 31.03.2016				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A Promoters & Promoter Group	600000	--	600000	75%	552850	47150	600000	75%	
B Public	96969	103031	200000	25%	94822	105178	200000	25%	
C Non Promoter - Non Public	-	-	-	-	-	-	-	-	
i) Shares Underlying DRs	-	-	-	-	-	-	-	-	
ii) Shares held by Employee Trusts	-	-	-	-	-	-	-	-	
Total	696969	103031	800000	100%	647672	152328	800000	100%	



(ii) Table II - Statement showing shareholding pattern of the Promoter and Promoter Group and changes during the

Name	No. of Shares held as on 31.03.2017		No. of Shares held as on 31.03.2016		% Change during the year	Shares held in physical	Shares in Demat
	No. of Shares	% of Total Shares	No. of Shares	% of Total Shares			
1) INDIAN							
a) Individual/HUF							
Vijendra Kumar	-	-	100	0.01	-	-	-
Hemant Kumar Agarwal	300	0.04	300	0.04	-	-	300
Smita Agarwal	500	0.06	400	0.05	0.01	-	500
Alaka Jalan	500	0.06	500	0.06	-	-	500
Sandhya Agarwal	800	0.10	800	0.10	-	-	800
Smita Saraf	800	0.10	800	0.10	-	-	800
Manish Kumar	1525	0.19	1525	0.19	-	-	1525
Pramod Rani	800	0.10	800	0.10	-	-	800
Ila Rani Agarwal	800	0.10	800	0.10	-	-	800
Prabha Rani Agarwal	819	0.10	819	0.10	-	-	819
Arvind Kumar Agrawal	900	0.11	900	0.11	-	-	900
Mudit Kumar	1000	0.13	1000	0.13	-	-	1000
Rajendra Kumar Agarwal	1151	0.14	1151	0.14	-	-	1151
Ritika Kumar	7950	0.99	7950	0.99	-	-	7950
Divya Jalan	10802	1.35	10402	1.30	0.05	-	10802
Sandeep Kumar Jalan	11925	1.49	11925	1.49	-	-	11925
Divyaa Kumar	6350	0.79	6350	0.79	-	-	6350
Shashi Kumar	13288	1.66	13288	1.66	-	-	13288
Pradip Kumar Khaitan (In the capacity of trustee of Tea Trust created by existing promoters)	120000	15.00	120000	15.00	-	-	120000
Total	180210	22.53	179810	22.46	0.06	-	180210
b) Central Govt./State Govt	-	-	-	-	-	-	-
c) Financial Institution/ Banks	-	-	-	-	-	-	-
d) Any other (specify) Bodies Corporate							
Supriya Finance Ltd	300	0.04	300	0.04	-	-	300
Sandeep Investments Ltd	400	0.05	400	0.05	-	-	400
Shreyans Inv Pvt Ltd	-	-	400	0.05	-	-	-
Purushottam Inv Pvt Ltd	22447	2.81	22447	2.81	-	-	22447
Arohi Holdings Pvt Ltd	15800	1.98	15800	1.98	-	-	15800
Shree Durga Agencies Ltd	83020	10.38	83020	10.38	-	-	83020
Innovation Handicrafts (India) Pvt Ltd	22765	2.85	22765	2.85	-	-	22765
SPBP Inv Pvt Ltd	45000	5.63	45000	5.63	-	-	45000
Nirvan Commercial Co Ltd	86963	10.87	86963	10.87	-	-	86963
SIVPL Products Pvt Ltd	13130	1.64	13130	1.64	-	-	13130
Aryavrat Trading Pvt Ltd	10075	1.26	10075	1.26	-	-	10075
SPBP Tea Plantation Ltd	34600	4.33	34600	4.33	-	-	34600
Maryada Advisory Services Pvt Ltd	45290	5.66	45290	5.66	-	-	45290
Aarvee Trading Co Pvt Ltd	40000	5.00	40000	5.00	-	-	40000
Total	419790	52.47	420190	52.55	-	-	419790



THE SCOTTISH ASSAM (INDIA) LIMITED

Name	No. of Shares held as on 31.03.2017		No. of Shares held as on 31.03.2016		% Change during the year	Shares held in physical	Shares in Demat
	No. of Shares	% of Total Shares	No. of Shares	% of Total Shares			
Mutual Fund	--	--	--	--	--	--	--
Trust	--	--	--	--	--	--	--
Others	--	--	--	--	0.06	--	600000
Sub Total (A)(1)	600000	75%	600000	75%			
2) FOREIGN							
a) NRI/ Foreign Individuals	--	--	--	--	--	--	--
b) Foreign. Govt. Promoter	--	--	--	--	--	--	--
c) Foreign Inst. Invest. (FIs)	--	--	--	--	--	--	--
d) Foreign Portfolio Investor	--	--	--	--	--	--	--
e) Any Other (specify) Foreign	--	--	--	--	--	--	--
Company Overseas Corporate Bodies	--	--	--	--	--	--	--
Foreign Bank	--	--	--	--	--	--	--
Sub Total (A)(2)	--	--	--	--	--	--	600000
Total Shareholding of Promoter and Promoter Group (A) = (A)(1) + (A)(2)	600000	75%	600000	75%	--	--	600000

(iii) Table III - Statement showing shareholding pattern of the Public Shareholder

Name	No. of Share held as on 31.03.2017				No. of Share held as on 31.03.2016			
	Demat	Physical	Total No. of Shares	% of Total Shares	Demat	Physical	Total No. of Shares	% of Total Shares
1) Institutions								
a) Mutual Funds / UTI	-	-	-	-	-	-	-	-
b) Venture Capital Funds	-	-	-	-	-	-	-	-
c) Alternate Invest Fund	-	-	-	-	-	-	-	-
d) Foreign Venture Capital Investor	-	-	-	-	-	-	-	-
e) Foreign Portfolio Investor	-	-	-	-	-	-	-	-
f) Financial Institution / Banks	-	-	-	-	-	-	-	-
g) Insurance Companies	-	-	-	-	-	-	-	-
h) Provident Fund/Pension Funds	-	-	-	-	-	-	-	-
i) Any other (specify)	-	-	-	-	-	-	-	-
Foreign Inst. Invest. (FIs)	-	-	-	-	-	-	-	-
Sub Total (B)(1)								
2) Central Govt. / State Govt./ President of India								
Sub Total (B)(2)								
3) Non-Institutions :								
a) Individuals								
i) Indv. Shareholders holding nominal share capital upto 2 lakh	102781	51555	154336	19.29	105178	50322	155500	19.44



THE SCOTTISH ASSAM (INDIA) LIMITED

Name	No. of Share held as on 31.03.2017				No. of Share held as on 31.03.2016			
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares
ii) Indv. Shareholders holding nominal share capital in excess of - 2 lakhs	-	-	-	-	-	-	-	-
b) NBFC registered with RBI	-	-	-	-	-	-	-	-
c) Employees Trust	-	-	-	-	-	-	-	-
d) Overseas Depositories (holding DRs) (balancing figure)	-	-	-	-	-	-	-	-
e) Any Other (specify)								
Bodies Corporate								
i) Holding 1% and above :								
1) Octal Credit Capital Limited	-	21398	21398	2.67	-	21398	21398	2.67
2) Mittal Sales Private Limited	-	21399	21399	2.67	-	21399	21399	2.67
ii) Holding less than 1%	250	1853	2103	0.26	-	1053	1053	0.13
Non Resident Indian								
i) Holding 1% and above	-	-	-	-	-	-	-	-
ii) Holding less than 1%	-	664	664	0.08	-	550	550	0.07
Foreign National	-	-	-	-	-	-	-	-
Overseas Corporate Bodies	-	-	-	-	-	-	-	-
Foreign Banks	-	-	-	-	-	-	-	-
Trust	-	-	-	-	-	-	-	-
Custodian A/c	-	-	-	-	-	-	-	-
1. Jagdish P Gandhi	-	100	100	0.01	-	100	100	0.01
Total	103031	96969	200000	25%	105178	94822	200000	25%

