

**KESHAVA PLANTATIONS PRIVATE LIMITED**

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STATEMENTS OF ACCOUNT

AND

AUDITORS' REPORT

FOR THE YEAR ENDED

31ST MARCH..... **2018**.....

**B. N. GUPTA & CO.**

CHARTERED ACCOUNTANTS

SIGSAGAR-785640

(ASSAM)

PH : (03772) 222253

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**B.N. GUPTA**B.COM.(HONS),L.L.B, F.C.A.  
A.A.S.M, M.I.I.A.(U.S.A)**B.N.GUPTA & CO.**CHARTERED ACCOUNTANTS,  
SIBSAGAR – 785 640 ( ASSAM )  
PHONE : (03772) 222253

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**INDEPENDENT AUDITORS' REPORT  
TO  
THE MEMBERS OF  
KESHAVA PLANTATIONS PRIVATE LIMITED**

**Report on the Standalone Ind AS Financial Statements**

1. We have audited the accompanying standalone Ind AS financial statements of M/s. Keshava Plantations Private Limited (The "Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit & Loss (including other comprehensive income), the Cash Flow Statement, and the statement of changes in the equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements").

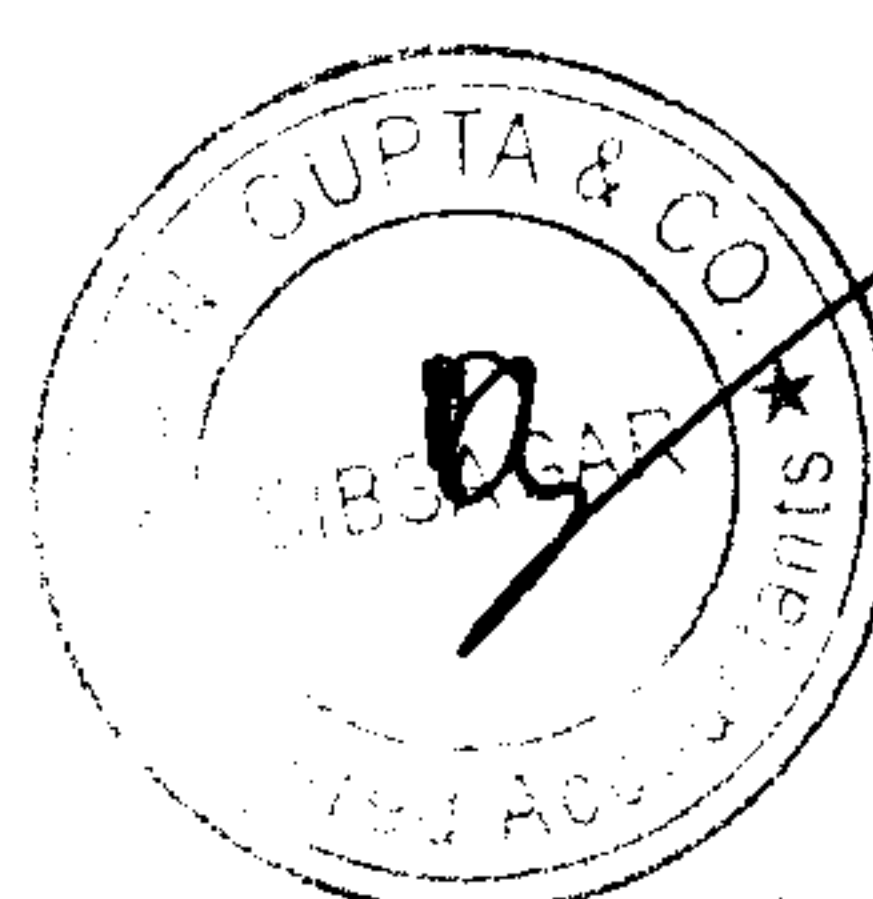
These financial statements for the year ended March, 31, 2018 are the company's first Annual Ind AS financial statements and have been prepared in accordance with Ind AS. For all periods, upto and including the year ended March 31, 2017, the company has prepared its Financial Statements in accordance with Generally Accepted Accounting Principles (GAAP) in India.

**Management's Responsibility for the Standalone Financial Statements**

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements to 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 Indian Accounting Standards specified under section 133 of the Act, read with relevant rules issued thereunder.
3. That 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 accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

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





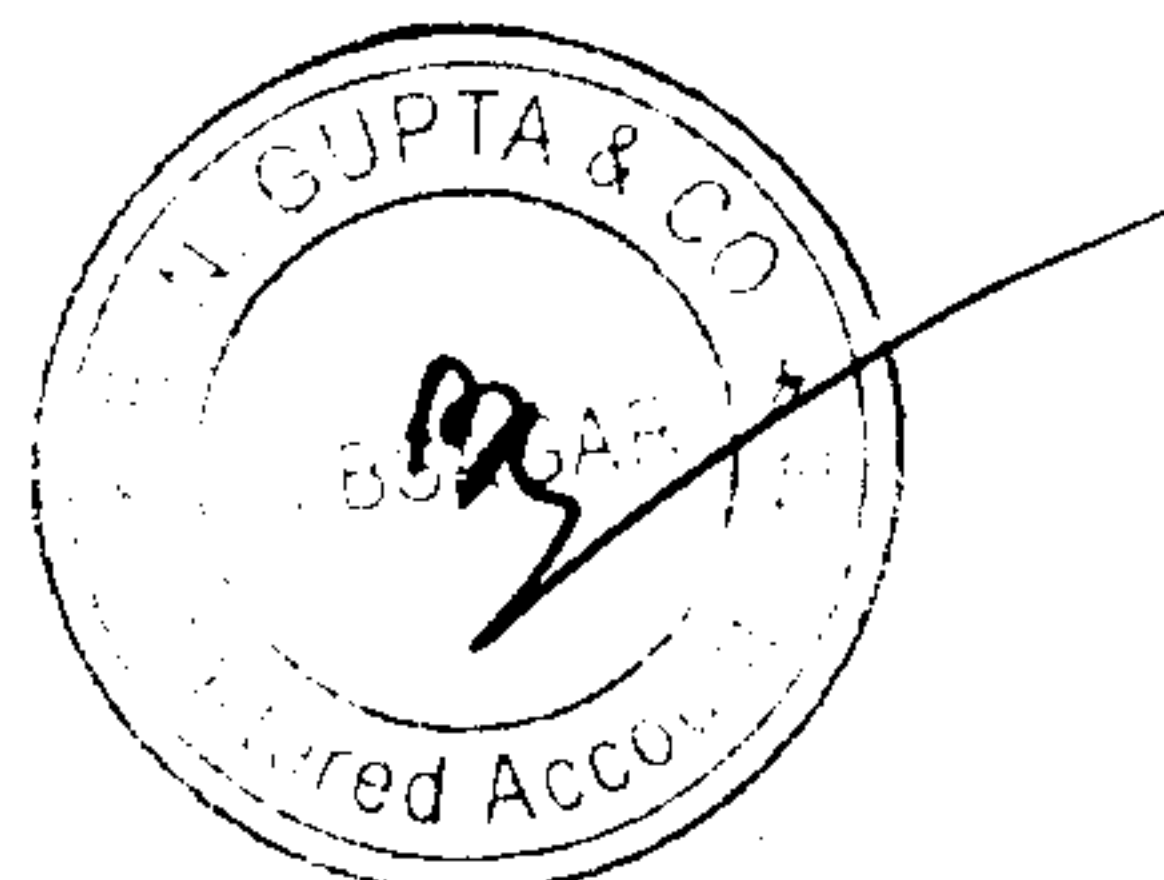
5. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
6. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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 standalone Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of 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 standalone Ind AS financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

### **Opinion**

8. In our opinion, and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 including the Ind AS, of the financial position of the company as at March 31, 2018, and its financial performance including other comprehensive income, its cash flows and changes in equity for the year ended on that date.

### **Report on other Legal and Regulatory Requirements**

9. As required by 'the companies (Auditor's Report) Order, 2016', issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure "A" statement on the matters specified in paragraphs 3 and 4 of the Order.
10. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.





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**B.N. GUPTA**

B.COM.(HONS),L.L.B, F.C.A.  
A.A.S.M, M.I.I.A.(U.S.A)

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**B.N.GUPTA & CO.**

CHARTERED ACCOUNTANTS,  
SIBSAGAR – 785 640 ( ASSAM )  
PHONE : (03772) 222253

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**ANNEXURE 'A' TO INDEPENDENT AUDITOR'S REPORT (Keshava Plantations Pvt. Ltd.)**

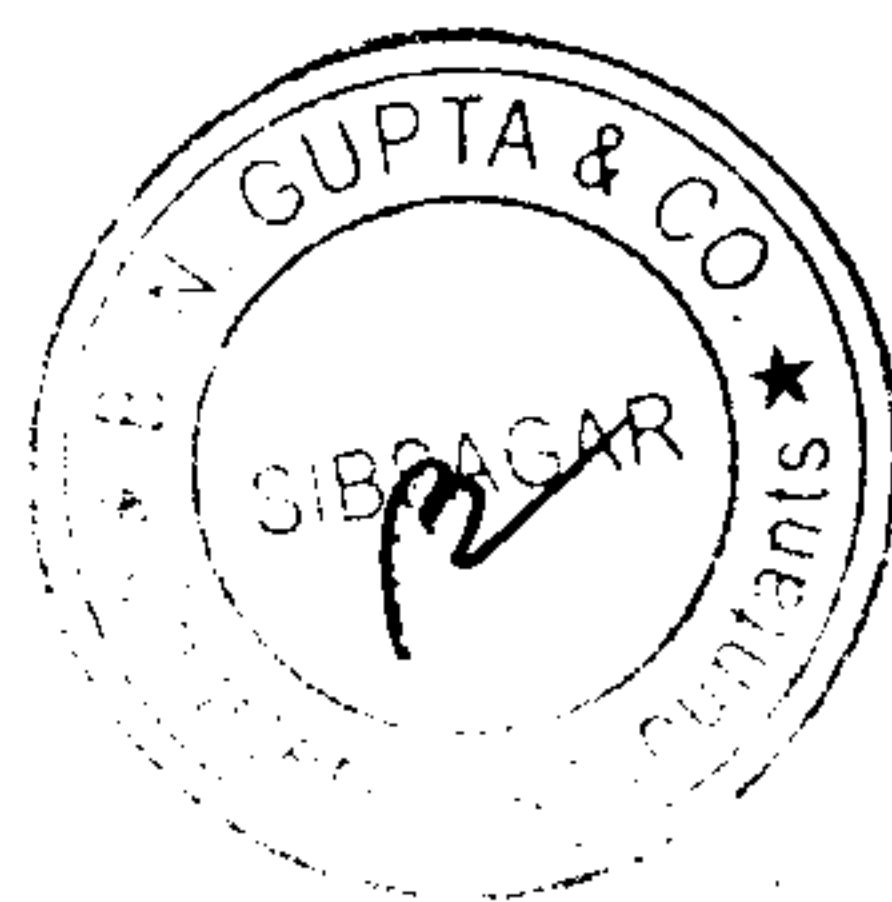
The Annexure referred to in the Independent Auditor's Report to the members of M/s.KESHAVA PLANTATIONS PRIVATE LIMITED on the standalone Ind AS financial statements for the year ended March 31, 2018;

- i) a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
  - b) The Fixed Assets have been physically verified by the management and no serious discrepancies have been noticed between the physical Inventory and available records with the Company.
  - c) As informed to us, the titled Deeds of immovable properties as disclosed under 'Note' on Fixed Assets to the Ind AS financial statements are held in the name of the Company. We have, however not verified the title Deeds.
- ii) The inventory excluding stocks with third parties has been physically verified by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Act.
- iv) The Company has not granted any loans or provided any guarantees or security to the parties covered under section 185 of the Act.
- v) The Company has not accepted any deposits from the public within the meaning of Section 73, 74, 75 and 76 of the Act and the Rules framed thereunder to the extent notified.
- vi) The Central Government has not prescribed the maintenance of any cost records under section 148(1) of the Company Act, 2013.
- vii) a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax and other material statutory dues, as applicable, with the appropriate authorities.
  - b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of Taxes and cess which have not been deposited on account



of any dispute.

- viii) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any bank. The company has not taken any loans from the Government. It has not issued any debentures.
- ix) The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the order are not applicable to the Company.
- x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi) The Company has paid/provided for managerial remuneration in accordance with the provisions of Section 197 read with Schedule V to the Act.
- xii) As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii) In our opinion, all transactions with related parties are in compliance with section 177 and 188 of the Act.
- xiv) The Company has not made any preferential or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv) The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi) The Company is not required to be registered under Section 45-1A of the Reserve Bank of the India Act, 1934.



Camp : Kolkata  
Date : 12<sup>th</sup> May, 2018

**For B.N. GUPTA & CO.**  
Chartered Accountants  
Firm Registration Number 312044E

**(B.N. GUPTA, FCA)**  
**PROPRIETOR**  
Membership Number 050504



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**B.N. GUPTA**

B.COM.(HONS),L.L.B, F.C.A.  
A.A.S.M, M.I.I.A.(U.S.A)

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**B.N.GUPTA & CO.**

CHARTERED ACCOUNTANTS,  
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**ANNEXURE 'B' TO INDEPENDENT AUDITOR'S REPORT****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

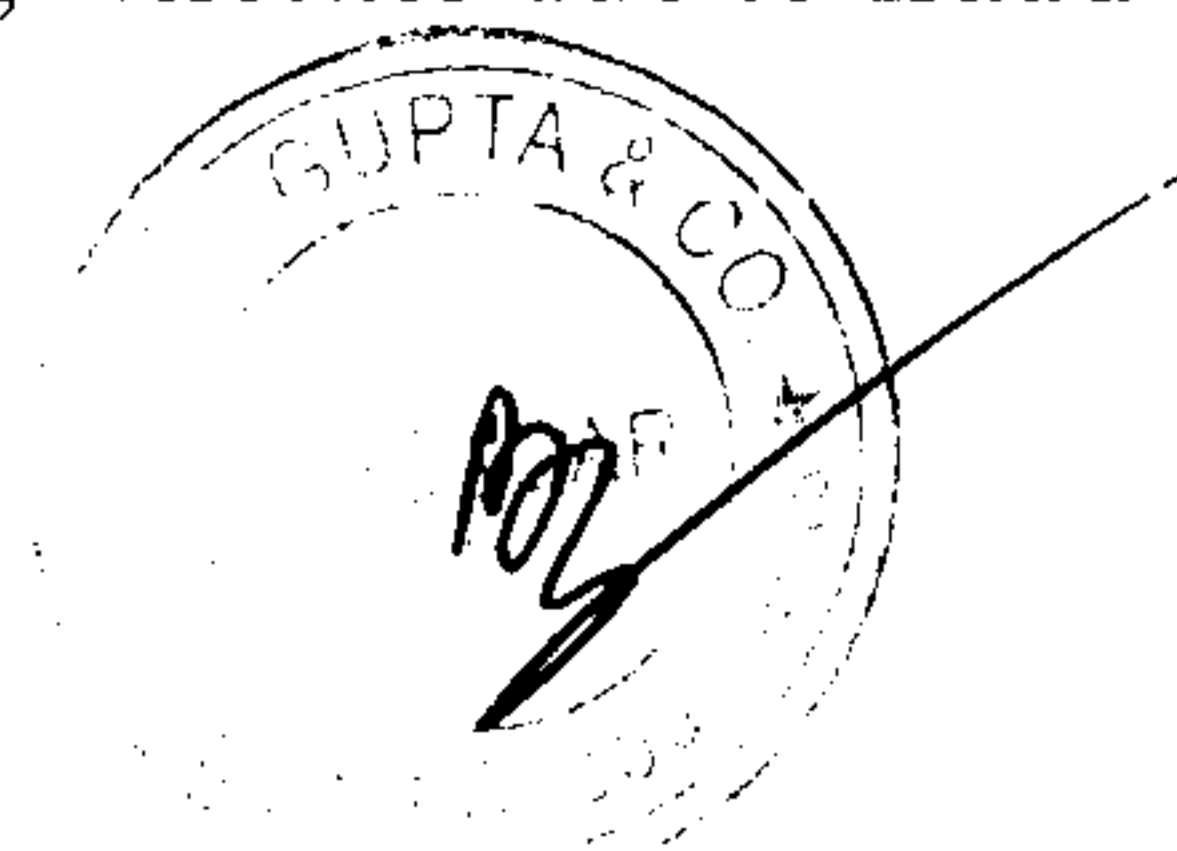
1. We have audited the internal financial controls over financial reporting of M/s. KESHAVA PLANTATIONS PRIVATE LIMITED ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditor's Responsibility**

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Controls Over Financial Reporting (the "Guidance Note") and the standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the 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.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting include obtaining an understanding of internal financial controls over financial reporting assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error.



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

### **Meaning of Internal Financial Controls over Financial Reporting**

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect that 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**

7. 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.