V Shareholding of Directors and Key Managerial Personnel :

Name	No. of Shares held as on 31.03.2017		No. of Shares held as on 31.03.2016		% Change during the year
	No. of Shares	% of Total Shares	No. of Shares	% of Total Shares	
Mr. Sandeep Kumar Jalan	11925	1.49	11925	1.49	-
Mrs. Divya Jalan	10802	1.35	10402	1.30	0.05
Mr. Vijendra Kumar	-	-	100	0.01	-
Mr. Dharendra Kumar	-	-	-	-	-
Mr. Hemant Kumar Agrawal	300	0.04	300	0.04	-
Mr. Ghanshyam Das Gupta	100	0.01	100	0.01	-
Mr. Golam Momen	800	0.10	800	0.10	-
Mr. Naveen Bansal	-	-	-	-	-
Mr. Alok Krishna Agarwal	-	-	-	-	-
Mrs. Shashi Kumar	13288	1.66	-	-	-
Mr. Kartik Narayan Singh	-	-	-	-	-
Mr. Sankar Kumar Basu Sarbadhikary	-	-	-	-	-
Mr. Hari Kishan Rajbhar	-	-	-	-	-
Ms. Priyanka Sharma	-	-	-	-	-
Total	37215	4.65	23627	2.95	0.05



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

Particulars	Secured Loans excluding deposits (-)	Unsecured Loans (-)	Deposits (-)	Total Indebtedness (-)
Indebtedness at the beginning of the financial year				
(i) Principal Amount	9,00,000	-	-	9,00,000
(ii) Interest due but not paid	24,109	-	-	24,109
(iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	9,24,109	-	-	9,24,109
Change in Indebtedness during the financial year				
Additions	-	-	-	-
Reduction	9,24,109	-	-	9,24,109
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)	-	-	-	-

VII Shareholding pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) :

Name	No. of Shares held as on 31.03.2017		No. of Shares held as on 31.03.2016		% Change during the year
	No. of Shares	% of Total Shares	No. of Shares	% of Total Shares	
Mittal Sales Pvt Ltd	21399	2.67	21399	2.67	-
Octal Credit Capital Ltd	21398	2.67	21398	2.67	-
Mahendra Girdharilal	2100	0.26	2100	0.26	-
Bimla Rani Jain	1100	0.14	1100	0.14	-
Prahlad Rai Jain	1900	0.24	1900	0.24	-
Natarajn Ravi Shankar	1200	0.15	1200	0.15	-
Renu Gupta	1200	0.15	1200	0.15	-
Seema Sogani	1100	0.14	1100	0.14	-
Mahendra Kr. Bagrodia	800	0.10	-	-	-
Ajay Manharlal Jtly. Nilesh Manharlal	800	0.10	-	-	-
Total	52997	6.62	51,397	6.42	-



THE SCOTTISH ASSAM (INDIA) LIMITED

VIII Remuneration of directors and Key Managerial Personnel

All the Directors of your Company are entitled to Sitting Fees only except Mr. Sankar Kumar Basu Sarbadhikary and other details are as under :-

Name	Designation	Details of Remuneration	Current Financial Year (·)
Mr. Sankar Kumar Basu Sarbadhikary	Director - Finance designated as Whole-time Director	Salary as per Income Tax	6,57,000
Mr. Kartik Narayan Singh	Whole-time Director		10,54,200
Mr. Hari Kishan Rajbhar	Chief Financial Officer		4,11,600
Ms. Priyanka Sharma	Company Secretary		4,06,500

** For the part of the year (joined in the month of July 2015)

IX Meetings of the Board & Remuneration to the Directors :

Name of the Directors	No. of Board Meetings		Attended Last AGM	Remuneration paid as sitting fees (·)
	Held	Attended	held on 22.07.2016	
Mr. Vijendra Kumar	5	3	YES	15,000
Mr. Dharendra Kumar	5	5	YES	25,000
Mr. Sandeep Kumar Jalan	5	5	YES	25,000
Mrs. Divya Jalan	5	5	YES	25,000
Mr. Golam Momen	5	4	NO	20,000
Mr. Ghanshyam Das Gupta	5	5	YES	25,000
Mr. Naveen Bansal	5	5	YES	25,000
Mr. Alok Krishna Agarwal	5	2	NO	10,000
Mr. Hemant Kumar Agrawal	5	1	NO	5,000
Mrs. Shashi Kumar	N.A	N.A	N.A	N.A
Mr. Kartik Narayan Singh	N.A	N.A	N.A	N.A
Mr. Sankar Kumar Basu Sarbadhikary	5	5	YES	NA

X Meetings of the Committees

Name of the Directors	No. of Audit Committee Meetings		No. of Stakeholders Relationship Committee Meetings		No. of Nomination & Remuneration Committee Meetings		Remuneration paid as sitting fees (₹)
	Held	Attended	Held	Attended	Held	Attended	
Mr. Golam Momen	4	4	4	4	2	2	50,000
Mr. Ghanshyam Das Gupta	4	4	4	4	2	2	50,000
Mr. Naveen Bansal	4	4	4	4	2	2	50,000

XI Remuneration to other directors:

I. Independent Directors :

The Independent Directors of your Company are not entitled to any other kind or type of remuneration except sitting fees.

XII Penalties / Punishment / Compounding of Offences : None



THE SCOTTISH ASSAM (INDIA) LIMITED

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 Personnel) Rules, 2014]

To
The Members,
The Scottish Assam (India) Ltd,
1, Crooked Lane,
Kolkata - 700 069

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by The Scottish Assam (India) Limited (**L01132WB1977PLC031175**) (hereinafter called "the Company"). The Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of 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 and authorised representatives during the conduct of **Secretarial Audit**, whereby report that in our opinion the Company has, during the audit period covering the financial year ended 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.

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

- I. The Companies Act, 2013 (the Act) and the rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 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 Borrowing;
- V. The following Regulations (as amended from time to time) and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
 - c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993.
 - d) The SEBI Listing (Listing obligation and disclosure requirements <LODR>) Regulations 2015.

[The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are not applicable to the Company for the financial year ended 31-03-2017 :-

- (a) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- (b) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (c) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and



THE SCOTTISH ASSAM (INDIA) LIMITED

- (d) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

VI. The following **Industry Specific** laws:

- a) Tea Act, 1953
- b) The Tea Waste (Control) Order, 1959
- c) The Tea Warehouse (Licensing) Order, 1989
- d) The Tea (Marketing) Control Order, 1984
- e) Tea (Distribution and Export) Control Order, 2005
- f) FSAAI (Food Safety and Standards Authority of India) Act, 2006

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

- (i) The Listing Agreement or SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 (LODR) entered into by the Company with The Calcutta Stock Exchange Limited.
- (ii) Secretarial Standards issued by the Institute of Company Secretaries of India.

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

We further report that:

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

Adequate Notice is given to all Directors to schedule the Board Meetings. Agenda and detailed Notes on Agenda were sent atleast 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.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines as also represented by the management. All decisions of the Board were unanimous and the same was captured and recoded as part of the Minutes.

We further report that during the audit period, the Company has not made any:

- (i) Public/Right/ Preferential issue of Shares/Debentures/Sweat Equity or any other Security.
- (ii) Redemption / buy-back of securities.
- (iii) Major decisions taken by the Members in pursuance to section 180 of the Companies Act, 2013.
- (iv) Merger/ Amalgamation/ Reconstruction etc.
- (v) Foreign technical collaborations.

For DROLIA & COMPANY
(Company Secretaries)

Place : 9, Crooked Lane
Kolkata – 700 069

Date : 20th day of May, 2017

Pravin Kumar Drolia
Proprietor
FCS : 2366
CP No. 1362



ANNEXURE 3 TO THE DIRECTORS' REPORT(CONT.)

To,
The Members,
The Scottish Assam (India) Limited,
1, Crooked Lane, Kolkata 700069

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

- 1) Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express as opinion on these secretarial records based on out audit.
- 2) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- 3) We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- 4) Where ever required we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
- 5) The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to 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 DROLIA & COMPANY
(Company Secretaries)

Place : 9, Crooked Lane
Kolkata – 700 069

Date : 20th day of May, 2017

Pravin Kumar Drolia
Proprietor
FCS : 2366
CP No. 1362



INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS

TO THE MEMBERS OF THE SCOTTISH ASSAM (INDIA) LIMITED

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of **THE SCOTTISH ASSAM (INDIA) LIMITED ('the Company')**, which comprise the Balance Sheet as at 31 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.

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 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 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 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 qualified audit opinion on the financial statements.

BASIS OF QUALIFIED OPINION

- i) As indicated in Note 2(22)(f) to the financial statements, we are unable to comment on the disclosures relating to SBNs and other denomination notes in the absence of any documentary evidence for the same.
- ii) As indicated in Note 2(22)(l) to the financial statements, the CFO of the company has resigned w.e.f 10.04.2017 hence the financial statements have not been signed by him as required under section 203 of the Companies Act, 2013.



QUALIFIED OPINION

In our opinion and to the best of our information and according to the explanations given to us, except for the effect of the matter stated in the Basis for Qualified Opinion paragraph, 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 2017 and its profit and its cash flows for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 'A' a statement on 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. On the basis of the written representations received from the directors as on 31st March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
 - f. With respect to 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 explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements [Refer Note 2.22.a];
 - ii. The Company 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 Company.
 - iv. The Company has provided requisite disclosures in its financial statements as to holding as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Refer Point (ii) of the "Basis of Qualified Opinion" paragraph above.

Dr. SINGH & CO.

Chartered Accountants

Firm's Registration No.302049E

(ADITYA SINGHI)

Partner

Membership No. : 305161

Place: Kolkata

27th day of May, 2017



ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our Independent Auditors' Report of even date in respect to statutory audit of The Scottish Assam (India) Limited for the year ended 31 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, the fixed assets of the company have been physically verified by the management during the year based on a phased manner and no material discrepancies between book records and physical inventory have been noticed. In our opinion, the frequency is reasonable.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. The inventory (excluding stocks with third parties) has been physically verified at reasonable intervals during the year by the Management. In respect of inventory lying with third parties, these have been substantially confirmed by them. The discrepancies noticed on verification between the physical stock and the book stocks, wherever ascertained were not significant and have been properly dealt in the books of accounts.
- iii. In our opinion and according to the information and explanations given to us, the Company has not granted any loan to parties covered in the register maintained under section 189 of the Companies Act, 2013. Thus, paragraph 3(iii) of the Order is not applicable.
- 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 and investments made. The Company has neither issued any guarantee nor has provided any security on behalf of any party.
- v. In our opinion and according to the information and explanations given to us, the Company did not receive any deposits covered under sections 73 to 76 of the Companies Act and the rules framed there under with regard to deposits accepted from the public during the year.
- vi. The maintenance of cost records prescribed under sub-section (1) of Section 148 of the Act is not applicable to the Company during the year.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income tax, sales tax, service tax, duty of customs, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, service tax, duty of customs, value added tax, cess and other material statutory dues were in arrears as at 31 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, there are no dues of sales tax, wealth 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. The particulars of dues of income tax as at 31st March, 2017 which have not been deposited on account of dispute are as under :



THE SCOTTISH ASSAM (INDIA) LIMITED

Name of the Statute	Nature of the dues	Amount in Rs. Lakhs	Period	Forum where dispute is pending
Income Tax Act	Income Tax Demand	4.11	A.Y. 2012-13	Commissioner of Income Tax Appeals

- viii. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to banks as at the balance sheet date.
- ix. In our opinion and according to the information and explanations given to us, the Company has not raised any money through initial public offer/ further public offer (including debt instruments) and the term loans during the year hence the clause (ix) of the Order is not applicable.
- x. According to the information and explanations given to us, no material 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/provided managerial remuneration during the financial year which is within the limits prescribed under 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 has not made 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's Registration No.302049E

(ADITYA SINGHI)
Partner
Membership No. : 305161

Place: Kolkata
27th day of May, 2017



ANNEXURE - B TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in paragraph 2(f) 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 The Scottish Assam (India) Limited for the year ended 31 March 2017, we report that:

We have audited the internal financial controls over financial reporting of The Scottish Assam (India) 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.

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

OPINION

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

Place: Kolkata
27th day of May, 2017

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

(ADITYA SINGHI)
Partner
Membership No. : 305161



THE SCOTTISH ASSAM (INDIA) LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2017

	Note No.	As At March 31, 2017		As At March 31, 2016	
		₹	₹	₹	₹
EQUITY AND LIABILITIES					
Shareholders' Funds					
Share Capital	2.1	8,000,000		8,000,000	
Reserves & Surplus	2.2	<u>238,438,472</u>		<u>221,068,587</u>	
			246,438,472		229,068,587
NON-CURRENT LIABILITIES					
Deferred Tax Liabilities (Net)	2.3	374,873		(776,251)	
Long-Term Provisions	2.4	<u>40,500</u>		<u>40,500</u>	
			415,373		(735,751)
CURRENT LIABILITIES					
Short-Term Borrowings	2.5	25,888,743		30,249,386	
Trade Payables	2.6				
Total outstanding dues of micro enterprises and small enterprises					
Total outstanding dues of creditors other than micro enterprises and small enterprises		10,594,645		12,955,802	
Other Current Liabilities	2.7	6,516,271		7,734,459	
Short-Term Provisions	2.4	<u>12,765,636</u>		<u>22,047,019</u>	
			55,765,295		72,986,666
			<u>302,619,140</u>		<u>301,319,502</u>
TOTAL-EQUITY AND LIABILITIES					
ASSETS					
NON-CURRENT ASSETS					
Fixed Assets	2.8				
Tangible		23,470,917		23,370,818	
Intangible		3,836		10,413	
Capital Work In Progress		3,999,291		150,000	
Non-Current Investments	2.9	242,825,698		236,431,325	
Long-Term Loans and Advances	2.10	<u>8,110,862</u>		<u>7,311,196</u>	
			278,410,604		267,273,752
CURRENT ASSETS					
Inventories	2.11	18,027,926		26,701,888	
Trade Receivables	2.12	519,643		1,028,724	
Cash and Bank Balances	2.13	3,395,039		2,936,560	
Short-Term Loans and Advances	2.10	2,265,928		3,345,199	
Other Current Assets	2.14	-		33,379	
			24,208,536		34,045,750
			<u>302,619,140</u>		<u>301,319,502</u>
TOTAL-ASSETS					

Significant Accounting Policies

1

The accompanying notes are an integral part of the Financial Statements

As per our report of even date annexed

For and on behalf of the Board of Directors

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

(ADITYA SINGHI)
Partner
Membership No. : 305161
Place : Kolkata

Date : The 27th day of May, 2017.