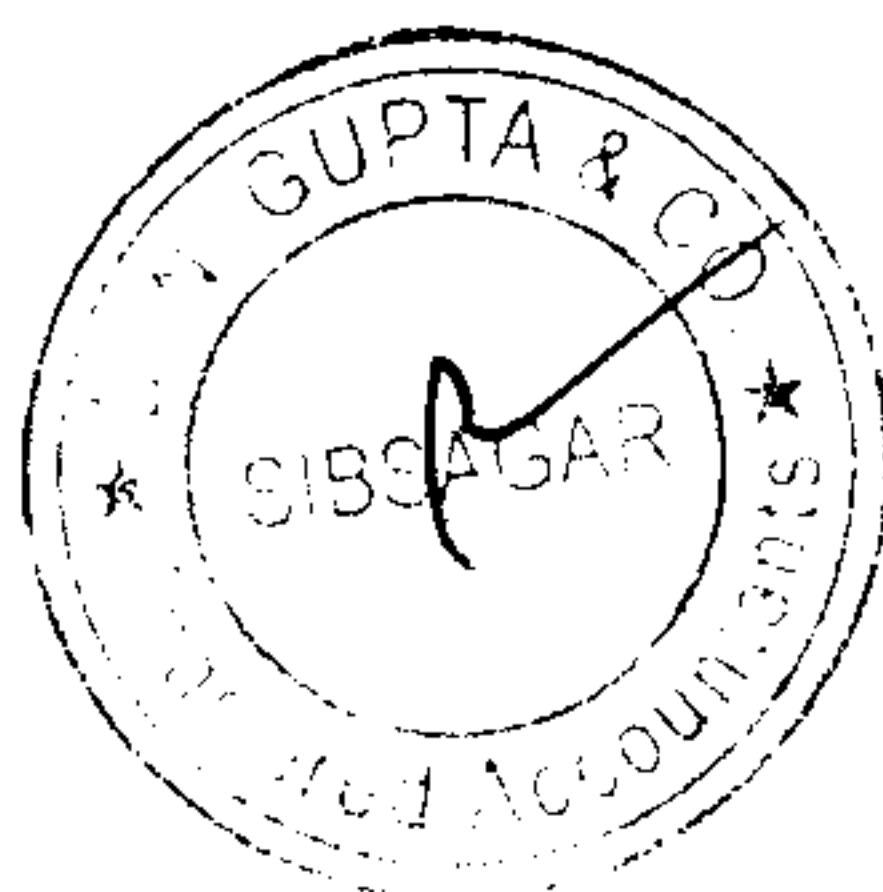
### **Opinion**

8. 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 March, 31, 2018 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For B.N. GUPTA & CO.**  
Chartered Accountants  
Firm Registration Number 312044E



**(B.N. GUPTA, FCA)**  
**PROPRIETOR**  
Membership Number 050504



Camp : Kolkata  
Date : 12<sup>th</sup> May, 2018



KESHAVA PLANTATION PRIVATE LIMITED  
CIN No. U01132AS1999PTC005666  
BALANCE SHEET as at 31st March, 2018

(Amount in Rs.)

	Note No.	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
<b>ASSETS</b>							
<b>1 NON-CURRENT ASSETS</b>							
a	5	245,687,923		257,458,564		272,507,742	
b		1,742,318		369,838		-	
c	6	599,400	248,029,641	799,200	258,627,602	-	272,507,742
e							
ii	7	2,712,282		2,712,282		2,712,282	
iii		-		-		-	
f	8	835,122	3,547,404	1,132,341	3,844,623	1,130,347	3,842,629
<b>2 CURRENT ASSETS</b>							
a	9	7,003,832		11,230,256		5,977,786	
b	10	436,936		239,951		283,850	
c							
i	11	1,946,769		4,407,435		2,981,790	
iii	12	164,115		240,259		4,354,910	
v	7	81,296		151,768		270,207	
vi	13	439,170		514,428		396,710	
d	14	1,092,129	11,164,247	240,901	17,024,998	181,981	14,447,234
			<u>262,741,293</u>		<u>279,497,223</u>		<u>290,797,605</u>
<b>Total Assets</b>							
<b>EQUITY AND LIABILITIES</b>							
<b>EQUITY</b>							
a	15	8,000,000		8,000,000		8,000,000	
b	16	164,923,492	172,923,492	178,992,159	186,992,159	189,665,215	197,665,215
<b>LIABILITIES</b>							
<b>1 NON-CURRENT LIABILITIES</b>							
a							
i	17	-		-		7,386,003	
b		10,136,957		10,274,957		11,471,000	
c	18	18,346,646	28,483,603	21,765,960	32,040,917	30,930,694	49,787,697
<b>2 CURRENT LIABILITIES</b>							
a							
i	19	51,849,663		52,428,845		36,439,396	
ii	20						
Total outstanding dues of creditors to micro enterprises and small enterprises							
Total outstanding dues of creditor to other than micro enterprises and small enterprises							
iii	21	5,820,096		3,839,016		3,304,257	
iii		777,451		822,581		917,228	
b	22	1,924,760		1,714,914		2,041,641	
Other Current Liabilities	23	962,227	61,334,197	1,658,791	60,464,147	642,170	43,344,692
			<u>262,741,293</u>		<u>279,497,223</u>		<u>290,797,605</u>
<b>Total Equity and Liabilities</b>							

This is the Balance Sheet referred to in our report of even date

The above Balance Sheet should be read in conjunction with the accompanying notes

For B.N. GUPTA & CO.  
Chartered Accountants  
Firm Regn. No. 312044E

*B.N. Gupta*

B.N. Gupta, FCA  
Proprietor  
Membership No. 050504  
Kolkata  
Dated : 12th May, 2018



*M. K. D. S.*

*Sharad Baghel*



**KESHAVA PLANTATION PRIVATE LIMITED**  
**CIN No. U01132AS1999PTC005666**  
**STATEMENT OF PROFIT & LOSS for the year ended 31st March, 2018**

(Amount in Rs)

INCOME	Note No.	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Revenue from Operations	24	66,291,853	63,277,14
Other Income	25	1,051,567	249,64
<b>Total Income</b>		<b>67,343,420</b>	<b>63,526,78</b>
<b>EXPENSES</b>			
Cost of Materials Consumed		-	-
Purchases of Stock -in- Trade		-	-
Changes in Inventories of Finished Goods, Stock-In-Trade and Work-in-Progress	26	3,161,363	(2,076,951)
Employee Benefits Expense	27	40,138,377	38,348,310
Finance Costs	28	6,401,355	6,078,736
Depreciation and Amortisation Expense	29	13,053,641	15,968,179
Other Expenses	30	23,171,666	27,575,302
<b>Total Expenses</b>		<b>85,926,402</b>	<b>85,893,576</b>
<b>Profit before Exceptional Items and Tax</b>		<b>(18,582,982)</b>	<b>(22,366,789)</b>
Exceptional Items		-	-
<b>Profit before Tax</b>		<b>(18,582,982)</b>	<b>(22,366,789)</b>
Tax Expense:	31	-	-
Current Tax		-	-
Deferred Tax		(3,704,014)	(9,815,952)
<b>Profit for the year</b>		<b>(14,878,968)</b>	<b>(12,550,837)</b>
<b>Other Comprehensive Income</b>			
Items that will not be reclassified to profit or loss	32	1,095,000	2,529,000
Income tax relating to these items		(284,700)	(651,218)
<b>Other Comprehensive Income for the Year (Net of Tax)</b>		<b>810,300</b>	<b>1,877,783</b>
<b>Total Comprehensive Income for the period</b>		<b>(14,068,668)</b>	<b>(10,673,055)</b>
<b>Earnings Per Share</b>	33	<b>(185.99)</b>	<b>(156.89)</b>

This is the Statement of Profit and Loss referred to in our report of even date

The above Statement of Profit and Loss should be read in conjunction with the accompanying notes

For B.N. GUPTA & CO.  
Chartered Accountants  
Firm Regn. No. 312044E



**B.N. Gupta, FCA**  
Proprietor  
Membership No. 050504  
Kolkata  
Dated : 12th May, 2018



✓ ~ ~ ~ ~ ~  
✓ Sharad Baghel

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2018

(Amount in ₹)

Particulars	2017-2018		2016-2017	
	Amount	Amount	Amount	Amount
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit after Exceptional Items & before Tax		(1,85,82,982)		(2,23,66,789)
Adjustments for :				
Depreciation & Amortisation	1,30,53,641		1,59,68,179	
Interest Received	(45,660)		(61,030)	
Fair Valuation for Biological Assets other than bearer plant	(1,96,985)		43,899	
Finance Cost	64,01,355		60,78,736	
Sundry Credit bal. no longer required written back	(3,61,615)		(2,27,702)	
Remeasurement of post-employment defined benefit obligation	10,95,000		25,29,000	
Bad Debts & Provision for doubtful debts/Advances (Net)	25,439	1,99,71,175	29,81,789	2,73,12,871
Operating Profit before working capital changes		13,88,193		49,46,082
Adjustments for :				
(Increase)/Decrease in Trade Receivables	24,60,666		(14,25,646)	
(Increase)/Decrease in Inventories	42,26,425		(52,52,470)	
(Increase)/Decrease in Loans, Other Financial Assets & Other Assets	(7,18,297)		(30,22,046)	
Increase/(Decrease) in Trade Payables & Other Liability	12,39,386		14,56,733	
Increase/(Decrease) in Provision	4,33,461	76,41,641	(12,95,068)	(95,38,497)
Cash Generated from Operations		90,29,834		(45,92,415)
Direct Taxes (Paid)/Refund received (Net)		2,97,219		(1,994)
Net Cash from operating activities		93,27,053		(45,94,409)
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Tangible & Intangible Assets including CWIP/Capital Advances	(37,03,813)		(20,88,040)	
Sale of Tangible Assets	12,48,133		-	
(Increase)/Decrease in Other Bank Balances	-		-	
(Increase)/Decrease in advances to Related Parties	-		-	
Interest Received	33,020		43,088	
Net cash used in Investing Activities		(24,22,660)		(20,44,952)
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>				
Repayments of Long Term Borrowings	-		(73,86,003)	
(Repayments)/Proceeds from Short Term /Other Borrowings	(5,79,182)		1,59,89,449	
Interest paid	(64,01,355)		(60,78,736)	
Net Cash from/(used in) Financing Activities		(69,80,537)		25,24,710
Net Increase/ (Decrease) in Cash and Cash Equivalents		(76,144)		(41,14,651)
Cash and Cash Equivalents - Opening Balance	2,40,259		43,54,910	
Cash and Cash Equivalents - Closing Balance	1,64,115		2,40,259	

## Notes :

- Cash and cash equivalents consists of cash on Hand and balances with banks in current / Cash Credit accounts as per note 2.13
- Previous year's figures have been regrouped/rearranged wherever necessary
- Cash and cash equivalents consists of:

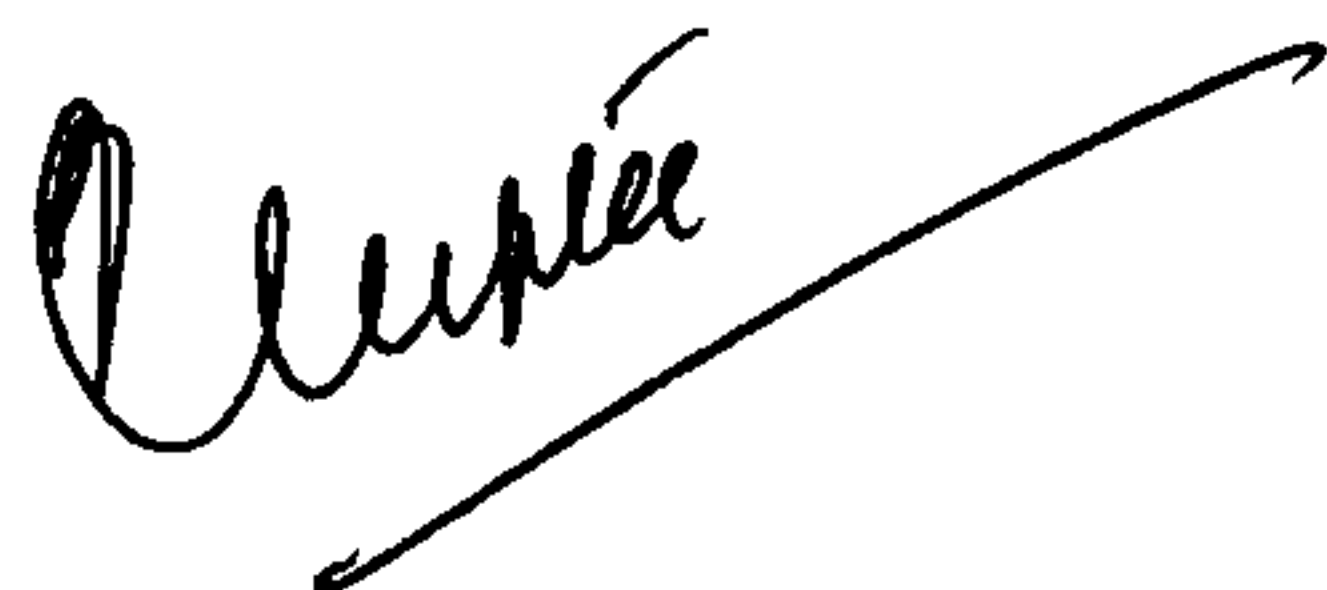
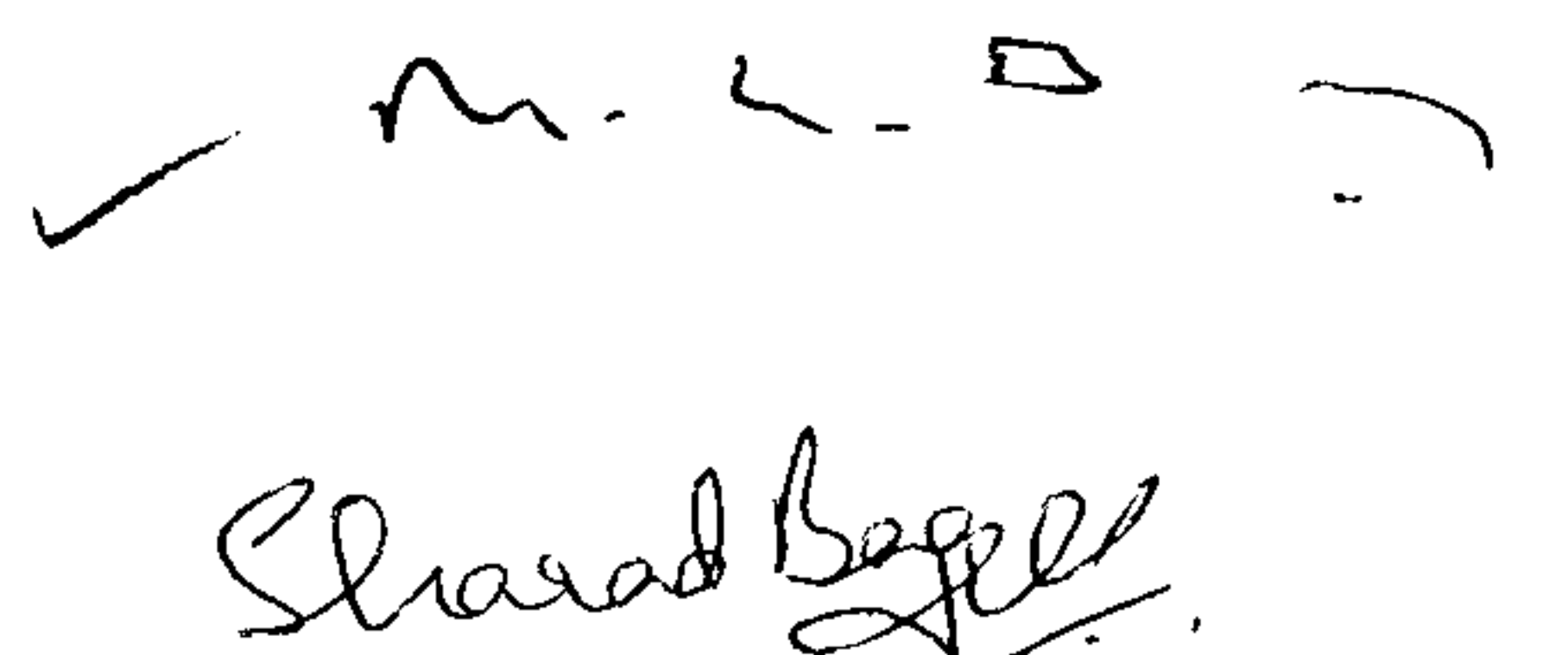
Particulars	2017-2018	2016-2017
Cash on hand	1,18,058	84,322
Bank Balance	46,057	1,55,937
Total	1,64,115	2,40,259

This is the Cash Flow Statement referred to in our report of even date.

For B.N. GUPTA & CO.

Chartered Accountants

Firm Regn. No. 312044E

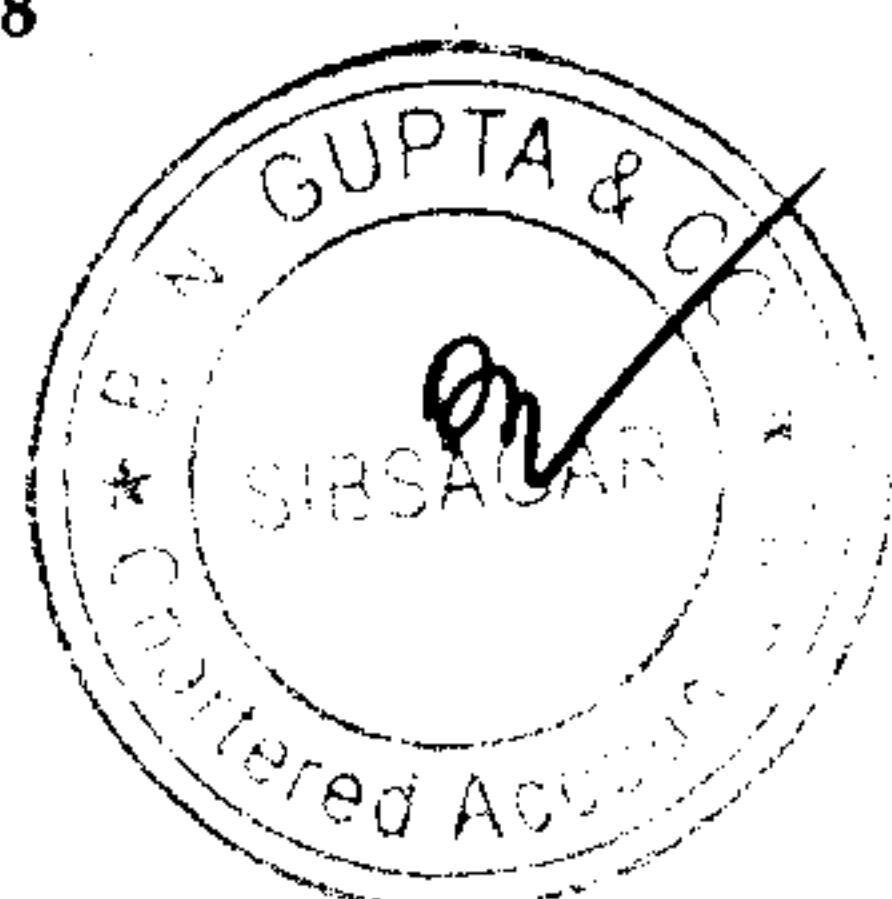
B.N. Gupta, FCA

Proprietor

Membership No. 050504

Kolkata

Dated : 12th May, 2018





**KESHAVA PLANTATION PRIVATE LIMITED**  
**CIN No. U01132AS1999PTC005666**  
**STATEMENT OF CHANGES IN EQUITY**

(Amount in ₹)