Mr. DHIRENDRA KUMAR (DIN : 00153773)
Mr. S.K.JALAN (DIN : 00015836)
Mrs. DIVYA JALAN (DIN : 00016102)
Mr. G. MOMEN (DIN : 00402662)
Mr. G. D. GUPTA (DIN : 00174114)
Mr. SHASHI KUMAR (DIN : 00199961)
Mr. A. K. AGRAWAL (DIN : 00127273)
Mr. K. N. SINGH (DIN : 07779482)

Director

Ms. PRIYANKA SHARMA

- Company Secretary



THE SCOTTISH ASSAM (INDIA) LIMITED

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

	Note	For the Year ended 31st March, 2017	For the Year ended 31st March, 2016
	No.	₹	₹
INCOME			
Revenue from Operations	2.15	247,772,572	284,098,860
Other Income	2.16	6,689,218	3,851,893
Total Income		254,461,790	287,950,753
EXPENSES			
Cost of Materials Consumed	2.17	23,288,346	45,814,508
(Increase)/ Decrease in Inventories of Finished Goods	2.18	6,835,356	(11,022,999)
Employee Benefits Expense	2.19	112,040,781	108,394,922
Finance Costs	2.20	3,556,435	4,525,535
Depreciation		4,620,554	5,321,378
Other Expenses	2.21	81,728,571	110,686,301
Total Expenses		232,070,043	263,719,645
Profit before Tax		22,391,747	24,231,108
Tax Expense :			
Current Tax		3,200,000	5,850,000
Tax Related to Earlier Years		670,738	(31,394)
Deferred Tax		1,151,124	(371,498)
Profit for the year		17,369,885	18,784,000
Basic & Diluted Earnings Per Share [nominal value · 10/-]		21.71	23.48
Weighted Average of Equity Shares		800,000	800,000
Significant Accounting Policies	1		

The accompanying 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
Place : Kolkata

Date : The 27th day of May, 2017.

For and on behalf of the Board of Directors

Mr. DHIRENDRA KUMAR (DIN : 00153773)
Mr. S.K.JALAN (DIN : 00015836)
Mrs. DIVYA JALAN (DIN : 00016102)
Mr. G. MOMEN (DIN : 00402662)
Mr. G. D. GUPTA (DIN : 00174114)
Mr. SHASHI KUMAR (DIN : 00199961)
Mr. A. K. AGRAWAL (DIN : 00127273)
Mr. K. N. SINGH (DIN : 07779482)
Ms. PRIYANKA SHARMA

Director

Company Secretary



THE SCOTTISH ASSAM (INDIA) LIMITED

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

	For the year ended 2016-17		For the year ended 2015-16	
	(₹)	(₹)	(₹)	(₹)
A. Cash Flow from Operating Activities :				
Net profit before Tax and Extraordinary items		22,391,747		24,231,108
Adjustments for :				
Depreciation	4,620,554		5,321,378	
Finance Cost	3,556,435		4,525,535	
Interest Received	(137,718)		(37,088)	
(Profit)/Loss on sale/discard of fixed assets(net)	-		-	
Unclaimed balances written back	(19,044)		(49,291)	
Bad Debts Written off	-		-	
(Profit)/loss on sale of Investment (net)	(6,341,429)		(3,740,770)	
Operating Profit before Working		<u>24,070,545</u>		<u>30,250,872</u>
Capital Changes				
Adjustments for -				
Trade & Other Receivables	1,499,383		(279,486)	
Trade Payables, Provisions & Others	(6,943,174)		10,965,081	
Inventories	8,673,962		(10,973,974)	
Cash generated from/(used in)operations		<u>27,300,716</u>		<u>29,962,493</u>
Direct taxes (paid)/refund		<u>(6,553,997)</u>		<u>(3,403,709)</u>
Net Cash from/(used in) operating activities		<u>20,746,719</u>		<u>26,558,784</u>
B. Cash Flow from Investing Activities :				
Purchase of Fixed Assets / Capital in Progress	(8,935,366)		(5,148,591)	
Sale of Fixed Assets	371,999		-	
(Purchase)/Sale of Non Current Investments(net)	(52,944)		(2,259,230)	
Interest Received	137,718		37,088	
Net Cash from/(used in) Investing Activities		<u>(8,478,593)</u>		<u>(7,370,733)</u>



THE SCOTTISH ASSAM (INDIA) LIMITED

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

	For the year ended 2016-17		For the year ended 2015-16	
	(₹)	(₹)	(₹)	(₹)
C. Cash Flow from Financing activities :				
Proceeds of long term borrowings	-		(5,041,343)	
Repayments of long term borrowings	(900,000)		(900,000)	
Proceeds from Working capital borrowings (net)	(4,360,643)		(6,691,593)	
Dividend including dividend tax paid	(3,028,110)		(2,595,434)	
Finance Cost paid	(3,580,544)		(4,501,426)	
Net cash from / (Used in) financing activities		(11,869,297)		(19,729,796)
Net increase/(decrease) in cash and cash equivalent (A+B+C)		398,829		(541,745)
Cash and cash equivalents as at 01.04.2016*		2,315,598		2,857,343
Cash and cash equivalents as at 31.03.2017*		2,714,427		2,315,598
		398,829		(541,745)
		For the year ended 2016-17		For the year ended 2015-16

* Cash and cash equivalent consist of :-

Cash & Cash Equivalents

	As at 31.03.2017	As at 31.03.2016
Cash, cheques, drafts in hand etc.	1,824,065	13,329
Balance & Fixed Deposits with Banks	890,362	2,302,269
Cash and Cash equivalent	2,714,427	2,315,598

The aforesaid statement is prepared on indirect method.

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
Place : Kolkata

Date : The 27th day of May, 2017.

For and on behalf of the Board of Directors

Mr. DHIRENDRA KUMAR (DIN : 00153773)
Mr. S.K.JALAN (DIN : 00015836)
Mrs. DIVYA JALAN (DIN : 00016102)
Mr. G. MOMEN (DIN : 00402662)
Mr. G. D. GUPTA (DIN : 00174114)
Mr. SHASHI KUMAR (DIN : 00199961)
Mr. A. K. AGRAWAL (DIN : 00127273)
Mr. K. N. SINGH (DIN : 07779482)

Director

Ms. PRIYANKA SHARMA

- Company Secretary



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

1) Significant Accounting Policies:

a) **Convention**

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

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.

b) **Basis of Accounting**

The Financial Statements are prepared under the Historical Cost Convention, on an accrual basis and in accordance with the generally accepted accounting principles, (GAAP) in India and the provisions of The Companies Act, 2013.

c) **Fixed Assets**

Fixed Assets are stated at cost of acquisition inclusive of inward freight, duties, taxes, incidental expenses related to acquisition less accumulated depreciation and impairment loss, if any.

Capital Work-in-progress is stated at cost of acquisition.

d) **Depreciation**

i) Depreciation on tangible fixed assets is provided on written down value method at the rate determined based on the useful lives of respective assets as prescribed in the Schedule II of the Companies Act, 2013.

ii) Intangible Assets are being amortized over a period of three years.

e) **Impairment of Assets**

A tangible fixed asset is impaired if its carrying amount exceeds the amount to be recovered through use or sale of the asset. An impairment loss is the amount by which the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is measured as the higher of net selling price and value in use.

Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the assets no longer exists or has decreased.

f) **Investments**

i) 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.

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

iii) 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.

iv) Current Investments are stated at lower of cost or fair value.

g) **Inventories**

Inventories are valued at cost or net realizable value whichever is lower. Cost is determined on weighted average 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.

h) Recognition of Income and Expenditure

Items of income and expenditure are recognised on accrual basis except insurance & other claims which on ground of prudence are accounted upon certainty of ultimate collection. Dividend income is recognized as and when the right to receive dividend is established.

i) Employee benefits

i) 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 service. This benefit includes salary, wages, short term compensatory absences and bonus.

ii) Long Term Employee Benefits:-

Defined Contribution Scheme: - This benefit includes contribution to Provident Fund Schemes. The contribution is recognized during the period in which the employee renders services.

Defined Benefit Schemes: - For defined benefit scheme the cost of providing the 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 the value of defined benefit obligation as reduced by the fair value of planned assets. Actual gains and losses are recognized in full during the period in which they occur.

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

j) Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are being capitalized as part of the cost of those assets and other borrowing costs are recognized as expense in the year in which they are incurred.

k) Taxation

Current tax is determined on the basis of the amount of tax payable for the year under Income Tax Act and Agricultural Income Tax of the respective state. Deferred Tax liabilities and assets are recognized at substantively enacted tax rates 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 reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized.

l) Provisions, Contingent Liabilities & Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities, if material, are disclosed by way of notes on accounts. Contingent Assets are neither recognized nor disclosed in the financial statement.



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

	As At 31.03.2017 ₹	As At 31.03.2016 ₹
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2.1: SHARE CAPITAL

Authorised -

20,00,000 Shares of ₹ 10/- each 20,00,000 20,00,000

Issued, Subscribed & Paid-up :

8,00,000 Equity Shares of ₹ 10/- each 8,00,000 8,00,000

- a) There has been no change/movements in number of shares outstanding at the beginning and at the end of the reporting period.
- b) The Company has only one class of issued shares i.e. Equity Shares having par value of ₹ 10 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:

Ordinary Equity Shares of ₹ 10/- each fully paid up	As at 31st March, 2017		As at 31st March, 2016	
	No. of Shares	%	No. of Shares	%
Pradip Kumar Khaitan (in the capacity of Trustee of Tea Trust)	1,20,000	15.00	1,20,000	15.00
Nirvan Commercial Company Ltd.	86,963	10.87	86,963	10.87
Shree Durga Agencies Ltd.	83,020	10.38	83,020	10.38
Maryada Advisory Services Pvt. Ltd.	45,290	5.66	45,290	5.66
SPBP Investments Ltd.	45,000	5.63	45,000	5.63

- e) Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash for the period of five years immediately preceding the date as at which the Balance Sheet is prepared - Nil
- f) 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.
- g) 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.
- h) No securities convertible into Equity/Preference shares issued by the Company during the year.
- i) 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

	As At 31.03.2017 ₹	As At 31.03.2016 ₹
2.2 : RESERVES AND SURPLUS		
Capital Reserves		
As per the last Financial Statements	3,112,321	3,112,321
General Reserve		
As per the last Financial Statements	191,429,038	186,429,038
Add: Transferred from Surplus	5,000,000	5,000,000
	<u>196,429,038</u>	<u>191,429,038</u>
Surplus		
As per the last Financial Statements	26,527,228	15,771,338
Add : Profit for the year	17,369,885	18,784,000
	<u>43,897,113</u>	<u>34,555,338</u>
Less : Appropriations		
Proposed Dividend	-	2,800,000
Corporate Dividend Tax	-	228,110
General Reserve	5,000,000	5,000,000
	<u>38,897,113</u>	<u>26,527,228</u>
Net Surplus	<u>238,438,472</u>	<u>221,068,587</u>
Total Reserves and Surplus		

Security :

- i) Term Loan from the Bank was secured by equitable mortgage of Heeleakah Tea Estate and paid in June'2016 (last installment).

	As At 31.03.2017 ₹	As At 31.03.2016 ₹
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2.3 : DEFERRED TAX LIABILITIES (NET)

Deferred Tax Assets

Arising on account of :

Carryover Capital Losses	582,579	833,720
Section 43B of Income-tax Act	96,443	24,879
Accumulated Depreciation	102,595	(82,348)
Less: Deferred Tax Liabilities		
Arising on account of :		
* Others	1,156,490	-
Deferred Tax Liabilities (Net)	<u>374,873</u>	<u>(776,251)</u>

Note :

- i) Deferred tax assets and deferred tax liabilities have been offset as they relate to same governing tax law.
 ii) Deferred tax on carryover capital losses has been carried forward on the certainty of reversal of the same based on the projected availability of future taxable income.
 iii) *Represent the amount incurred on account of berear plant which is 100% allowable as per IT Act.



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

	Long-term		Short term	
	As at 31st March, 2017 ₹	As at 31st March, 2016 ₹	As at 31st March, 2017 ₹	As at 31st March, 2016 ₹
2.4 : PROVISIONS				
Provision for Employee Benefits				
Bonus	-	-	11,105,819	11,325,491
Gratuity	-	-	1,659,817	5,747,127
Other Provisions				
Provisions for Taxation(Net of advance)	40,500	40,500	-	1,946,291
Proposed Dividend	-	-	-	2,800,000
Corporate Dividend Tax*	-	-	-	228,110
	<u>40,500</u>	<u>40,500</u>	<u>12,765,636</u>	<u>2,20,47,019</u>

* In view of favourable order from Hon'ble High Court at Kolkata in case of other Tea Company, the liability for dividend distribution tax has been provided to the extent of 40% of the proposed dividend.

2.5: SHORT TERM BORROWINGS

Working Capital Borrowings (Secured)

From a Bank		25,888,743	30,249,386
		<u>25,888,743</u>	<u>30,249,386</u>

Security :

- i) Secured by way of hypothecation of current assets including stock of finished goods, green leafs & export benefits related to Heeleakah Tea Estate and also by way of hypothecation of all movable plant & machinery & other movable fixed assets, all present and future. The loan is further secured by way of deposit of title deeds of Heeleakah Tea Estate.