**a) Equity Share Capital**

Balance as at 1st April 2016	8,000,000
Add/(Less): Changes in Equity Share Capital during the year	-
Balance as at 31st March 2017	8,000,000
Add/(Less): Changes in Equity Share Capital during the year	-
Balance as at 31st March 2018	8,000,000

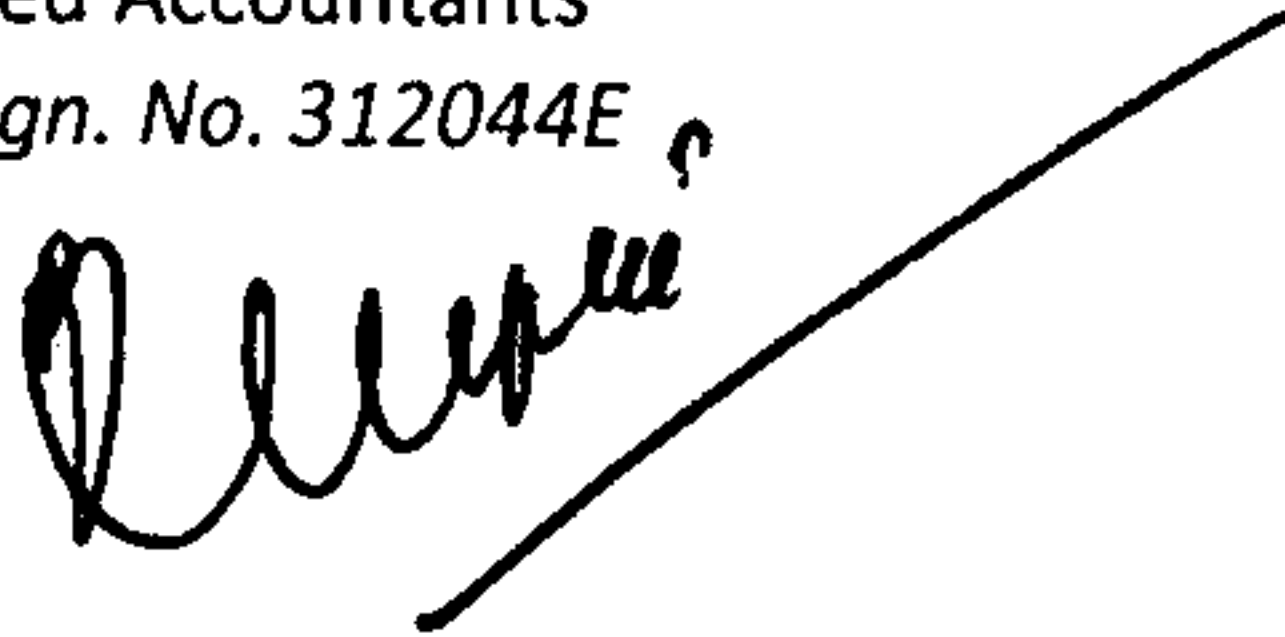
**b) Other Equity**

Particulars	Reserve & Surplus		Total
	Capital Reserve	Retained Earnings	
Balance as at 1st April, 2016	500,000	189,165,215	189,665,215
Profit for the year		(12,550,837)	(12,550,837)
Other Comprehensive Income		1,877,783	1,877,783
<b>Total Comprehensive Income for the year</b>	-	<b>(10,673,055)</b>	<b>(10,673,055)</b>
Balance as at 31st March, 2017	500,000	178,492,160	178,992,160
Profit for the year		(14,878,968)	(14,878,968)
Other Comprehensive Income		810,300	810,300
<b>Total Comprehensive Income for the year</b>	-	<b>(14,068,668)</b>	<b>(14,068,668)</b>
Balance as at 31st March, 2018	500,000	164,423,492	164,923,492

This is the Statement of Changes in Equity referred to in our report of even date

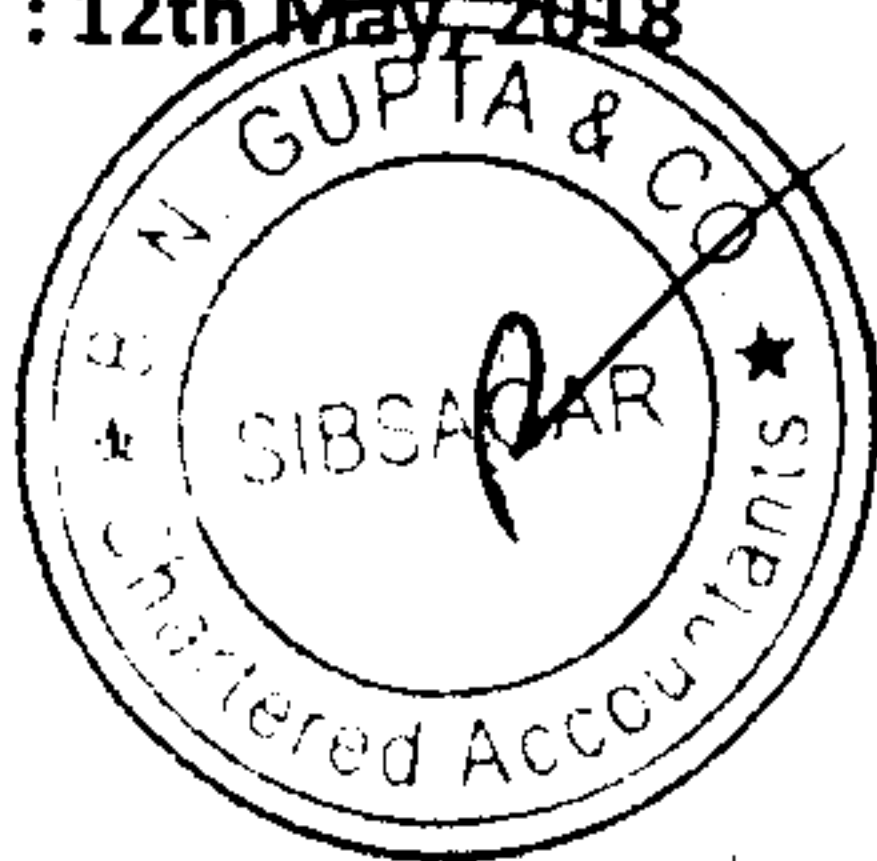
The above Statement of Changes in Equity should be read in conjunction with the accompanying notes

**For B.N. GUPTA & CO.**  
Chartered Accountants  
Firm Regn. No. 312044E



**B.N. Gupta, FCA**  
Proprietor  
Membership No. 050504  
Kolkata

Dated : 12th May, 2018



✓ ~ ~ ~ ~ ~

✓ Shradha Baghel

# KESHAVA PLANTATIONS PRIVATE LIMITED

Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2018

## 1. CORPORATE AND GENERAL INFORMATION

Keshava Plantations Private Limited was incorporated as a Private Limited Company in India under the Companies Act 1956. It is a wholly owned subsidiary of Joonktollee Tea & Industries Limited. Since 2016, the Company has been under the management of the Joonktollee Tea & Industries Limited. The Company's principal business is manufacturing of Tea.

## 2. BASIS OF PREPARATION AND PRESENTATION OF FINANCIAL STATEMENT

### 2.1. Statement of Compliance

These financial statements have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as prescribed by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ("the Act"), read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended), other relevant provisions of the Act and other accounting principles generally accepted in India.

The financial statements for all periods up to and including the year ended 31st March, 2017, were prepared in accordance with Generally Accepted Accounting Principles (GAAP) in India, which includes the accounting standards prescribed under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 and other provisions of the Act (collectively referred to as "Indian GAAP"). These financial statements for the year ended 31st March, 2018 are the first Ind AS Financial Statements with comparatives, prepared under Ind AS. The Company has consistently applied the accounting policies used in the preparation of its opening Ind AS Balance Sheet at 1st April, 2016 throughout all periods presented, as if these policies had always been in effect and are covered by Ind AS 101 "First Time Adoption of Indian Accounting Standards".

An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in Note No. 40. Certain of the Company's Ind-AS accounting policies used in the opening Balance Sheet differed from its Indian GAAP policies applied as at 31st March, 2016 and accordingly the adjustments were made to restate the opening balances as per Ind-AS. The resulting adjustment arising from events and transactions before the date of transition to Ind-AS were recognized directly through retained earnings as at 1<sup>st</sup> April, 2016 as required by Ind- AS 101. The financial statements of the Company for the year ended 31st March, 2018 has been approved by the Board of Directors in their meeting held on 12<sup>th</sup> May, 2018.

### 2.2. Basis of Measurement

The Company maintains accounts on accrual basis following the historical cost convention, except for followings:

- Certain Financial Assets and Liabilities is measured at Fair value/ Amortised cost (refer accounting policy regarding financial instruments);
- Derivative Financial Instruments measured at fair value;
- Defined Benefit Plans – plan assets measured at fair value; and
- Biological Assets – At fair value less cost to sell

### Functional and Presentation Currency

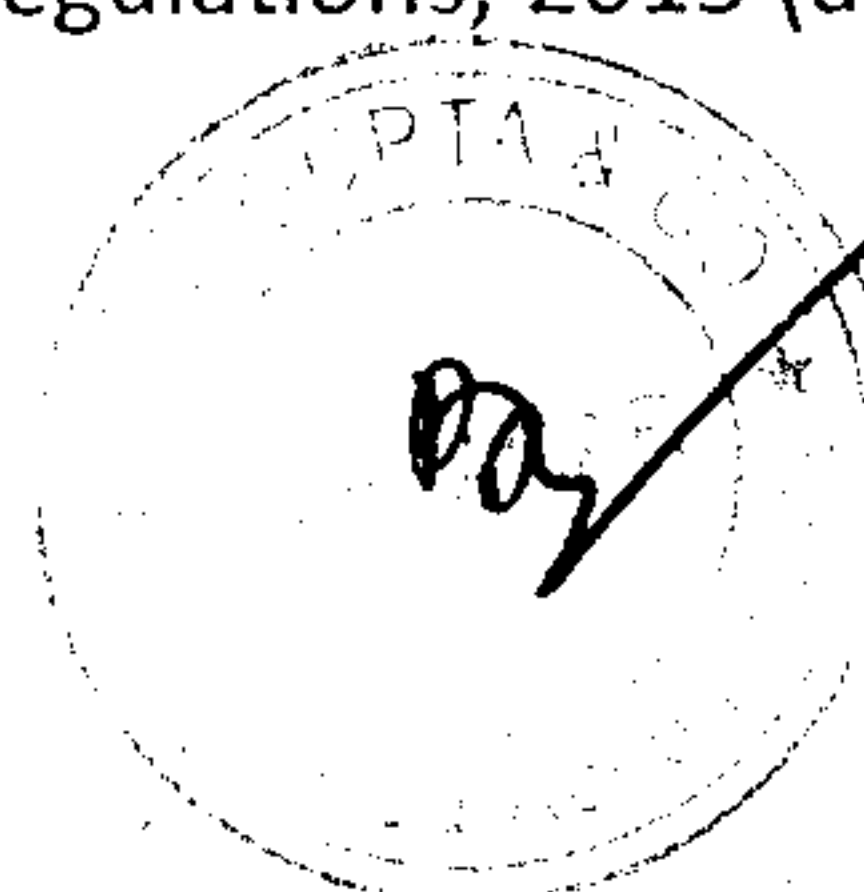
The Financial Statements are presented in Indian Rupee (INR), which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates. All financial information presented in INR has been rounded off to the nearest lakhs as per the requirements of Schedule III, unless otherwise stated.

### 2.4. Use of Estimates and Judgements

The preparation of financial statements in conformity with Ind AS requires judgements, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

### 2.5. Presentation of Financial Statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Schedule III to the Companies Act, 2013 ("the Act"). The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified Accounting Standards and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended).





# KESHAVA PLANTATIONS PRIVATE LIMITED

Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2018

## 2.6. Operating Cycle for current and non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1. The Company has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

An asset is classified as current when it is:

- Expected to be realized or intended to sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All the other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current. Deferred Tax Assets and Liabilities are classified as non-current assets and liabilities respectively.

## 2.7. Measurement of Fair Values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

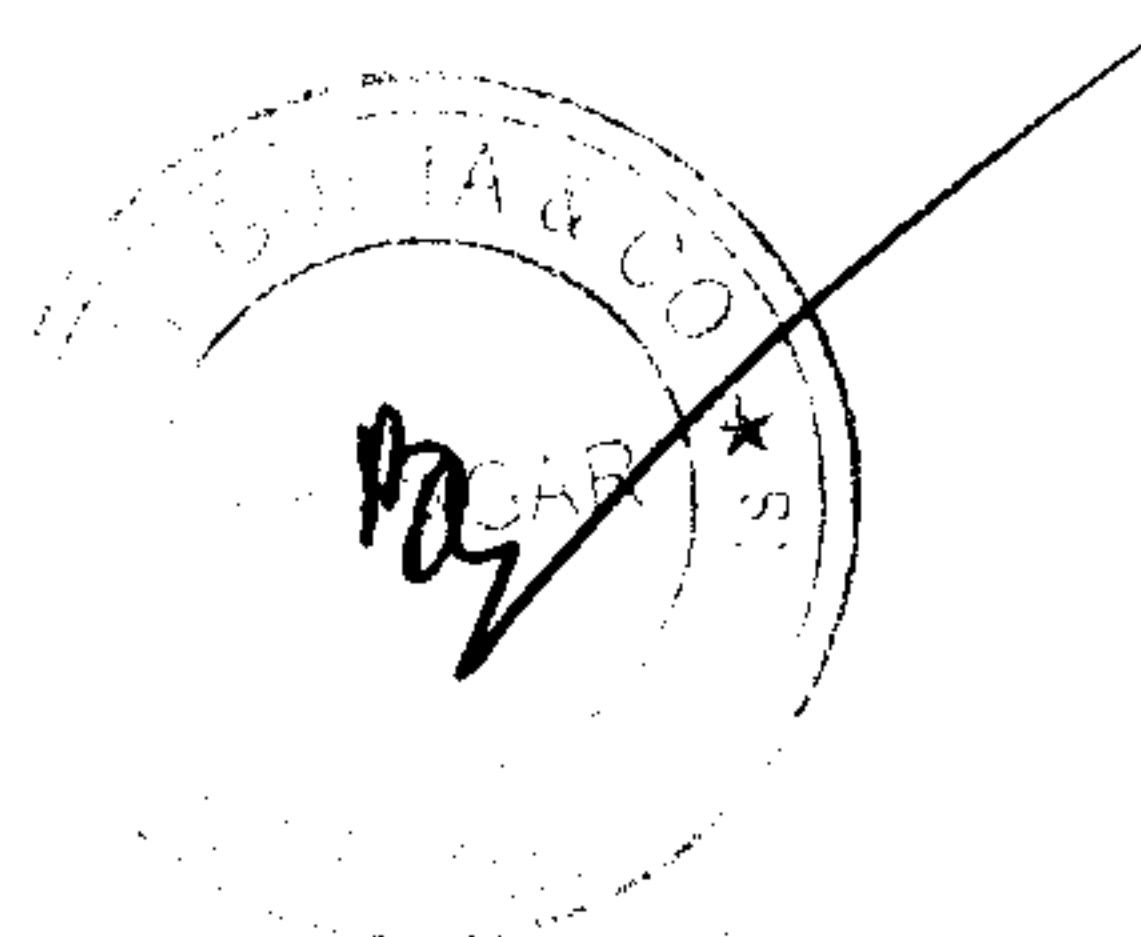
The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 — Inputs which are unobservable inputs for the asset or liability.

External valuers are involved for valuation of significant assets & liabilities. Involvement of external valuers is decided by the management of the company considering the requirements of Ind AS and selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.



# KESHAVA PLANTATIONS PRIVATE LIMITED

Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2018

## 3. ACCOUNTING POLICIES

A summary of the significant accounting policies applied in the preparation of the financial statements are as given below. These accounting policies have been applied consistently to all the periods presented in the financial statements.

### 3.1. INVENTORIES

Inventories are valued at the lower of cost and net realizable value (NRV). Cost is measured by including, unless specifically mentioned below, cost of purchase and other costs incurred in bringing the inventories to their present location and condition. NRV is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

- Raw Materials: At Cost or Net Realizable Value whichever is lower. Cost of harvested tea leaves, produced from own gardens, is measured at fair value less cost to sell at the point of harvest of tea leaves. Cost of other raw materials is measured on weighted average basis.
- Stores and Spare Parts: Stores and Spare Parts are measured at cost (measured at weighted average basis) or net realizable value whichever is lower.
- Stock in Process: Is valued with material at lower of weighted average cost and market rate and estimated conversion cost.
- Finished Goods: Finished goods produced from agricultural produce are valued at lower of cost and the net realizable value. Cost is arrived at by adding the cost of conversion to the fair value of agricultural produce. Other finished goods are measured at cost or NRV whichever is lower.
- Waste/ Scrap: Waste and Scrap (including tea waste) are valued at estimated realizable value.

### 3.2. CASH AND CASH EQUIVALENTS

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short term deposits with an original maturity of three months or less, which are subject to an insignificant risk of change in value.

For the purpose of the statement of cash flows, cash and cash equivalents includes cash on hand, term deposits and other short-term highly liquid investments, net of bank overdrafts as they are considered an integral part of the Company's cash management. Bank overdrafts are shown within short term borrowings in the balance sheet.