	As at 31.03.2017 ₹	As at 31.03.2016 ₹

2.6: TRADE PAYABLES

For Goods and Services

Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	10,594,645	12,955,802
(Refer Note No.2.22 b for details of due to Micro, Small & Medium Enterprises)		
	<u>10,594,645</u>	<u>12,955,802</u>

2.7 : OTHER CURRENT LIABILITIES

Current Maturities of Long Term Debt	-	900,000
Interest accrued and due	-	24,109
Unpaid and unclaimed dividends	680,612	620,962
(Amount not due to be deposited as on Balance Sheet date)		
Statutory Dues	1,435,013	2,353,623
Advances Received from Customers	1,182,598	214,962
Employee Related Liability	3,218,043	3,620,803
	<u>6,516,271</u>	<u>7,734,459</u>



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

FIXED ASSETS	GROSS BLOCK			ACCUMULATED DEPRECIATION				NET BLOCK		
	Cost as on 31-3-2016	Additions	Sold/ Adjusted	Total As at 31-3-2017	Up to 31-3-2016	For the Year	On Assets Sold/ Adjusted	Total as at 31-3-2017	As at 31-3-2017	As at 31-3-2016
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
Leasehold Land & Development (Pre-Amalgamation)	371,621	-	371,621	-	-	-	-	-	-	371,621
Bearer Plant	-	315,017	-	315,017	-	12,813	-	12,813	302,204	-
Garden Building & Machinery	4,192,147	-	-	4,192,147	3,982,540	-	-	3,982,540	209,607	209,607
(Pre-Amalgamation)	24,093,550	-	-	24,093,550	15,547,132	628,789	-	16,175,921	7,917,629	8,546,418
Buildings	55,835,865	2,844,216	53,782	58,626,299	43,249,084	3,188,264	53,404	46,383,944	12,242,355	12,586,781
Plant & Machinery	9,213,069	1,880,057	-	11,093,126	7,792,408	692,167	-	8,484,575	2,608,551	1,420,661
Vehicles (includes cars, trailers, tractors etc.)	988,261	2,000	-	990,261	894,145	23,869	-	918,014	72,247	94,116
Furniture & Fittings	609,713	44,785	-	654,498	468,099	68,075	-	536,174	118,324	141,614
Office equipment	95,304,226	5,086,075	425,403	99,964,898	71,933,408	4,613,977	53,404	76,493,981	23,470,917	23,370,818
Total Tangible	13,000	-	-	13,000	2,587	6,577	-	9,164	3,836	10,413
Intangible Assets	13,000	-	-	13,000	2,587	6,577	-	9,164	3,836	10,413
Total Intangible	95,317,226	5,086,075	425,403	99,977,898	71,935,995	4,620,554	53,404	76,503,145	23,474,753	23,381,231
Total	89,842,727	5,474,499	-	95,317,226	66,614,617	5,321,378	-	71,935,995	23,381,231	23,228,110
Previous Year									3,999,291	150,000
Capital Work in progress										

Note : 1) The Assam Government acquired approximately 412 Hectares of land of Tea Estate under Assam Fixation of Ceiling of Land Holding Act, 1956 in earlier years. As the amount of compensation has not been finalised, it will be accounted for as and when received.



THE SCOTTISH ASSAM (INDIA) LIMITED

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

	As at 31.03.2017		As at 31.03.2016		
	Face Value ₹	No. of units	Amount ₹	No. of units Amount ₹	
2.9 NON-CURRENT INVESTMENTS					
INVESTMENTS (At cost, unless otherwise stated)					
Long term (Other than Trade)					
Fully Paid-Up Shares/Securities					
Unquoted :					
200 Debentures of Woodlands Multispeciality Hospital Limited.	10	200	2,000	20	2,000
100 Equity Shares of ₹ 10/ each of ABC Tea Workers Welfare Service	10	100	1,000	100	1,000
			<u>3,000</u>		<u>3,000</u>
Units in MUTUAL FUNDS(Quoted)					
Birla Sunlife Dynamic Bond Fund	10	679,329	13,000,000	679,329	13,000,000
Birla Sunlife Income Plus (G)	10	234,966	12,000,000	234,966	12,000,000
UTI Bond Fund Growth Plan Regular	10	-	-	346,575	12,100,000
HDFC Balance Fund Growth	10	274,250	16,000,000	274,250	16,000,000
ICICI Prudential Income Opportunities Growth	10	828,242	12,401,261	828,242	12,401,261
IDFC Dynamic Bond Fund	10	544,754	12,000,000	544,754	12,000,000
Birla Sunlife '95 Fund - Growth	10	19,897	5,659,013	19,897	5,659,013
Reliance Income Fund Growth Plan	10	267,757	10,000,000	267,757	10,000,000
Kotak Bond Fund	10	6,18,730	2,00,00,000	6,18,730	2,00,00,000
Reliance Equity Opportunities Growth	10	92,860	5,500,000	92,860	5,500,000
Reliance Regular Savings Balance Fund	10	694,541	16,000,000	694,541	16,000,000
HDFC Prudence Fund-Growth	10	75,010	15,368,051	75,010	15,368,051
ICICI Prudential Balance Advantage Fund Regular (G)	10	798,293	15,000,000	798,293	15,000,000
Birla Sunlife Frontline Equity Fund (G)	10	49,200	8,300,000	49,200	8,300,000
DSP Blackrock India T.I.G.E.R. Fund Growth	10	33,896	2,000,000	33,896	2,000,000
Franklin India Prima plus Growth	10	17,816	8,000,000	17,816	8,000,000
HDFC Top 200 Fund Growth	10	21,085	6,500,000	21,085	6,500,000
HDFC Midcap Opportunities Fund Growth	10	87,933	2,500,000	87,933	2,500,000
ICICI Prudential Dynamic Regular Plan Growth	10	-	-	29,982	5,000,000
ICICI Prudential value Discovery Fund Growth	10	67,956	6,000,000	67,956	6,000,000
L & T Equity Fund Growth	10	-	-	117,282	7,600,000
UTI Equity Fund Growth	10	70,953	7,500,000	70,953	7,500,000
L & T Prudence Fund Growth	10	482,238	9,000,000	482,238	9,000,000
TATA Balance Fund Growth	10	56,926	9,000,000	56,926	9,000,000
ICICI Prudential Flexible Income Plan Growth	10	20,297	5,994,373	-	-
SBI Blue Chip Fund	10	246,242	7,900,000	-	-
Reliance Regular Savings Fund Debt Plan Growth	10	397,845	9,000,000	-	-
HDFC Short Term Plan Regular Plan Growth	10	253,337	8,200,000	-	-
Total			<u>242,822,698</u>		<u>236,428,325</u>
Long term (Trade)(Unquoted)					
Ganga Steel & Alloys Limited	10	9,30,000	93,00,000	9,30,000	93,00,000
Less:Provision for diminution in value of Investment			93,00,000		93,00,000
			<u>-</u>		<u>-</u>
Grand Total			<u>242,825,698</u>		<u>236,431,325</u>
Book value of Unquoted Investments			3,000		3,000
Book value of Quoted Investments			242,822,698		236,428,325
Market Value of Quoted Investments			371,026,462		313,942,298



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

	Long-term		Short-term	
	As at 31.03.2017 ₹	As at 31.03.2016 ₹	As at 31.03.2017 ₹	As at 31.03.2016 ₹
2.10 : LOANS & ADVANCES				
Security Deposits				
Unsecured and considered good	2,924,273	2,861,575	-	-
Other Loans and Advances				
(Unsecured, Considered good unless otherwise mention)				
Advance Tax and TDS (Net of provisions)	5,186,589	4,449,621	-	-
Advance against supply of Goods and Services	-	-	17,678	28,817
Prepaid Expenses	-	-	498,843	530,175
Loan / Advance to Employees	-	-	90,000	385,000
Balances with Government & Statutory Authorities	-	-	-	208
Income Tax Refund Receivable	-	-	478,570	478,570
Other Deposits and Advances	-	-	1,180,837	1,922,429
	<u>5,186,589</u>	<u>4,449,621</u>	<u>2,265,928</u>	<u>3,345,199</u>
	<u>8,110,862</u>	<u>7,311,196</u>	<u>2,265,928</u>	<u>3,345,199</u>

2.11 : INVENTORIES

(As valued and certified by the Management)

Finished Goods	8,122,483	14,957,839
Stores in Transit	381,801	-
Stores and Spares	9,523,642	11,744,049
	<u>18,027,926</u>	<u>26,701,888</u>

Finished Goods

Details of Inventories :

Tea (Finished Goods)

	<u>8,122,483</u>	<u>14,957,839</u>
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2.12 : TRADE RECEIVABLES

(Unsecured and considered good)

Outstanding for a period exceeding six months	36,989	41,515
Other Receivables	482,654	987,209
	<u>519,643</u>	<u>1,028,724</u>

For the Year Ended
31.03.2017
₹

For the Year Ended
31.03.2016
₹

2.13 : CASH AND BANK BALANCES

Cash and Bank Balances

Balances With Banks :

In Current Account

Cash on hand

890,362
1,824,065

2,302,269
13,329

Other Bank Balances :

Unpaid Dividend Account

680,612
3,395,039

620,962
2,936,560



THE SCOTTISH ASSAM (INDIA) LIMITED

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

	For the Year Ended 31.03.2017 ₹	For the Year Ended 31.03.2016 ₹
2.14 : OTHER CURRENT ASSETS		
Other Receivables	-	33,379
	<u>-</u>	<u>33,379</u>
2.15 : REVENUE FROM OPERATIONS		
Sale of Finished Goods	246,515,586	284,098,860
Other Operating Revenues		
Subsidies	1,218,882	-
Insurance Claim	38,104	-
	<u>247,772,572</u>	<u>284,098,860</u>
DETAILS OF SALE OF FINISHED GOODS		
Tea	246,515,586	284,098,860
	<u>246,515,586</u>	<u>284,098,860</u>
2.16 : OTHER INCOME		
Interest Income on others	137,718	37,088
Profit on sale of Long-term investments (Net)	6,341,429	3,700,053
Profit on sale of Short-term investments (Net)	-	40,717
Profit on sale of Fixed Assets (Net)	84,522	-
Unclaimed Balances Written Back	19,044	49,291
Miscellaneous Income	106,505	24,744
	<u>6,689,218</u>	<u>3,851,893</u>
2.17 : COST OF MATERIALS CONSUMED		
Green Leaf	23,288,346	45,814,508
2.18 : (INCREASE)/DECREASE IN INVENTORIES OF FINISHED GOODS		
Inventories at the beginning of the year		
Finished Goods (Tea)	14,957,839	3,934,840
Inventories at the end of the year		
Finished Goods (Tea)	8,122,483	14,957,839
	<u>6,835,356</u>	<u>(11,022,999)</u>
2.19 : EMPLOYEE BENEFIT EXPENSE		
Salaries & Wages	89,918,178	86,918,116
Managerial Remuneration	657,000	612,000
Contribution to Provident Fund and Others	8,241,336	7,386,726
Contribution to Gratuity Fund	4,659,817	5,747,127
Staff Welfare Expenses	11,305,442	7,730,953
	<u>114,781,773</u>	<u>108,394,922</u>
Less : Capitalised during the year	2,740,992	-
	<u>112,040,781</u>	<u>108,394,922</u>



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

	For the Year Ended 31.03.2017 ₹	For the Year Ended 31.03.2016 ₹
2.20 : FINANCE COST		
Interest Expenses		
To Bank & Others		3,766,574
On Working Capital Loan	3,267,782	
Less : Capitalised during the year	<u>185,000</u>	<u>-</u>
	3,082,782	3,766,574
On Term Loan	23,059	306,632
On Others	2,730	1,932
Other Borrowing Cost	447,864	450,397
Other Financial Charges	<u>3,556,435</u>	<u>4,525,535</u>
2.21 : OTHER EXPENSES		
Manufacturing Expenses		
Stores, Spare Parts & Packing Materials Consumed	26,042,791	49,776,884
Power & Fuel	19,341,027	26,707,088
Repairs to Buildings	3,256,095	2,948,764
Repairs to Machinery	3,782,130	3,137,624
Repairs to Vehicles	3,208,658	3,010,580
Repairs to Other Assets	<u>522,072</u>	<u>878,751</u>
	<u>56,152,773</u>	<u>86,459,691</u>
Selling and Administration Expenses		
Freight & Cartage	4,041,160	5,710,878
Insurance	521,736	415,129
Commission, brokerage & Discount etc	3,328,783	4,647,371
Warehousing and other selling expenses	1,376,822	1,600,832
Rates & Taxes (Duty & Cess)	3,738,774	3,990,574
Travelling and Conveyance	2,486,610	1,560,368
Auditors' Remuneration -		150,000
Statutory Audit Fees	150,000	150,000
Tax Audit Fees	30,000	30,000
Issue of Certificates	160,000	100,000
Service Tax on above	51,000	40,350
Legal & Professional Charges	3,689,193	1,619,633
Bad Debts / Advance & Claims Written off	1,076	16,514
Directors' Fees	365,000	320,000
Other Miscellaneous Expenses	5,635,644	4,024,961
	<u>25,575,798</u>	<u>24,226,610</u>
	<u>81,728,571</u>	<u>110,686,301</u>



THE SCOTTISH ASSAM (INDIA) LIMITED

2.22 Notes (Continued):

- a) Contingent Liabilities not provided for in respect of :-

Particulars	As at 31-3-2017 (₹)	As at 31-3-2016 (₹)
Claim against the Company not acknowledged as debts :		
i. Surcharge on Electricity levied by the Assam State Electricity Board.	1,67,935	1,67,935
ii. Income Tax demand for the Assessment Year 2011-12. Paid under protest ₹ Nil (Previous year ₹ 1,61,950/-)	-	1,61,950
iii. Income Tax demand for the Assessment Year 2012-13 (Paid under protest ₹ Nil/- (Previous year ₹ 3,00,000)	7,11,330	7,11,330

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.

- b) There are no outstanding dues to suppliers/service providers covered under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED). The disclosures as required under the said Act.

Particulars	Amount (₹)
a) Principal amount due to Supplier under MSMED	NIL
b) Interest due to Supplier on above	NIL
c) Any payment made to Supplier beyond appointed date(u/s 16 of the Act)	NIL
d) Interest due and payable to Suppliers under MSMED	NIL
e) Interest accrued and remaining unpaid as at 31st March, 2017	NIL
f) Interest remaining due and payable under section 23 of the Act	NIL

- c) Trade Receivables, Loans & Advances and Deposits include certain overdue and unconfirmed balances. However, in the opinion of the management, these current assets would, in the ordinary course of business, realize the value stated in the accounts.

d) Employee Benefit

- The Company makes contribution towards Provident Fund to a defined contribution retirement benefit plan for qualifying employees. Under this scheme the Company contributes a specific percentage of payroll costs in respect of eligible employee to the retirement benefit scheme to fund the benefits. During the year the Company has recognized ₹ 80,57,280/- (P.Y. - ₹ 73,86,726) for provident fund contribution.
- Defined Benefit Plan:-** The Company makes annual contribution of gratuity to Reliance Life Insurance Co. Ltd. The scheme provides for a lump sum 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.
- The present value of defined obligation and related current cost are measured using the Projected Unit Credit Method with actuarial valuation being carried out at each Balance Sheet date.