### 3.3. INCOME TAX

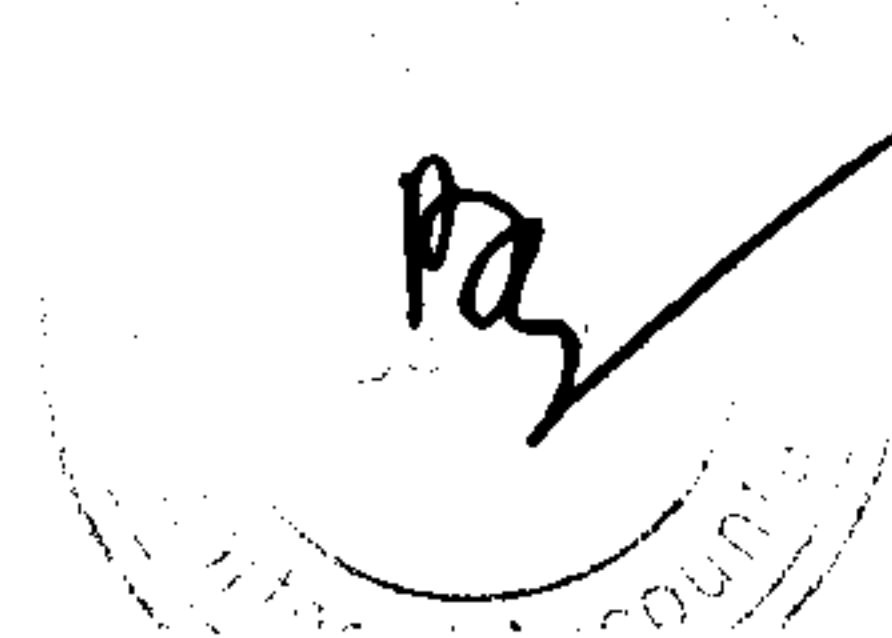
The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Current and deferred tax is recognised in the statement of profit & loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

#### 3.3.1. Current Tax:

Current tax liabilities (or assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the taxation authorities using the tax rates (and tax laws) that have been enacted or substantively enacted, at the end of the reporting period.

#### 3.3.2. Deferred Tax

- Deferred Tax assets and liabilities is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.
- Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes (i.e., tax base). Deferred tax is also recognized for carry forward of unused tax losses and unused tax credits.
- Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.
- The carrying amount of deferred tax assets is reviewed at the end of each reporting period. The Company reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be





# KESHAVA PLANTATIONS PRIVATE LIMITED

Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2018

available to allow the benefit of part or that entire deferred tax asset to be utilized. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.

- Deferred tax relating to items recognized outside the Statement of Profit and Loss is recognized either in other comprehensive income or in equity. Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.
- Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

## 3.4. PROPERTY, PLANT AND EQUIPMENT

### 3.4.1. Tangible Assets (Other than Bearer Plants)

#### 3.4.1.1. Recognition and Measurement:

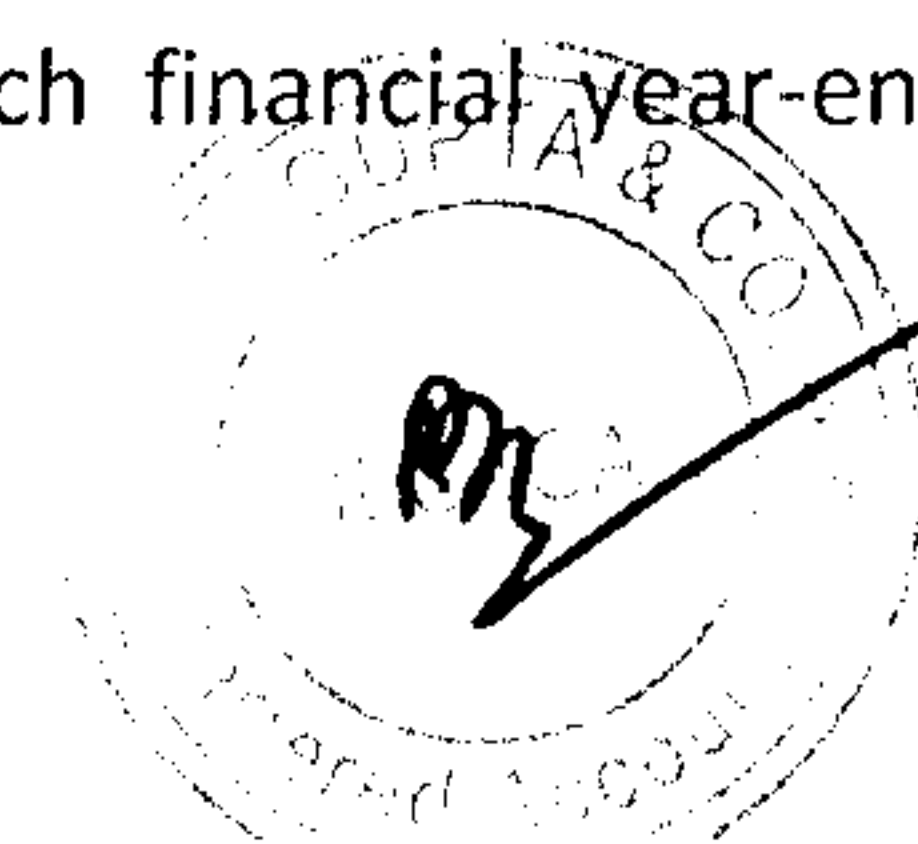
- Property, plant and equipment held for use in the production or/and supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost, less any accumulated depreciation and accumulated impairment losses (if any).
- Cost of an item of property, plant and equipment acquired comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting any trade discounts and rebates, any directly attributable costs of bringing the assets to its working condition and location for its intended use and present value of any estimated cost of dismantling and removing the item and restoring the site on which it is located.
- In case of self-constructed assets, cost includes the costs of all materials used in construction, direct labour, allocation of directly attributable overheads, directly attributable borrowing costs incurred in bringing the item to working condition for its intended use, and estimated cost of dismantling and removing the item and restoring the site on which it is located. The costs of testing whether the asset is functioning properly, after deducting the net proceeds from selling items produced while bringing the asset to that location and condition are also added to the cost of self-constructed assets.
- If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.
- Profit or loss arising on the disposal of property, plant and equipment are recognized in the Statement of Profit and Loss.

#### 3.4.1.2. Subsequent Measurement:

- Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the cost incurred will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced.
- Major Inspection/ Repairs/ Overhauling expenses are recognized in the carrying amount of the item of property, plant and equipment as a replacement if the recognition criteria are satisfied. Any Unamortized part of the previously recognized expenses of similar nature is derecognized.

#### 3.4.1.3. Depreciation and Amortization:

- Depreciation on Property, Plant & Equipment is provided under Written Down Method at rates determined based on the useful life of the respective assets and the residual values in accordance with Schedule II of the Companies Act, 2013 or as reassessed by the Company based on the technical evaluation.
- In case of asset "Fences, wells, tube wells" & "Carpeted Roads – Other than RCC", depreciation has been provided on written down value method at the rates determined considering the useful lives of 15 years which is based on assessment carried out by external valuers and the management believes that the useful lives as considered above best represent the period over which the respective assets shall be expected in use.
- In respect of spares for specific machinery, cost is amortized over the useful life of the related machinery as estimated by the management.
- Depreciation on additions (disposals) during the year is provided on a pro-rata basis i.e., from (up to) the date on which asset is ready for use (disposed of).
- Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.



# KESHAVA PLANTATIONS PRIVATE LIMITED

Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2018

## 3.4.1.4. Disposal of Assets

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between net disposal proceeds and the carrying amount of the asset and is recognized in the statement of profit and loss.

## 3.4.1.5. Capital Work in Progress

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

## 3.4.2. Bearer Plants

### 3.4.2.1. Recognition and Measurement:

- Bearer Plants, comprising of mature tea bushes and shade trees are stated in the balance sheet at cost, less any accumulated depreciation and accumulated impairment losses (if any).
- Cost of bearer plants includes the cost of uprooting, land development, rehabilitation, planting of Guatemala, planting of shade trees, cost of nursery, drainage, manual cultivation, fertilizers, agro-chemicals, pruning and infilling etc.

### 3.4.2.2. Subsequent Measurement:

Costs incurred for infilling including block infilling are generally recognized in the Statement of Profit and Loss unless there is a significant increase in the yield of the sections, in which case such costs are capitalized and depreciated over the remaining useful life of the respective sections.

### 3.4.2.3. Depreciation:

- Depreciation on bearer plants is recognised so as to write off its cost over useful lives, using the straight-line method.
- The estimated useful life, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.
- The residual value in case of Bearer Plants has been considered as NIL. Estimated useful life of the bearer plants has been determined as the following:

Tea Bushes	50 years
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### 3.4.2.4. Capital Work in Progress

Young tea bushes & shade trees, including the cost incurred for procurement of new seeds and maintenance of nurseries, are carried at cost less any recognized impairment losses under capital work-in-progress. Cost includes the cost of land preparation, new planting and maintenance of newly planted bushes until maturity. On maturity, these costs are classified under bearer plants. Depreciation of bearer plants commence on maturity.

## 3.5. LEASES

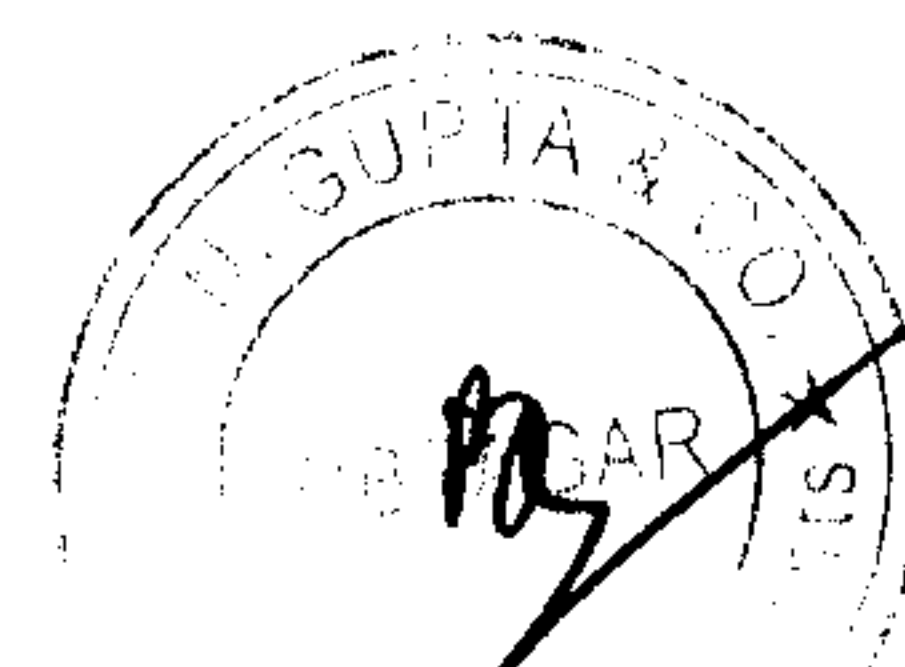
### 3.5.1. Determining whether an arrangement contains a lease

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

### 3.5.2. Company as lessor

#### ➤ Finance Lease

Leases which effectively transfer to the lessee substantially all the risks and benefits incidental to ownership of the leased item are classified and accounted for as finance lease. Lease rental receipts are apportioned between the finance income and capital repayment based on the implicit rate of return. Contingent rents are recognized as revenue in the period in which they are earned.





# KESHAVA PLANTATIONS PRIVATE LIMITED

Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2018

## 3.7.2. Other Long Term Employee Benefits

The liabilities for leaves that are not expected to be settled wholly within twelve months are measured as the present value of the expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the government securities (G-Sec) at the end of the reporting period that have terms approximating to the terms of related obligation. Remeasurements as the result of experience adjustment and changes in actuarial assumptions are recognized in statement of profit and loss.

## 3.7.3. Post Employment Benefits

The Company operates the following post employment schemes:

### ➤ Defined Contribution Plan

Defined contribution plans such as Provident Fund, Employee State Insurance etc. are charged to the statement of profit and loss as and when incurred. Further for certain employees the monthly contribution for provident fund is made to a trust administered by the company. The interest payable by the trust is notified by the government. The company has an obligation to make good the shortfall, if any. Based on the guidance note on measurement of provident fund liabilities from The Actuarial Society the actuary has provided the valuation of interest guaranteed on Provident Fund.

### ➤ Defined Benefit Plans

The liability or asset recognized in the Balance Sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods. The defined benefit obligation is calculated annually by Actuaries using the projected unit credit method.

The liability recognized for defined benefit plans is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets, together with adjustments for unrecognized actuarial gains or losses and past service costs. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. The benefits are discounted using the government securities (G-Sec) at the end of the reporting period that have terms approximating to the terms of related obligation.

Remeasurements of the net defined benefit obligation, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling, are recognized in other comprehensive income. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to the statement of profit and loss.

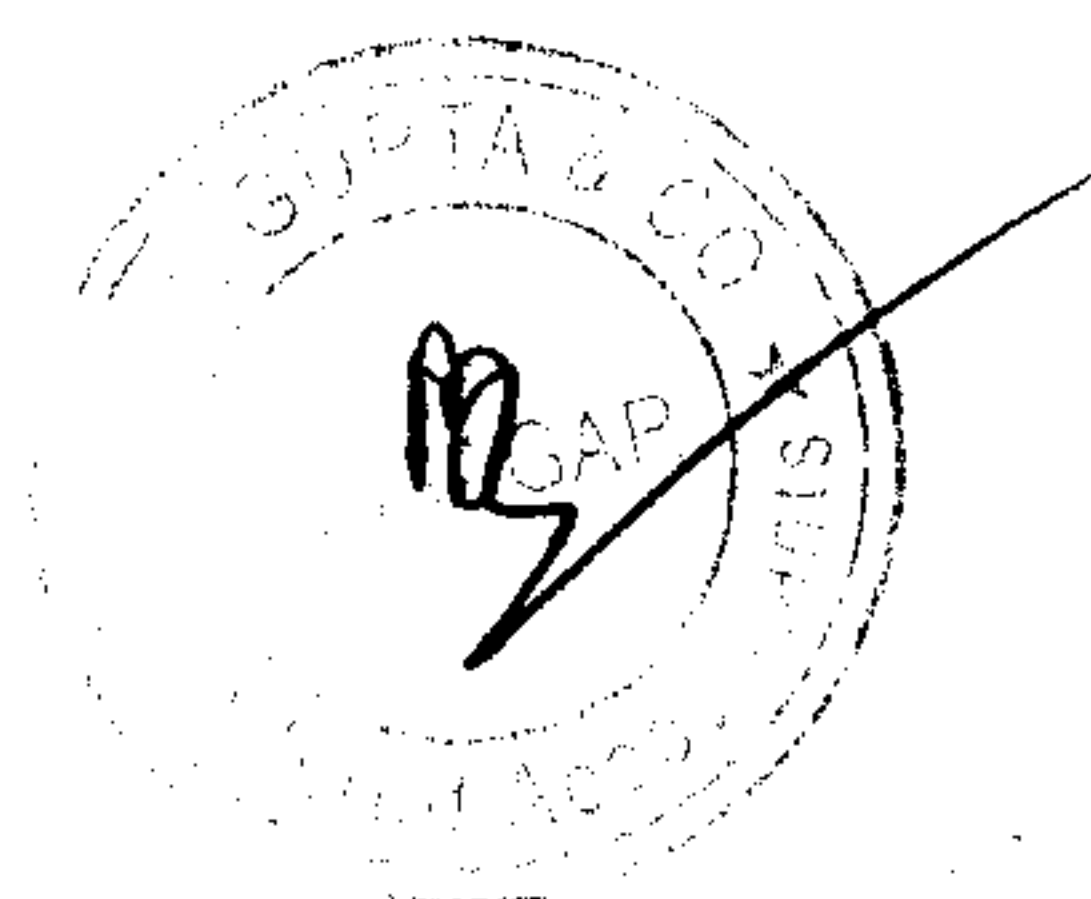
## 3.8. GOVERNMENT GRANTS

Government grants are recognised at their fair value, where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

The grant relating to the acquisition/ construction of an item of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on the same systematic basis as the respective assets are depreciated over their expected life and are presented within other operating income.

## 3.9. FOREIGN CURRENCY TRANSACTIONS

- Foreign currency (other than the functional currency) transactions are translated into the functional currency using the spot rates of exchanges at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchanges at the reporting date.
- Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities are generally recognized in profit or loss in the year in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those qualifying assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings, the balance is presented in the Statement of Profit and Loss within finance costs.
- Non monetary items are not retranslated at period end and are measured at historical cost (translated using the exchange rate at the transaction date).



# KESHAVA PLANTATIONS PRIVATE LIMITED

Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2018

## 3.10. BORROWING COSTS

- Borrowing Costs consists of interest and other costs that an entity incurs in connection with the borrowings of funds. Borrowing costs also includes foreign exchange difference to the extent regarded as an adjustment to the borrowing costs.
- Borrowing costs directly attributable to the acquisition or construction of a qualifying asset are capitalized as a part of the cost of that asset that necessarily takes a substantial period of time to complete and prepare the asset for its intended use or sale.
- Transaction costs in respect of long term borrowing are amortized over the tenure of respective loans using Effective Interest Rate (EIR) method. All other borrowing costs are recognized in the statement of profit and loss in the period in which they are incurred.

## 3.11. FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### 3.11.1. Financial Assets

#### ➤ Recognition and Initial Measurement:

All financial assets are initially recognized when the company becomes a party to the contractual provisions of the instruments. A financial asset is initially measured at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

#### ➤ Classification and Subsequent Measurement:

For purposes of subsequent measurement, financial assets are classified in four categories:

- Measured at Amortized Cost;
- Measured at Fair Value Through Other Comprehensive Income (FVTOCI);
- Measured at Fair Value Through Profit or Loss (FVTPL); and
- Equity Instruments designated at Fair Value Through Other Comprehensive Income (FVTOCI).

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

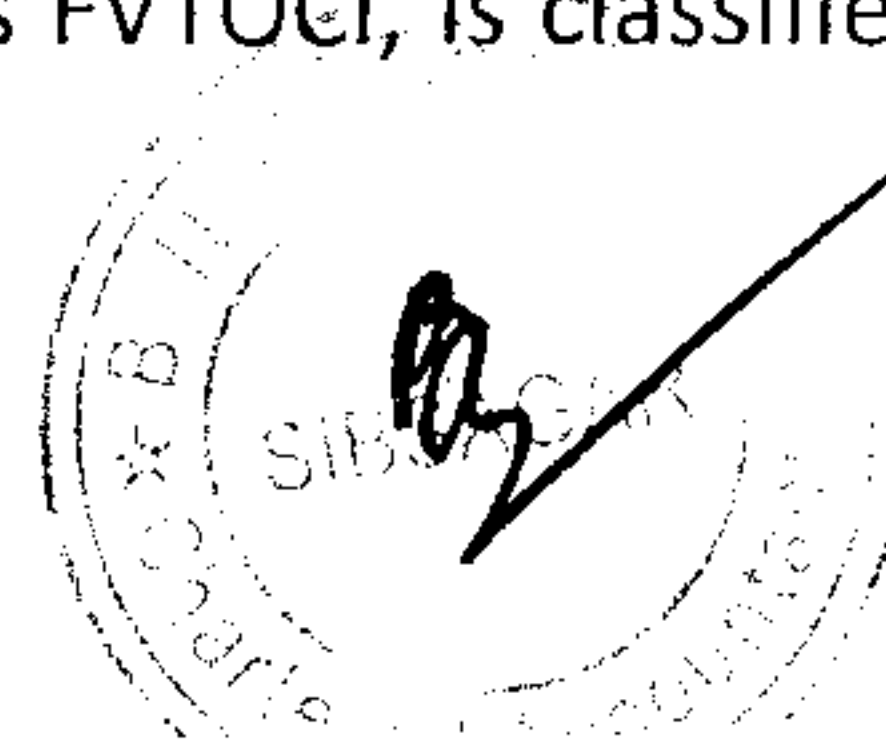
- Measured at Amortized Cost: A debt instrument is measured at the amortized cost if both the following conditions are met:
  - The asset is held within a business model whose objective is achieved by both collecting contractual cash flows; and
  - The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade receivables, cash and bank balances, loans and other financial assets of the company.

- Measured at FVTOCI: A debt instrument is measured at the FVTOCI if both the following conditions are met:
  - The objective of the business model is achieved by both collecting contractual cash flows and selling the financial assets; and
  - The asset's contractual cash flows represent SPPI.

Debt instruments meeting these criteria are measured initially at fair value plus transaction costs. They are subsequently measured at fair value with any gains or losses arising on remeasurement recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains or losses. Interest calculated using the effective interest method is recognized in the statement of profit and loss in investment income.

- Measured at FVTPL: FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as FVTPL. In addition, the company





# KESHAVA PLANTATIONS PRIVATE LIMITED

Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2018

may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss. Equity instruments which are, held for trading are classified as at FVTPL.

- Equity Instruments designated at FVTOCI: For equity instruments, which has not been classified as FVTPL as above, the company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. In case the company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment.

➤ Derecognition:

The Company derecognizes a financial asset on trade date only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

➤ Impairment of Financial Assets:

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS – 109 requires expected credit losses to be measured through a loss allowance. The company recognizes impairment loss for trade receivables that do not constitute a financing transaction using expected credit loss model, which involves use of a provision matrix constructed on the basis of historical credit loss experience. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

### 3.11.2. Financial Liabilities

➤ Recognition and Initial Measurement:

Financial liabilities are classified, at initial recognition, as at fair value through profit or loss, loans and borrowings, payables or as derivatives, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

➤ Subsequent Measurement:

Financial liabilities are measured subsequently at amortized cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

➤ Derecognition:

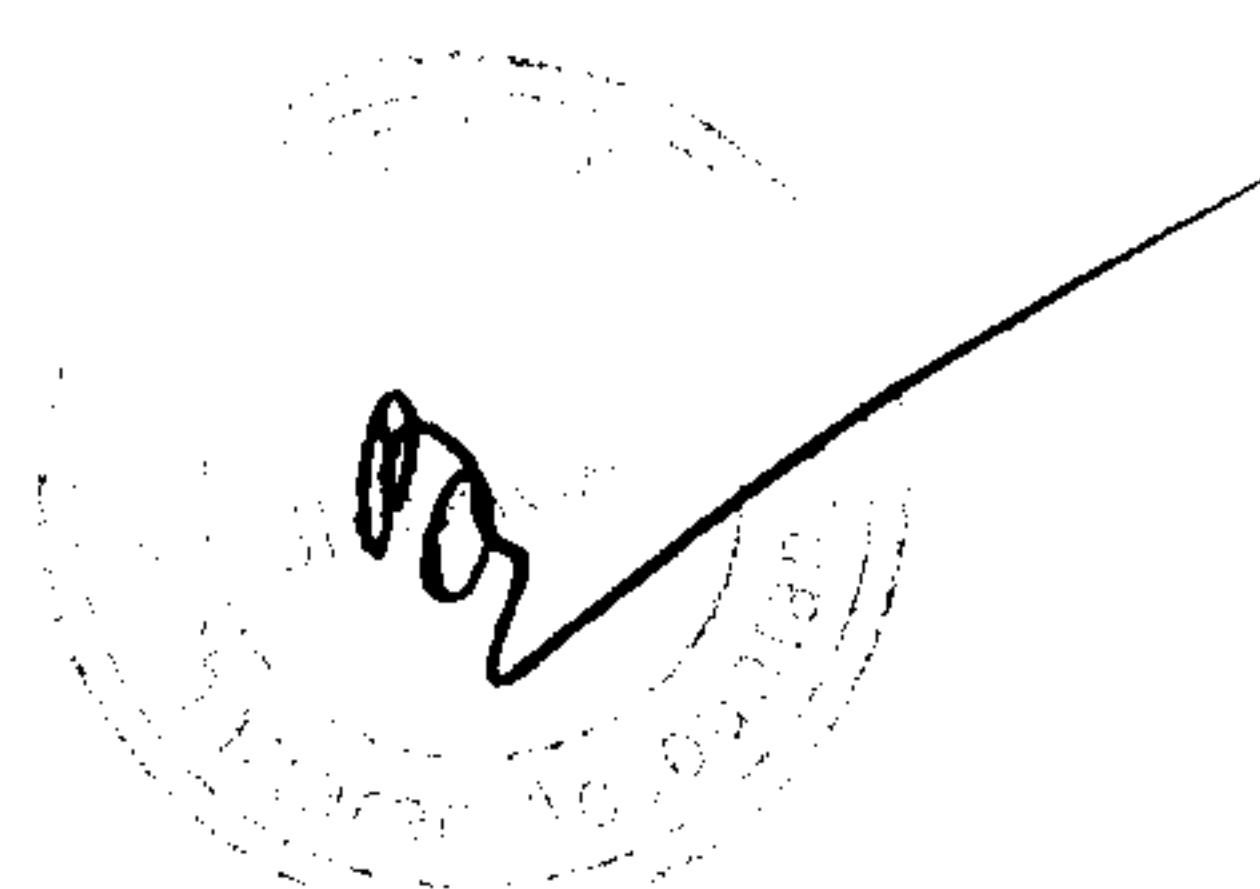
A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

### 3.11.3. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the counterparty.

### 3.12. Earnings Per Share

Basic Earnings per share (EPS) amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year. Diluted EPS amounts are calculated by dividing the profit attributable to equity holders adjusted for the effects of potential equity shares by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.



# KESHAVA PLANTATIONS PRIVATE LIMITED

Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2018

## 3.13. Impairment of Non-Financial Assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value being higher of value in use and net selling price. Value in use is computed at net present value of cash flow expected over the balance useful lives of the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (Cash Generating Units – CGU).

An impairment loss is recognized as an expense in the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in earlier accounting period is reversed if there has been an improvement in recoverable amount.

## 3.14. Provisions, Contingent Liabilities and Contingent Assets

### 3.14.1. Provisions

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

### 3.14.2. Contingent Liabilities

Contingent liability is a possible obligation arising from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events but is not recognized because it is not possible that an outflow of resources embodying economic benefit will be required to settle the obligations or reliable estimate of the amount of the obligations cannot be made. The Company discloses the existence of contingent liabilities in Other Notes to Financial Statements.

### 3.14.3. Contingent Assets

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits. Contingent Assets are not recognized though are disclosed, where an inflow of economic benefits is probable.

## 3.15. Non-Current Assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets are not depreciated or amortised.

## 3.16. Intangible Assets

### 3.16.1. Recognition and Measurement

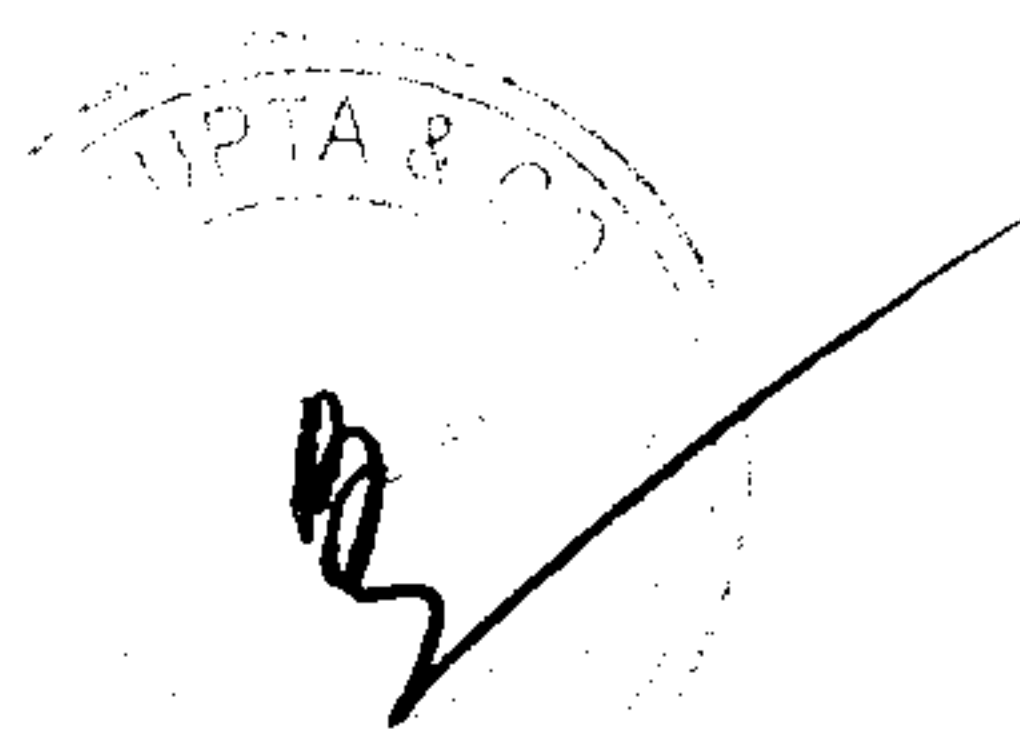
Software which is not an integral part of related hardware, is treated as intangible asset and are stated at cost on initial recognition and subsequently measured at cost less accumulated amortization and accumulated impairment loss, if any.

### 3.16.2. Subsequent Expenditure

Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the cost incurred will flow to the Company and the cost of the item can be measured reliably. All other expenditure is recognized in the Statement of Profit & Loss.

### 3.16.3. Amortization

- Intangible assets are amortized over a period of five years.





# KESHAVA PLANTATIONS PRIVATE LIMITED

Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2018

- The amortization period and the amortization method are reviewed at least at the end of each financial year. If the expected useful life of the assets is significantly different from previous estimates, the amortization period is changed accordingly.

## 3.16.4. Intangible Assets under Development

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

## 3.17. Biological Assets and Agricultural Produce

### 3.17.1. Biological Assets

Biological assets of the company comprise of un-harvested green tea leaves, unpicked cherries, latex on tree and timber that are classified as current biological assets.

The Company recognizes biological assets when, and only when, the Company controls the assets as a result of past events, it is probable that future economic benefits associated with such assets will flow to the company and the fair value or cost of the assets can be measured reliably. Expenditure incurred on biological assets is measured on initial recognition and at the end of each reporting period at its fair value less costs to sell. The gain or loss arising from a change in fair value less cost to sell of biological assets is included in Statement of Profit and Loss for the period in which it arises.

### 3.17.2. Agricultural Produce

The Company recognizes agricultural produce when, and only when, the Company controls the assets as a result of past events, it is probable that future economic benefits associated with such assets will flow to the Company and the fair value or the cost of the assets can be measured reliably. Agricultural produce harvested from the Company's biological assets are valued at fair value less cost to sell at the point of harvest. A gain or loss arising on initial recognition of agricultural produce at fair value less cost to sell shall be included in Statement of Profit & Loss for the period in which it arises.

The Company's agricultural produce comprises of green leaves plucked from its tea estate.

## 3.18. Operating Segment

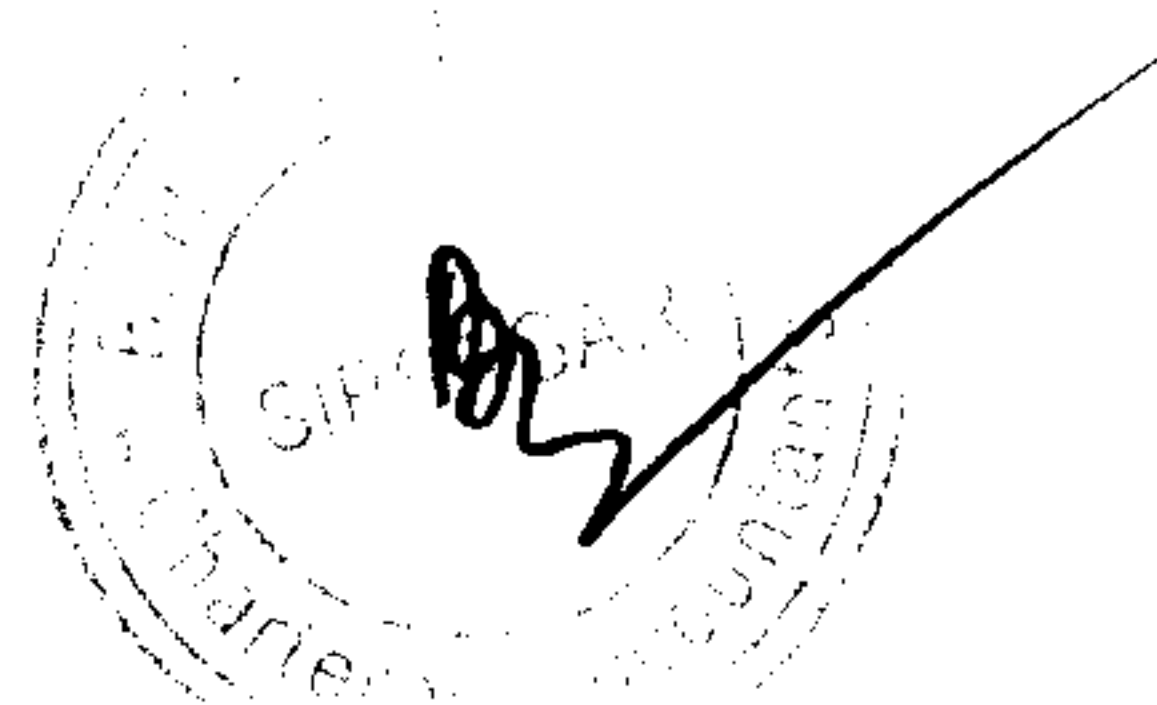
Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker of the Company is responsible for allocating resources and assessing performance of the operating segments and accordingly is identified as the chief operating decision maker.

The Company has identified single reporting segment i.e. tea.

## 4. SIGNIFICANT JUDGEMENTS AND KEY SOURCES OF ESTIMATION IN APPLYING ACCOUNTING POLICIES

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances. Information about Significant judgements and Key sources of estimation made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in the following notes:

- **Recognition of Deferred Tax Assets:** The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized. In addition, significant judgement is required in assessing the impact of any legal or economic limits.
- **Useful lives of depreciable/ amortisable assets (tangible and intangible):** Management reviews its estimate of the useful lives of depreciable/ amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to actual normal wear and tear that may change the utility of plant and equipment.
- **Classification of Leases:** The Company enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.
- **Defined Benefit Obligation (DBO):** Employee benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, medical cost trends, anticipation of future salary increases and the inflation rate. The Company considers that the



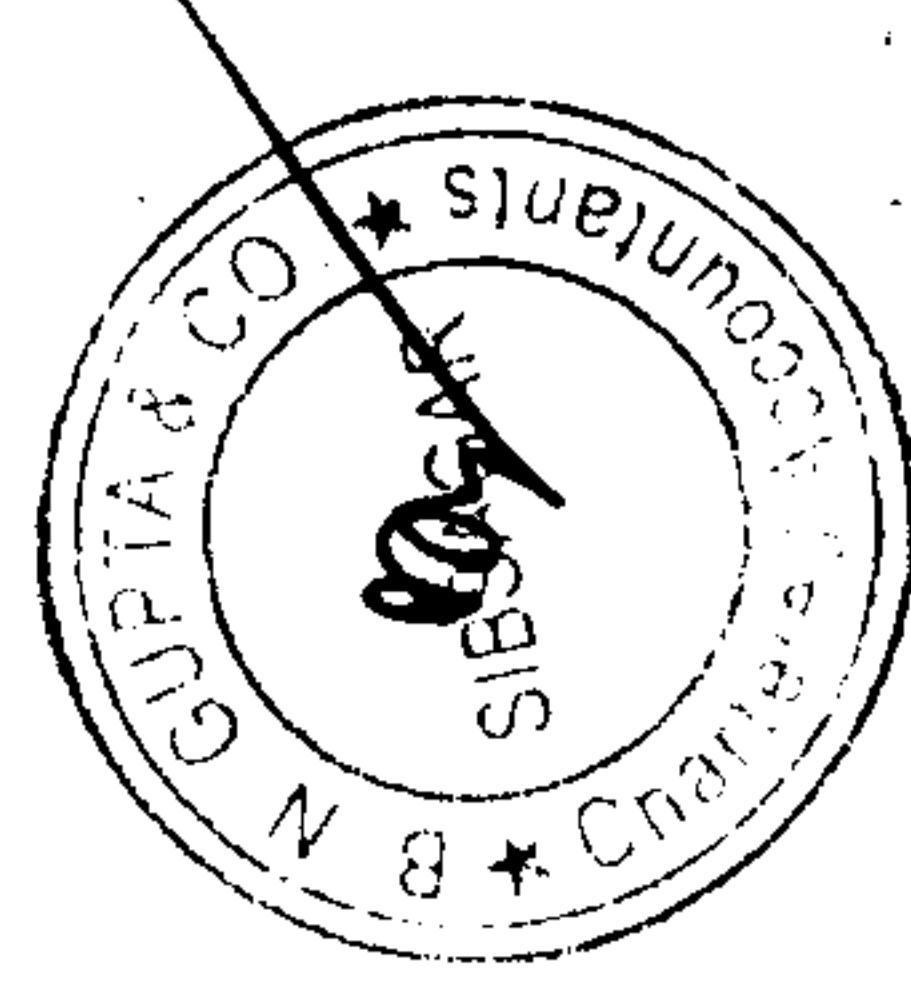
**5 PROPERTY, PLANT AND EQUIPMENT**

Particulars	Year Ended 31st March 2018						Net Carrying Amount	
	Gross Carrying Amount			Accumulated Depreciation				
	As at 31st March 2017	Additions	Disposals	As at 31st March 2018	As at 31st March 2017	Depreciation charged during the year		Deductions
Leasehold Land	135,897,000			135,897,000	-			135,897,000
Buildings	38,586,312	1,465,475		40,051,787	4,004,893	3,528,437		31,518,458
Plant and Machinery	35,905,753	733,747		36,639,500	9,140,296	6,876,473		20,622,731
Furniture and Fittings	546,735	30,500		577,236	111,597	95,588		370,051
Vehicles	493,915	62,111		556,027	133,106	82,081		340,840
Office Equipments	406,913	39,500		446,413	190,743	97,255		158,415
Bearer Plant	61,390,313		1,347,184	60,043,129	2,187,745	2,174,007	99,051	55,780,429
<b>Total</b>	<b>273,226,944</b>	<b>2,331,333</b>	<b>1,347,184</b>	<b>274,211,093</b>	<b>15,768,379</b>	<b>12,853,841</b>	<b>99,051</b>	<b>245,687,923</b>