DISCLOSURES AS PER ACCOUNTING STANDARD - 15

PARTICULARS	2016-17	2015-16
	Gratuity Plan (₹)	Gratuity Plan (₹)
A EXPENSES RECOGNISED IN THE STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2017		
i Current Service Cost	19,19,279	28,39,688
ii Interest Cost	23,73,049	17,70,195
iii Expected return on Plan Assets	(18,84,309)	(17,29,553)
iv Actuarial (Gain) / Losses	22,51,799	28,66,797
v Past Service Cost	-	-
vi Expenses recognized in the Statement of Profit & Loss	46,59,817	57,47,127
B NET (ASSETS) / LIABILITIES RECOGNIZED IN BALANCE SHEET AS AT 31ST MARCH, 2017		
i Present Value of the Defined Benefit Obligation	3,33,98,869	2,93,17,755
ii Fair Value of Plan Assets	3,17,39,052	2,35,70,628
iii Net (Assets)/Liabilities recognized in Balance Sheet	16,59,817	57,47,127
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 1st April, 2016	2,93,17,755	2,27,92,653
ii Current Service Cost	19,19,279	28,39,688
iii Interest Cost	23,73,049	17,70,195
iv Past Service Cost	-	-
v Actuarial (Gain) / Losses	35,04,901	35,71,696
vi Benefits Paid	(37,16,114)	(16,56,477)
vii Present value of obligation as at 31st March, 2017	3,33,98,869	2,93,17,755
D CHANGES IN FAIR VALUE OF PLAN ASSETS DURING THE YEAR ENDED 31ST MARCH, 2017		
i Fair value of Plan Assets as at 1 st April, 2016	2,35,70,628	2,22,69,352
ii Expected return on Plan Assets	18,84,309	17,29,553
iii Actuarial Gain/(Losses)	12,53,102	7,04,899
iv Benefits paid	(37,16,114)	(16,56,477)
v Contributions	87,47,127	5,23,301
vi Fair value of Plan Assets as at 31 st March, 2017	3,17,39,052	2,35,70,628
vii Actual return on Plan Assets	31,37,411	24,34,452
E PRINCIPLE ACTUARIAL ASSUMPTIONS USED		
i Discount rates as at 31st March, 2017	7.50%	8.10%
ii Expected Return on Plan Assets	8.00%	8.00%
iii Expected Salary increase rates	5% for first two years and 4% thereafter LIC (2006-08) Ultimate Table	5% for first two years and 4% thereafter LIC (2006-08) Ultimate Table
iv Mortality rates		
F WITHDRAWAL RATE	1% to 2% depending on age	1% to 2% depending on age
G MAJOR CATEGORIES OF PLAN ASSETS AS A PERCENTAGE OF FAIR VALUE OF PLAN ASSETS. INSURED MANAGED FUNDS	100%	100%



THE SCOTTISH ASSAM (INDIA) LIMITED

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 Company expects to contribute ₹ 50,00,000/- to its gratuity fund in 2017-18.
- The 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	3,33,98,869	2,93,17,755	2,27,92,653	2,13,60,381	2,07,17,082
Fair Value of Plan Assets	3,17,39,052	2,35,70,628	2,22,69,352	2,14,47,026	2,05,95,321
Excess of obligation over Plan Assets	16,59,817	57,47,127	5,23,301	(86,645)	1,21,761

e) Segment Reporting:

Based on the guiding principles given in the Accounting Standard on Segment Reporting (AS17) as notified by the Company Accounting Standard Rules 2006, the Company is a single segment company engaged in the manufacture of tea.

f) Detail of Specified Bank Notes (SBN) held & Transacted during the period 08.11.2016 to 30.12.2016

Particulars	SBNs	Other Denomination Notes	Total
Closing cash in hand as on 08.11.2016	4,88,000	4,14,013	9,02,013
(+) Permitted receipts		1,16,52,000	1,16,52,000
(-) Permitted payments	3,96,500	74,81,254	78,77,754
(-) Amount deposited in Banks	91,500		91,500
Closing cash in hand as on 30.12.2016	-	45,84,759	45,84,759

g) Related Party Disclosures :

List of Related Parties

i) Parties where control exists :

Ganga Steel and Alloys Ltd. - Associate.

ii) Key Managerial Personnel:

- 1) Mr. S. Sarbadhikary - Director (Finance)
Managerial Remuneration paid - ₹ 6,57,000/- (P.Y. - ₹ 6,12,000/-)
- 2) Mr. H. K. Rajbhar - CFO
Remuneration paid - ₹ 4,61,200/- (P.Y. - ₹ 3,92,350/-)
- 3) Mrs. Priyanka Sharma - Company Secretary
Remuneration paid - ₹ 4,56,100/-* (P.Y. - ₹ 2,84,503/-*)

* For part of the year (joined on 08.07.2015)

h) Expenditure in foreign currency :-

	2016-17	2015-16
Travelling	₹ 10,79,343/-	₹ 8,93,172/-



THE SCOTTISH ASSAM (INDIA) LIMITED

i) The amount of borrowing cost capitalized during the year is ₹ 1,85,000/-.

ii) Value of Raw materials and Spares Consumed

	Raw Materials Consumed				Spares-Parts Consumed			
	2016-17		2015-16		2016-17		2015-16	
	Value(₹)	%	Value(₹)	%	Value(₹)	%	Value(₹)	%
Imported	-	-	-	-	-	-	-	-
Indigenous	2,32,88,346	100.00	4,58,14,508	100.00	18,97,699	100.00	18,58,116	100.00
Total	2,32,88,346	100.00	4,58,14,508	100.00	18,97,699	100.00	18,58,116	100.00

k) Earnings Per Share :

	Year ended 31.03.2017	Year ended 31.03.2016
Profit after Taxation as per statement of Profit & Loss (₹)	1,73,69,885	1,87,84,000
Weighted average number of equity shares outstanding at the year end	8,00,000	8,00,000
Basic and diluted earnings per share of face value of ₹ 10/-	21.71	23.48

l) CFO has since resigned w.e.f. 10.04.2017 and the Company is in search of new CFO.

m) Previous year figures have been regrouped or rearranged wherever considered necessary.

As per our report of even date annexed

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

(ADITYA SINGHI)
Partner
Membership No. : 305161
Place : Kolkata

Date : The 27th day of May, 2017.

For and on behalf of the Board of Directors

Mr. DHIRENDRA KUMAR (DIN : 00153773)
Mr. S.K.JALAN (DIN : 00015836)
Mrs. DIVYA JALAN (DIN : 00016102)
Mr. G. MOMEN (DIN : 00402662)
Mr. G. D. GUPTA (DIN : 00174114)
Mr. SHASHI KUMAR (DIN : 00199961)
Mr. A. K. AGRAWAL (DIN : 00127273)
Mr. K. N. SINGH (DIN : 07779482)

Director

Ms. PRIYANKA SHARMA

Company Secretary