Particulars	Year Ended 31st March 2017						Net Carrying Amount	
	Gross Carrying Amount			Accumulated Depreciation				
	Deemed cost as at 1st April 2016	Additions	Disposals	As at 31st March 2017	As at 1st April 2016	Depreciation charged during the year		Deductions
Leasehold Land	135,897,000			135,897,000	-			135,897,000
Buildings	38,545,999	40,313		38,586,312	-	4,004,893		34,581,420
Plant and Machinery	35,291,092	614,661		35,905,753	-	9,140,296		26,765,457
Furniture and Fittings	546,756			546,736	-	111,597		435,139
Vehicles	493,916			493,916	-	133,106		360,810
Office Equipments	342,665	64,228		406,913	-	190,743		216,170
Bearer Plant	61,390,313			61,390,313	-	2,187,745		59,202,569
<b>Total</b>	<b>272,507,742</b>	<b>719,202</b>	<b>-</b>	<b>273,226,944</b>	<b>-</b>	<b>15,768,379</b>	<b>-</b>	<b>257,458,564</b>

**Notes:**

5.1 Refer note no.19.1 for information on property, plant and equipment pledged as securities by the Company.



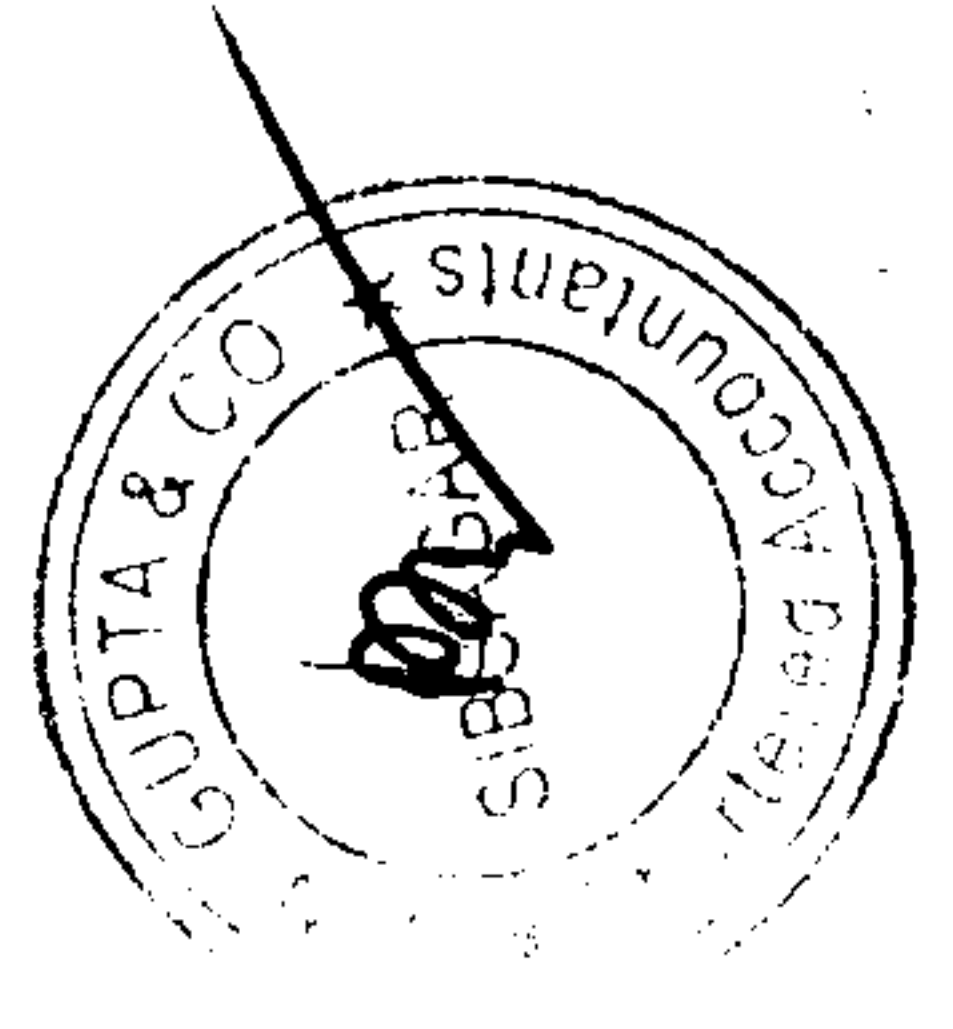


6 INTANGIBLE ASSETS

(Amount in Rs.)

Particulars	Year Ended 31st March 2018								
	Gross Carrying Amount			Accumulated Depreciation					
	As at 31st March 2017	Additions	Disposals	As at 31st March 2018	As at 31st March 2017	Depreciation charged during the year	Deductions	As at 31st March 2018	Net Carrying Amount
Computer Software	999,000			999,000	199,800	199,800		399,600	599,400
<b>Total</b>	<b>999,000</b>	<b>-</b>	<b>-</b>	<b>999,000</b>	<b>199,800</b>	<b>199,800</b>	<b>-</b>	<b>399,600</b>	<b>599,400</b>

Particulars	Year Ended 31st March 2017								
	Gross Carrying Amount			Accumulated Depreciation					
	Deemed cost as at 1st April 2016	Additions	Disposals	As at 31st March 2017	As at 1st April 2016	Depreciation charged during the year	Deductions	As at 31st March 2017	Net Carrying Amount
Computer Software	-	999,000		999,000	-	199,800		199,800	799,200
<b>Total</b>	<b>-</b>	<b>999,000</b>	<b>-</b>	<b>999,000</b>	<b>-</b>	<b>199,800</b>	<b>-</b>	<b>199,800</b>	<b>799,200</b>



**KESHAVA PLANTATION PRIVATE LIMITED**  
CIN No. U01132AS1999PTC005666  
Notes to Financial Statements as on and for the year ended 31st March, 2018

(Amount in Rs.)

Refer Note No.	Long Term			Short Term		
	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
<b>7 LOANS</b>						
Security Deposit						
Secured, considered good	2,712,282	2,712,282	2,712,282			
	<u>2,712,282</u>	<u>2,712,282</u>	<u>2,712,282</u>			
Other Loans and Advances, unsecured, considered good unless otherwise mentioned						
Loan / Advance to Employees				81,296	151,768	270,207
				<u>81,296</u>	<u>151,768</u>	<u>270,207</u>
<b>Total Loans</b>	<u>2,712,282</u>	<u>2,712,282</u>	<u>2,712,282</u>	<u>81,296</u>	<u>151,768</u>	<u>270,207</u>

7.1 No Loans are due from directors or other officers of the company either severally or jointly with any other person. Nor any loan are due from firms or private companies respectively in which any director is a partner, a director or a member.

	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
<b>8 NON CURRENT TAX ASSETS (NET)</b>			
Advance Income Tax & TDS	835,122	1,132,341	1,130,347
	<u>835,122</u>	<u>1,132,341</u>	<u>1,130,347</u>

	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
<b>9 INVENTORIES</b> (As valued and certified by the Management)			
Finished Goods	2,990,978	6,152,340	4,075,389
Stores and Spares (net of obsolesce)	4,012,854	5,077,916	1,902,397
	<u>7,003,832</u>	<u>11,230,256</u>	<u>5,977,786</u>

9.1 Refer note no. 35 for information on inventories pledged as securities by the Company.

	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
<b>10 Biological Asset other than Bearer Plant</b>			
Biological Asset other than Bearer Plant	436,936	239,951	283,850
	<u>436,936</u>	<u>239,951</u>	<u>283,850</u>

Refer Note No.	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
<b>11 TRADE RECEIVABLES</b>			
Trade Receivables	1,946,769	4,407,435	2,981,790
<b>Total Trade Receivables</b>	<u>1,946,769</u>	<u>4,407,435</u>	<u>2,981,790</u>
<b>Break Up of Security Details</b>			
Secured, considered good			
Unsecured, considered good	1,946,769	4,407,435	2,981,790
<b>Total Trade Receivables</b>	<u>1,946,769</u>	<u>4,407,435</u>	<u>2,981,790</u>

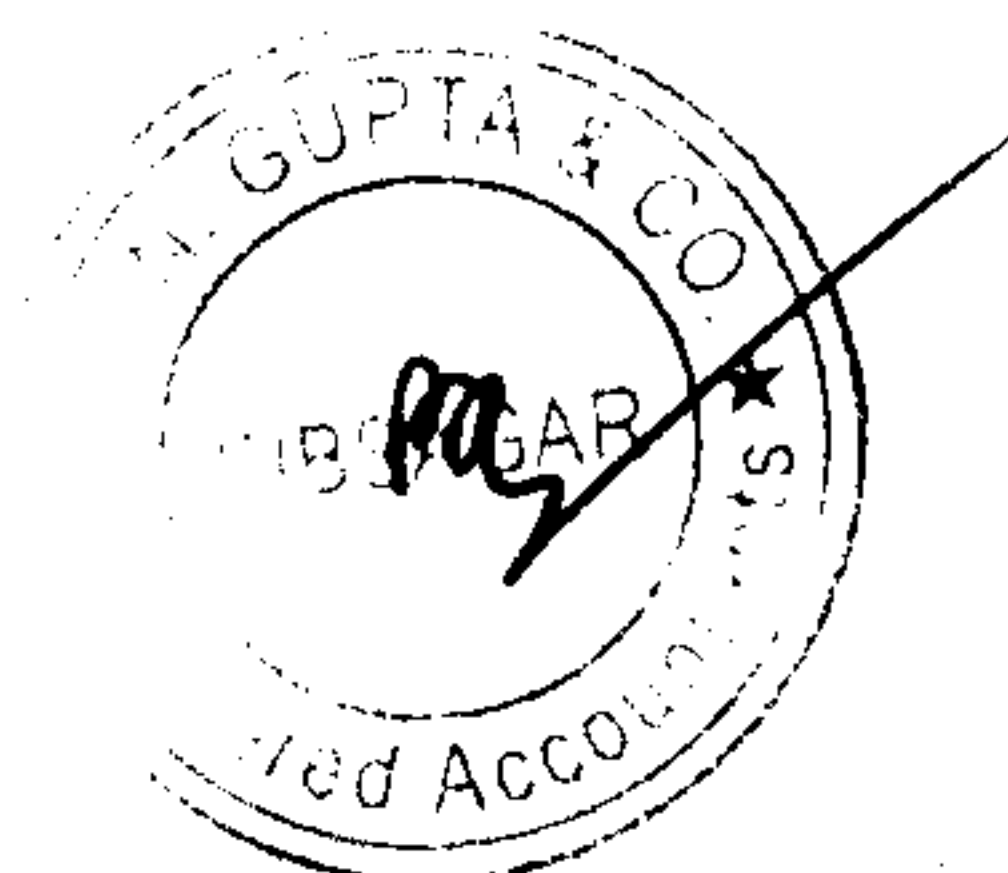
11.1 Refer Note No. 35 for information on Trade Receivables pledges as securities by the Company.

11.2 Trade Receivables are non-interest bearing and are generally on terms of 30 days.

11.3 No trade or other receivables are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
<b>12 CASH AND CASH EQUIVALENTS</b>			
Balances With Banks :			
In Current Account	46,057	155,937	283,844
Cash in Hand	118,058	84,322	4,071,066
	<u>164,115</u>	<u>240,259</u>	<u>4,354,910</u>

	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
<b>13 OTHERS FINANCIAL ASSETS</b>			
Deposit with Nabard	362,465	362,465	362,465
Interest accrued on Fixed deposit / Loan	64,827	52,187	34,245
Others Receivable	11,878	99,776	
	<u>439,170</u>	<u>514,428</u>	<u>396,710</u>





**KESHAVA PLANTATION PRIVATE LIMITED**  
CIN No. U01132AS1999PTC005666  
Notes to Financial Statements as on and for the year ended 31st March, 2018

(Amount in Rs.)

	Short-term		
	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
<b>14 OTHER CURRENT ASSETS</b>			
Advances to Suppliers & Service Providers	26,456	35,335	103,190
Balances with Government & Statutory Authorities	686,505	17,706	78,791
Prepaid Expenses	90,160	187,860	-
Incentive & Subsidy Receivable	289,008	-	-
<b>Total Other Current Assets</b>	<b>1,092,129</b>	<b>240,901</b>	<b>181,981</b>

	As at 31st March 2018		As at 31st March 2017		As at 1st April 2016	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
<b>15 EQUITY SHARE CAPITAL</b>						
<b>15.1 Authorised Share Capital</b>						
<u>Equity Shares:</u>						
Ordinary Shares of Rs. 100/- each	100,000	10,000,000	100,000	10,000,000	100,000	10,000,000
	<b>100,000</b>	<b>10,000,000</b>	<b>100,000</b>	<b>10,000,000</b>	<b>100,000</b>	<b>10,000,000</b>
<b>15.2 Issued Share Capital</b>						
Ordinary Shares of Rs. 100/- each	80,000	8,000,000	80,000	8,000,000	80,000	8,000,000
	<b>80,000</b>	<b>8,000,000</b>	<b>80,000</b>	<b>8,000,000</b>	<b>80,000</b>	<b>8,000,000</b>
<b>15.3 Subscribed and Paid-up Share Capital</b>						
Ordinary Shares of Rs. 100/- each fully paid-up	80,000	8,000,000	80,000	8,000,000	80,000	8,000,000
	<b>80,000</b>	<b>8,000,000</b>	<b>80,000</b>	<b>8,000,000</b>	<b>80,000</b>	<b>8,000,000</b>

**15.4 Reconciliation of the number of shares at the beginning and at the end of the year**

There has been no change/ movements in number of shares outstanding at the beginning and at the end of the year.

**15.5 Terms/ Rights attached to Equity Shares :**

The Company has only one class of issued shares i.e. Ordinary Shares having par value of Rs. 100/- per share. Each holder of Ordinary Shares is entitled to one vote per share and equal right for 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.

**15.6 Shareholding Pattern with respect of Holding or Ultimate Holding Company**

Entire shareholding of the company was acquired by M/S. Joonktolllee Tea & Industries Limited on 5th April, 2016. By virtue of the same, M/S. Joonktolllee Tea & Industries Limited has become the holding company of the company w.e.f. 5th April, 2016, and the company has become its wholly owned subsidiary.

**15.7 Details of Equity Shareholders holding more than 5% shares in the Company**

	As at 31st March 2018		As at 31st March 2017		As at 1st April 2016	
	No. of Shares	% Holding	No. of Shares	% Holding	No. of Shares	% Holding
<b>Ordinary Shares of ₹ 10/- each fully paid</b>						
Joonktolllee Tea & Industries Limited and its nominees	80,000	100%	80,000	100%	-	-
Jaya Chaliha					40,000	61.25%
Ruby Hazarika					10,000	12.50%
Rekha Basu					10,000	12.50%
Minakshi Basu					10,000	12.50%

**15.8** No ordinary shares have been reserved for issue under options and contracts/ commitments for the sale of shares/ disinvestment as at the Balance Sheet date

**15.9** No Ordinary 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.

**15.10** No securities convertible into Equity/ Preference shares have been issued by the Company during the year.

**15.11** No calls are unpaid by any Director or Officer of the Company during the year.

	Refer Note No.	As at		
		31st March 2018	31st March 2017	1st April 2016
<b>16 OTHER EQUITY</b>				
Capital Reserve	16.1	500,000	500,000	500,000
Retained Earnings	16.2	164,423,492	178,492,159	189,165,215
		<b>164,923,492</b>	<b>178,992,159</b>	<b>189,665,215</b>

**16.1 Capital Reserve**

Balance at the beginning and at the end of the year

As at 31st March 2018	As at 31st March 2017
500,000	500,000

**16.2 Retained Earnings**

Balance at the beginning of the year

Add: Other Comprehensive Income arising from remeasurement of defined benefit obligation (net of tax)

Add: Profit for the year

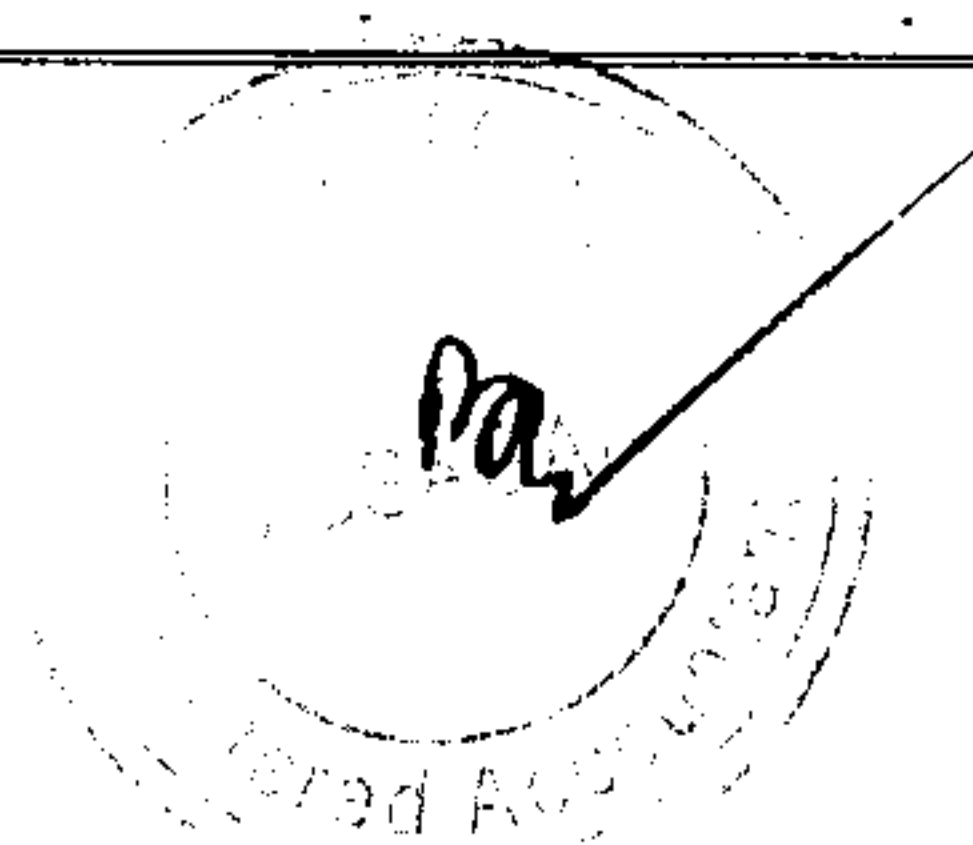
Balance at the end of the year

As at 31st March 2018	As at 31st March 2017
178,492,160	189,165,215
810,300	1,877,783
(14,878,968)	(12,550,837)
<b>164,423,492</b>	<b>178,492,160</b>

Other Equity

<b>164,923,492</b>	<b>178,992,160</b>
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	Non-Current Portion			Current Maturities		
	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
<b>17 NON CURRENT BORROWINGS</b>						
<b>Unsecured</b>						
Deposit from Director & relatives			7,386,003			
			<b>7,386,003</b>			



**KESHAVA PLANTATION PRIVATE LIMITED**  
CIN No. U01132AS1999PTC005666  
Notes to Financial Statements as on and for the year ended 31st March, 2018

(Amount in Rs.)

	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
<b>18 DEFERRED TAX LIABILITIES (NET)</b>			
<b>Deferred Tax Liabilities</b>			
Arising on account of :			
Property, Plant & Equipments & Intangible Assets	22,722,486	25,299,381	34,475,233
	<u>22,722,486</u>	<u>25,299,381</u>	<u>34,475,233</u>
<b>Less: Deferred Tax Assets</b>			
Arising on account of :			
Section 43B of Income-tax Act	2,635,609	2,645,801	3,544,539
Unabsorbed Depreciation/ Carried Forward Business Losses 18.1	1,740,231	887,619	-
	<u>4,375,840</u>	<u>3,533,421</u>	<u>3,544,539</u>
<b>Deferred Tax Liabilities (Net)</b>	<u>18,346,646</u>	<u>21,765,960</u>	<u>30,930,694</u>

18.1 The recognition of deferred tax asset on unabsorbed depreciation/business losses has been restricted to the extent of deferred tax liability on account of timing difference in respect of depreciation, the reversal of which is virtually certain.

18.2 Movement in deferred tax asset and deferred tax liabilities during the year ended 31st March, 2017 and 31st March, 2018

Particulars	As at 1st April, 2016	Recognized in Statement of Profit & Loss	Recognized in Other Comprehensive Income	As at 31st March, 2017
<b>Deferred Income Tax Liabilities</b>				
Property, Plant & Equipments & Intangible Assets	34,475,233	(9,175,853)		25,299,381
	<u>34,475,233</u>	<u>(9,175,853)</u>	-	<u>25,299,381</u>
<b>Deferred Income Tax Assets</b>				
Items u/s 43B of the Income Tax Act, 1961	3,544,539	(247,520)	(651,218)	2,645,801
Unabsorbed Depreciation/ Carried Forward Business Losses		887,619		887,619
	<u>3,544,539</u>	<u>640,099</u>	<u>(651,218)</u>	<u>3,533,421</u>
Particulars	As at 31st March, 2017	Recognized in Statement of Profit & Loss	Recognized in Other Comprehensive Income	As at 31st March, 2018
<b>Deferred Income Tax Liabilities</b>				
Property, Plant & Equipments & Intangible Assets	25,299,381	(2,576,894)		22,722,486
	<u>25,299,381</u>	<u>(2,576,894)</u>	-	<u>22,722,486</u>
<b>Deferred Income Tax Assets</b>				
Items u/s 43B of the Income Tax Act, 1961	2,645,801	274,507	(284,700)	2,635,609
Unabsorbed Depreciation/ Carried Forward Business Losses	887,619	852,612		1,740,231
	<u>3,533,421</u>	<u>1,127,119</u>	<u>(284,700)</u>	<u>4,375,840</u>

18.3 Deferred Tax Assets and Deferred Tax Liabilities have been offset wherever the Company has a legally enforceable right to sell off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income tax levied by the same taxation authority.

	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
<b>19 SHORT TERM BORROWINGS</b>			
<b>Secured</b>			
Working Capital loans repayable on demand			
From Federal Bank Limited 19.1 & 19.2	31,849,663	25,723,698	27,765,599
<b>Unsecured</b>			
Working Capital loans repayable on demand			
From Holding Company	20,000,000	26,705,147	7,022,770
From Others			1,651,027
	<u>51,849,663</u>	<u>52,428,845</u>	<u>36,439,396</u>

19.1 Details of Security Given for Loan

Working capital loan from Bank is secured by equitable mortgage of Azizbagh Tea Estate and also by way of hypothecation of standing tea crop, tea in process, finished tea in factory etc. and book debts of the company. The same carries interest @ 9.60% p.a.

19.2 Refer note no. 35 for information on the carrying amounts of financial and non-financial assets pledged as security for current borrowings.

	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
<b>20 TRADE PAYABLES</b>			
Trade Payables for goods and services			
Total outstanding dues of creditors to micro enterprises and small enterprises	5,820,096	3,839,016	3,304,257
Total outstanding dues of creditor to other than micro enterprises and small enterprises	<u>5,820,096</u>	<u>3,839,016</u>	<u>3,304,257</u>
	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
<b>21 OTHER CURRENT FINANCIAL LIABILITIES</b>			
Employee Related Liability	777,451	822,581	917,228
	<u>777,451</u>	<u>822,581</u>	<u>917,228</u>

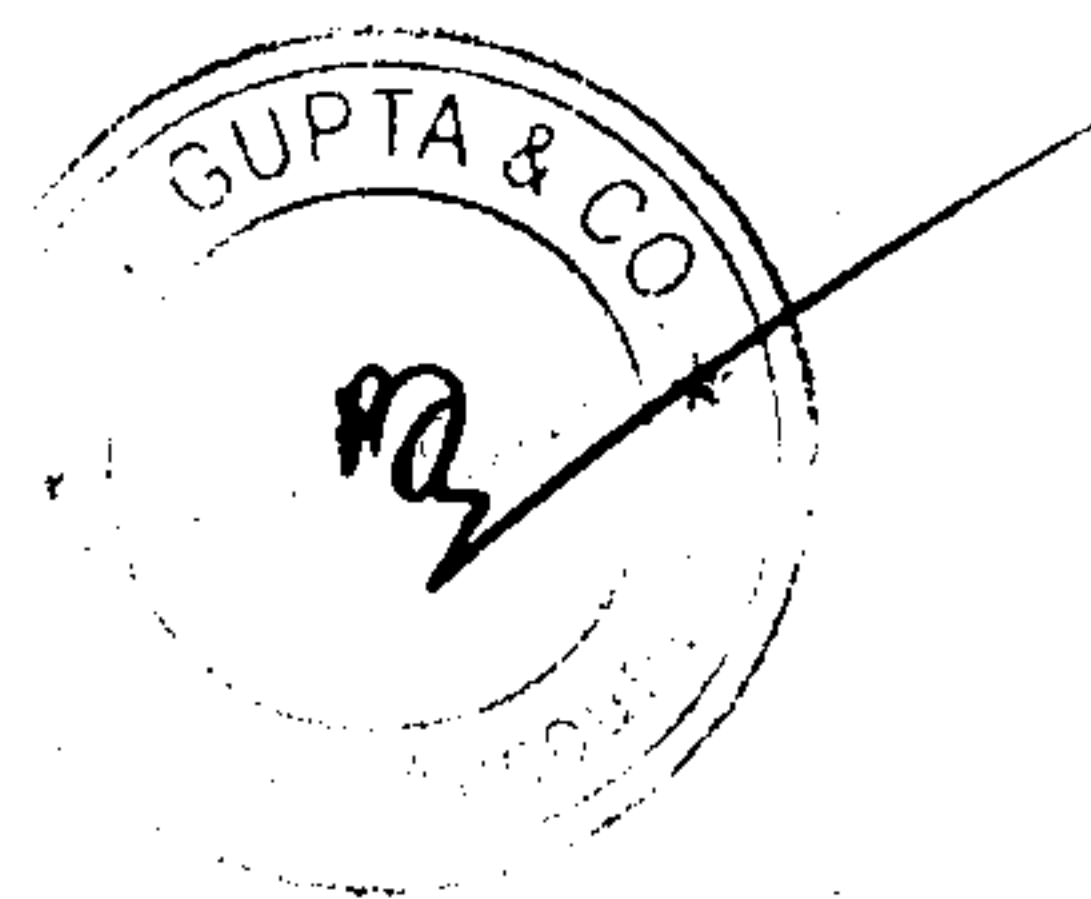
	Long-term			Short-term		
	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
<b>22 PROVISIONS</b>						
Provision for Employee Benefits						
Gratuity	10,136,957	10,274,957	11,471,000	1,924,760	1,714,914	2,041,641
Bonus						
	<u>10,136,957</u>	<u>10,274,957</u>	<u>11,471,000</u>	<u>1,924,760</u>	<u>1,714,914</u>	<u>2,041,641</u>





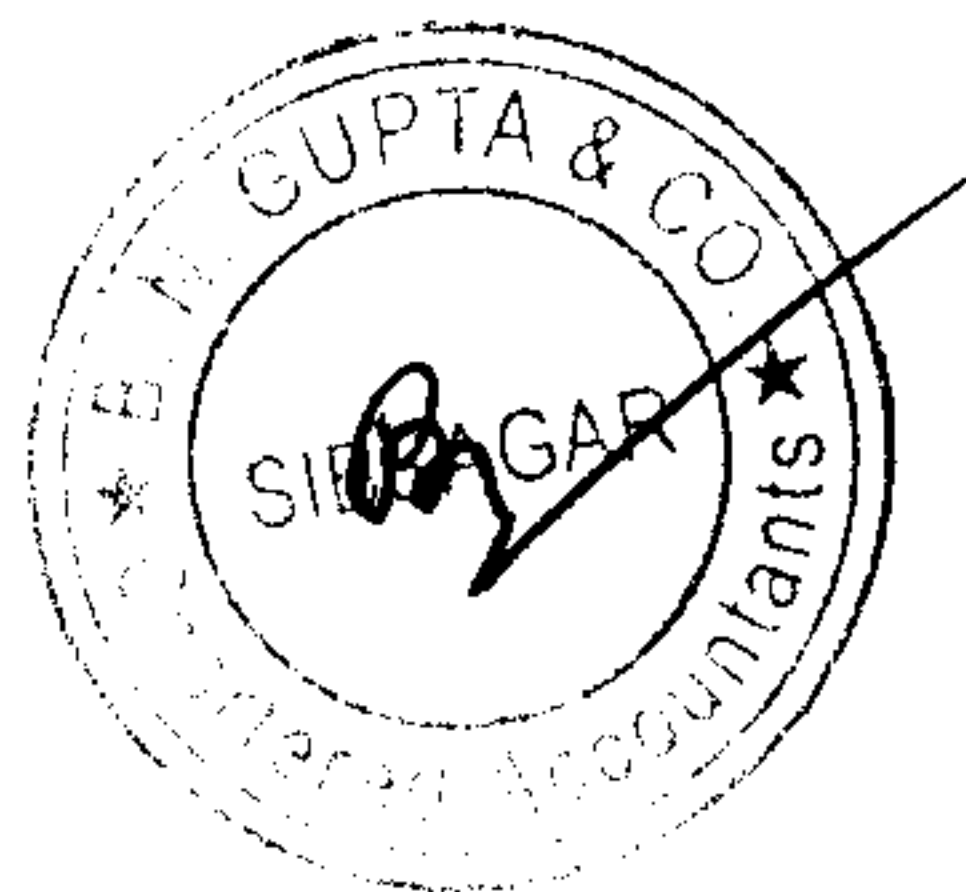
**KESHAVA PLANTATION PRIVATE LIMITED**  
CIN No. U01132AS1999PTC005666  
Notes to Financial Statements as on and for the year ended 31st March, 2018

		(Amount in Rs.)		
		As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
<b>23</b>	<b>OTHER CURRENT LIABILITIES</b>			
	Statutory Dues Payable	962,227	1,273,583	642,170
	Advances Received from Customers	-	385,208	-
		<u>962,227</u>	<u>1,658,791</u>	<u>642,170</u>
<b>24</b>	<b>REVENUE FROM OPERATIONS</b>			
	Sale of Finished Goods		65,569,332	62,987,738
	Other Operating Revenues		722,521	270,026
	Incentives & Subsidies		-	19,380
	Insurance and Other Claims (Net)		722,521	289,406
			<u>66,291,853</u>	<u>63,277,144</u>
<b>25</b>	<b>OTHER INCOME</b>			
	Interest Income at amortised cost			
	On Deposits		45,660	61,030
	Other Non Operating Income			
	Excess Liabilities and Unclaimed Balances written back		361,615	227,702
	Miscellaneous Income		447,307	4,810
	Changes in Fair value of Biological assets		196,985	(43,899)
			<u>1,051,567</u>	<u>249,643</u>
<b>26</b>	<b>(INCREASE)/ DECREASE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND TRADED GOODS</b>			
	Inventories at the beginning of the year			
	Tea		2,990,977	6,152,340
			<u>2,990,977</u>	<u>6,152,340</u>
	Inventories at the end of the year			
	Tea		6,152,340	4,075,389
			<u>6,152,340</u>	<u>4,075,389</u>
	Total changes in inventories of work-in-progress, stock-in-trade and finished goods		<u>3,161,363</u>	<u>(2,076,951)</u>
<b>27</b>	<b>EMPLOYEE BENEFITS EXPENSE</b>			
	Salaries & Wages		30,995,182	29,045,635
	Contribution to Provident Funds and Others		3,912,756	3,727,748
	Contribution to Gratuity Fund		1,457,000	1,910,000
	Staff Welfare Expenses		4,021,668	3,674,814
			<u>40,386,606</u>	<u>38,358,197</u>
	Less: Transferred to Bearer Plant		248,229	9,887
			<u>40,138,377</u>	<u>38,348,310</u>
<b>28</b>	<b>FINANCE COST</b>			
	Interest Expenses			
	To Banks On Working Capital Loans		6,455,858	6,001,912
	Other Borrowing Costs			
	Other Financial Charges		25,813	100,625
			<u>6,481,671</u>	<u>6,102,537</u>
	Less: Amount Capitalised	28.1	80,316	23,801
			<u>6,401,355</u>	<u>6,078,736</u>
<b>28.1</b>	Note: The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the entity's general borrowings during the year, in this case 12.43% (31st March, 2017 - 13.76%).			
<b>29</b>	<b>DEPRECIATION AND AMORTIZATION EXPENSES</b>			
	On Tangible Assets		10,679,834	13,580,635
	On Intangible Assets		199,800	199,800
	On Bearer Plant		2,174,007	2,187,745
			<u>13,053,641</u>	<u>15,968,179</u>



KESHAVA PLANTATION PRIVATE LIMITED  
CIN No. U01132AS1999PTC005666  
Notes to Financial Statements as on and for the year ended 31st March, 2018

	(Amount in Rs.)	
	For the year ended 31st March 2018	For the year ended 31st March 2017
<b>30 OTHER EXPENSES</b>		
<b>Manufacturing Expenses</b>		
Stores, Spare Parts & Packing Materials Consumed	1,002,997	962,825
Power & Fuel	7,019,423	7,142,520
Cultivations	6,343,950	6,650,613
Repairs to Buildings	794,297	609,823
Repairs to Machinery	1,140,302	1,970,526
Repairs to Other Assets	13,800	55,481
Tea Cess	43,817	203,850
	<u>16,358,586</u>	<u>17,595,638</u>
Less: Transferred to Bearer Plant	-	-
	<u>16,358,586</u>	<u>17,595,638</u>
<b>Selling and Administration Expenses</b>		
Freight & Cartage	702,271	1,631,975
Commission, Brokerage & Discount	566,111	1,246,203
Rates & Taxes	997,697	1,176,802
Insurance	164,134	61,789
Vehicle Running & Maintenance Expense	1,173,906	1,003,466
<b>Auditors' Remuneration -</b>		
Audit Fees	35,500	35,500
Loss/(Profit) on sale/Discard of Fixed Assets	1,248,133	-
Travelling Expenses	24,802	-
Director Sitting Fees	80,000	100,000
Prior Period Expenses	-	39,613
Other Miscellaneous Expenses	1,820,526	4,684,316
	<u>6,813,080</u>	<u>9,979,664</u>
<b>31 TAX EXPENSE</b>		
Current Tax	-	-
Deferred Tax	(3,704,014)	(9,815,952)
	<u>(3,704,014)</u>	<u>(9,815,952)</u>
<b>31.1 Reconciliation of estimated Income tax expense at statutory Income tax rate to income tax expense reported in statement of Total Comprehensive Income</b>		
	<u>31st March 2018</u>	<u>31st March 2017</u>
Profit before income tax expense	(18,582,982)	(22,366,789)
Statutory Income Tax rate*	25.75%	30.90%
Estimated Income Tax Expense	(4,785,118)	(6,911,338)
<i>Tax effect of adjustments to reconcile expected income tax expense to reported Income tax expense</i>		
Deferred Tax/MAT Credit Entitlement	(3,419,314)	(9,164,735)
Others	(1,365,804)	2,253,397
	<u>(4,785,118)</u>	<u>(6,911,338)</u>
<b>Income tax expense in Statement of Profit &amp; Loss</b>	<u>(0)</u>	<u>(0)</u>
* Applicable Statutory Income Tax rate for Fiscal Year 2018 is 25.75% & 2017 is 30.90%.		
<b>32 OTHER COMPREHENSIVE INCOME</b>		
<b>Items that will not be reclassified to profit or loss</b>		
Remeasurement of the defined benefit plans	1,095,000	2,529,000
Less: Tax expense on the above	(284,700)	(651,218)
	<u>810,300</u>	<u>1,877,783</u>
	<u>810,300</u>	<u>1,877,783</u>
<b>33 Earning per Shares</b>		
Nominal Value of Equity Shares (Rs.)	100	100
Profit attributed to the Equity shareholders of the Company	(14,878,968)	(12,550,837)
Weighted average number of equity shares	80,000	80,000
Basis and diluted earning per shares (Rs.)	<u>(185.99)</u>	<u>(156.89)</u>
There are no dilutive equity shares in the Company.		





34 **Contingent Liabilities, Contingent Assets & Commitment**

The Company does not have any Contingent Liabilities, Contingent Assets & Commitment.

35 **Assets pledged as security**

The carrying amounts of assets pledged as security for current are:

Particulars	Refer Note No.	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017	As at 1 <sup>st</sup> April 2016
<b>Current</b>				
<b>Financial assets</b>		<b>1,946,769</b>	<b>4,407,435</b>	<b>2,981,790</b>
<b>First charge</b>				
Trade Receivables	11	1,946,769	4,407,435	2,981,790
<b>Non-financial assets</b>		<b>7,003,832</b>	<b>11,230,256</b>	<b>5,977,786</b>
<b>First charge</b>				
Inventories	9	7,003,832	11,230,256	5,977,786
<b>Total current assets pledged as security</b>		<b>8,950,601</b>	<b>15,637,691</b>	<b>8,959,576</b>
<b>Non-current</b>				
<b>First charge</b>				
Property, Plant & Equipments	5	245,687,923	257,458,564	272,507,742
<b>Total non-currents assets pledged as security</b>		<b>245,687,923</b>	<b>257,458,564</b>	<b>272,507,742</b>
<b>Total assets pledged as security</b>		<b>254,638,524</b>	<b>273,096,255</b>	<b>281,467,318</b>

36 Disclosure as required under the micro, small and medium enterprises development act, 2006, to the extent ascertained, and as per notification number GSR 679 (E) dated 4th September, 2015

Sl. No.	Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017	As at 1 <sup>st</sup> April 2016
i	The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each financial year.	-	-	-
ii	The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-	-
iii	The amount of interest due and payable for the period of delay in making payment but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-	-
iv	The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-	-
v	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-	-

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

37 **Disclosure pursuant to Indian Accounting Standard - 19 'Employee Benefits' as notified u/s 133 of the Companies Act, 2013 read with Rule 7 of Companies (Accounts) Rules, 2014 (As identified & certified by the Management)**

37.1 **Defined Contribution Plan:**

The Company makes contribution towards provident fund to a defined contribution retirement plan for qualifying employees. The Provident fund plan is operated by statutory authorities. Under the said scheme the company is required to contribute a specific percentage of pay roll costs in respect of eligible employees to the retirement benefit scheme to fund the benefits.

The amount recognized as an expense for the Defined Contribution Plans are as under:

Sl. No.	Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
a	Provident Fund	3912756	3727748

37.2 **Defined Benefit Plan:**

The following are the types of defined benefit plans

37.2.1 **Gratuity Plan**

The Company makes annual contribution of gratuity to gratuity funds duly constituted and administered by independent trustees and funded with Life Insurance Corporation of India/ independent trust for the qualifying employees. 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.

### 37.2.3 Risk Exposure

Through its defined benefit plans, the company is exposed to a number of risks, the most significant of which are detailed below:

<b>Asset Volatility</b>	The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. Most of the plan asset investments is in fixed income securities with high grades and in government securities. These are subject to interest rate risk and the fund manages interest rate risk with derivatives to minimise risk to an acceptable level. A portion of the funds are invested in equity securities and in alternative investments which have low correlation with equity securities. The equity securities are expected to earn a return in excess of the discount rate and contribute to the plan deficit. The group has a risk management strategy where the aggregate amount of risk exposure on a portfolio level is maintained at a fixed range. Any deviations from the range are corrected by rebalancing the portfolio. The group intends to maintain the above investment mix in the continuing years.
<b>Changes in Bond Yield</b>	A decrease in bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.
<b>Inflation Risk</b>	In the pension plans, the pensions in payment are not linked to inflation, so this is a less material risk.
<b>Life Expectancy</b>	The pension and medical plan obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plans' liabilities. This is particularly significant where inflationary increases result in higher sensitivity to changes in life expectancy.

### 37.2.4 Reconciliation of the net defined benefit (asset)/ liability

(Amount in lacs)

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit (asset)/ liability and its components:

Particulars	Gratuity	
	2017-18	2016-17
Net defined benefit asset/(liability) at the beginning of the year	(102.75)	(114.71)
Service Cost	(7.45)	(10.31)
Net interest on net defined benefit (liability)/asset	(7.12)	(8.73)
Amount recognised in OCI	10.95	25.23
Employer contributions	5.00	5.77
Net defined benefit asset/(liability) at the end of the year	(101.37)	(102.75)

### 37.2.5 Reconciliation of the Plan Assets

The following table shows a reconciliation from the opening balances to the closing balances for the Plan Assets and its components:

Particulars	Gratuity	
	2017-18	2016-17
Fair Value of Plan Assets at the beginning of the year	0.55	5.82
Interest Income on Plan Assets	0.08	0.33
Return on plan assets greater/ (lesser) than discount rate	3.78	(2.51)
Employer Contributions	5.00	5.77
Benefits Paid	(3.81)	(8.86)
Fair Value of Plan Assets at the end of the year	5.60	0.55

### 37.2.6 Expenses recognized in profit or loss

Particulars	Gratuity	
	2017-18	2016-17
Current Service Cost	7.45	10.31
Interest Cost	7.12	8.73
Interest Income on Plan Assets	0.08	0.33

### 37.2.7 Remeasurements recognized in other comprehensive income

Particulars	Gratuity	
	2017-18	2016-17
Actuarial (gain)/ Loss on defined benefit obligation	(7.18)	(27.74)
Return on plan assets greater/ (lesser) than discount rate	3.78	(2.51)

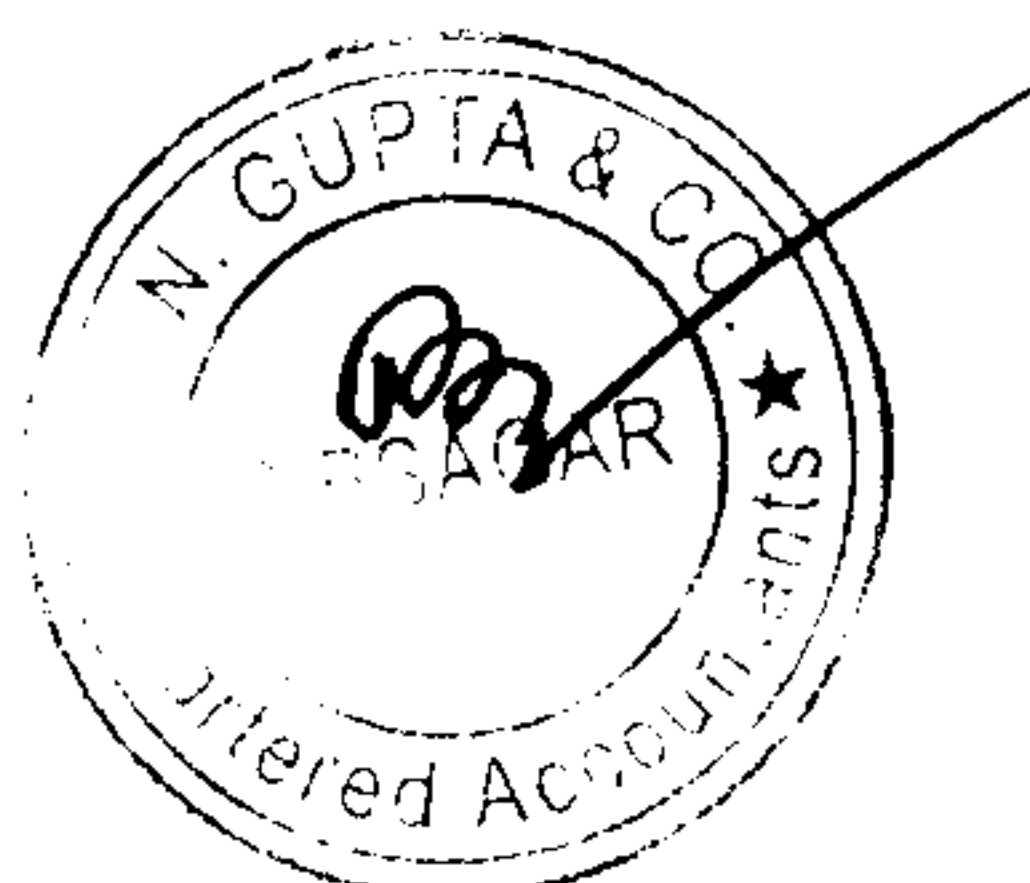
### 37.2.8 Major Categories of Plan Assets

The Gratuity Scheme is invested in a Group Unit Linked Gratuity Plan managed by Life Insurance Corporation of India and the Independent Administered Gratuity Fund. The information on the allocations of fund managed by Life Insurance Corporation of India into major assets classes and expected return on each major classes are not readily available. The expected rate of return on plan assets is based on the assumed rate of return provided by Company's actuary.

### 37.2.9 Actuarial Assumptions

Particulars	Gratuity	
	2017-18	2016-17
<b>Financial Assumptions</b>		
Discount Rate	7.60	7.10
Salary Escalation Rate	6.00	6.00
<b>Demographic Assumptions</b>		
Mortality Rate	Indian Assured Lives Mortality (2006-08) Ult	Indian Assured Lives Mortality (2006-08) Ult
Withdrawal Rate	Age from 20-40 : 2.00% Age from 40-60 : 1.00%	Age from 20-40 : 2.00% Age from 40-60 : 1.00%

37.2.10 The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.





37.2.11 At 31st March 2018, the weighted average duration of the defined benefit obligation was 9 years (previous year 8 years). The distribution of the timing of benefits payment i.e., the maturity analysis of the benefit payments is as follows:

Expected benefits payment for the year ending on	(Amount in lacs)	
	Gratuity	
31st March 2019		15.81
31st March 2020		4.90
31st March 2021		15.07
31st March 2022		5.75
31st March 2023		21.04
31st March 2024 to 31st March 2028		52.38

37.2.12 The Company expects to contribute ₹ NIL (previous year ₹5,00,000) to its gratuity fund in 2018-19

### 37.2.13 Sensitivity Analysis

The sensitivity analyses below have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

Particulars	Gratuity	
	2017-18	2016-17
Effect on DBO due to 1% increase in Discount Rate	(7.40)	(7.06)
Effect on DBO due to 1% decrease in Discount Rate	8.50	8.17
Effect on DBO due to 1% increase in Salary Escalation Rate	8.60	8.18
Effect on DBO due to 1% decrease in Salary Escalation Rate	(7.50)	(7.19)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

## 38 Related Party Disclosures

### 38.1 Name of the related parties and description of relationship

Holding Company

- Joonktollee Tea & Industries Limited ( w.e.f. 05.04.2016 )

### 38.2 Summary of transactions with the related parties

Particulats	Holding Company	
	31.03.2018	31.03.2017
Loan Taken (net)	(6,705,147)	19,682,377
Interest Expense	1,316,730	3,116,566
Sale of Tea	3,794,492	-

### 38.3 Summary of Closing Balance Outstanding with the related parties

Particulats	Holding Company	
	31.03.2018	31.03.2017
Loan Taken	20,000,000	26,705,147

### 38.4 Major terms and conditions of transactions with related parties

Transactions with related parties are carried out in the normal course of business and are made on terms equivalent to those that prevail in arm's length transactions.

Loans from Holding Company are unsecured and repayable on demand. Interest rate is 11%.

## 39 Segment Reporting

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. Based on the management approach as defined in Ind AS 108, the Chief Operating Decision Maker evaluates the Company's performance based on only one segment i.e. manufacturing in Tea.

## 40 Transition to Ind AS

### 40.1 Basis for Preparation

For all period up to and including the year ended March 31, 2017, the Company has prepared its financial statements in accordance with generally accepted accounting principles in India (Indian GAAP). These financial statements for the year ended March 31, 2018 are the Company's first annual Ind AS financial statements and have been prepared in accordance with Ind AS.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31 March 2018, the comparative information presented in these financial statements for the year ended 31 March 2017 and in the preparation of an opening Ind AS balance sheet at 1 April 2016 (the date of transition). This note explains the principal adjustments made by the Company in restating its financial statements prepared in accordance with previous GAAP, and how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.



## 40.2 Exceptions and Exemptions Applied

Ind AS 101 "First-time adoption of Indian Accounting Standards" (hereinafter referred to as Ind AS 101) allows first time adopters certain exemptions from the retrospective application of certain IND AS, effective for April 1, 2016 opening balance sheet. In preparing these consolidated financial statements, the Company has applied the below mentioned optional exemptions and mandatory exceptions.

### 40.2.1 Optional Exemptions Availed

#### a Business Combinations

Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date.

The Company has not applied Ind AS 103 to acquisitions of businesses under Ind AS, that occurred before the transition date i.e., 1st April 2016. Accordingly, business combinations occurring prior to the transition date have not been restated.

#### b Property Plant and Equipment, Intangible Assets and Investment Properties

As permitted by para D5-D8B of Ind AS 101, the Company has elected to measure items of property, plant and equipment at fair value and intangible assets at its carrying value at the transition date.

#### c Determining whether an arrangement contains a Lease

Para D9-D9AA of Ind AS 101 includes an optional exemption that permits an entity to apply the relevant requirements in Appendix C of Ind As 17 "Leases" for determining whether an arrangement existing at the date of transition contains a lease by considering the facts and circumstances existing at the date of transition (rather than at the inception of the arrangement). The Company has applied the above transition provision and has assessed all the arrangements at the date of transition.

### 40.2.2 Mandatory Exceptions

#### a Estimates

As per para 14 of Ind AS 101, an entity's estimates in accordance with Ind AS at the date of transition to Ind AS at the end of the comparative period presented in the entity's first Ind AS financial statements, as the case may be, should be consistent with estimates made for the same date in accordance with the previous GAAP unless there is objective evidence that those estimates were in error. However, the estimates should be adjusted to reflect any differences in accounting policies.

As per para 16 of the standard, where application of Ind AS requires an entity to make certain estimates that were not required under previous GAAP, those estimates should be made to reflect conditions that existed at the date of transition or at the end of the comparative period.

The Company's estimates under Ind AS are consistent with the above requirement. Key estimates considered in preparation of the financial statement that were not required under the previous GAAP are listed below:

- Fair Valuation of financial instruments carried at FVTPL and/ or FVOCI.
- Impairment of financial assets based on the expected credit loss model.
- Determination of the discounted value for financial instruments carried at amortized cost.
- Measurement of biological assets at fair value less cost to sell.
- Measurement of agricultural produce at fair value less cost to sell.
- Measurement of Inventory comprising agricultural produce.

#### b De-recognition of financial assets and liabilities

As per para B2 of Ind AS 101, an entity should apply the derecognition requirements in Ind AS 109, "Financial Instruments", prospectively for transactions occurring on or after the date of transition to Ind AS. However, para B3 gives an option to the entity to apply the derecognition requirements from a date of its choice if the information required to apply Ind AS 109 to financial assets and financial liabilities derecognized as a result of past transactions was obtained at the initially accounting for those transactions. The company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

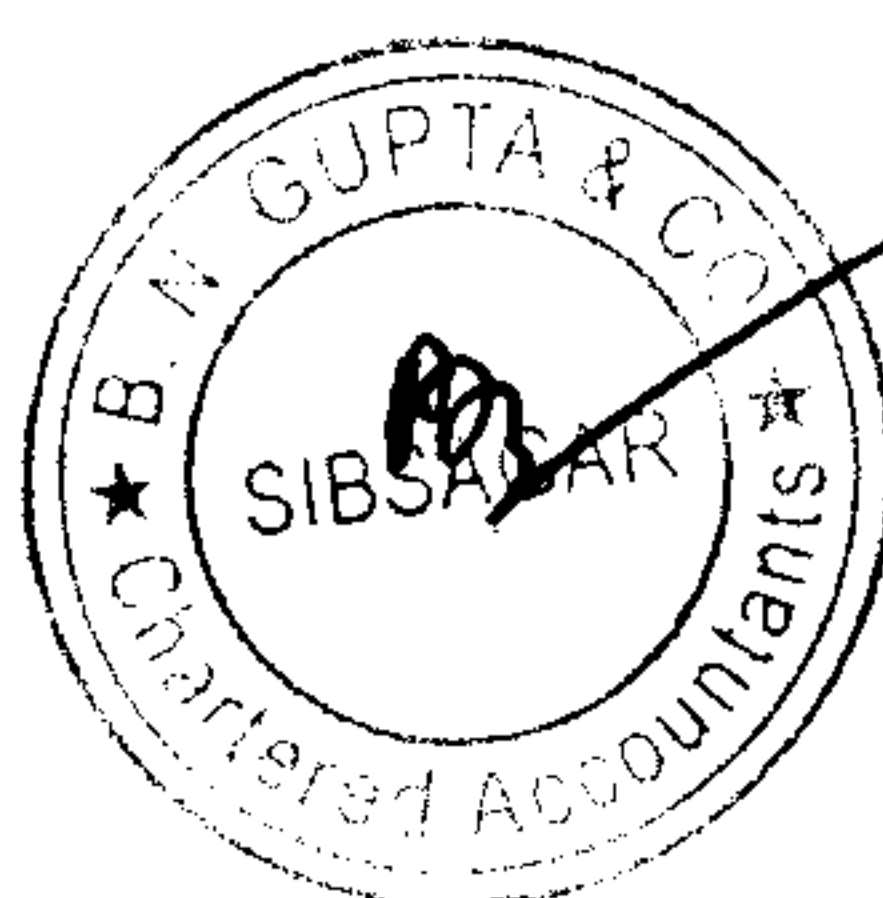
#### c Classification and measurement of financial assets

Para B8 - B8C of Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortized cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortized cost has been done retrospectively.

### 40.3 Impact of Transition to Ind AS

The following is a summary of the effects of the differences between Ind AS and Indian GAAP on the Company's total equity shareholders' funds and profit and loss for the financial periods previously reported under Indian GAAP following the date of transition to Ind AS.

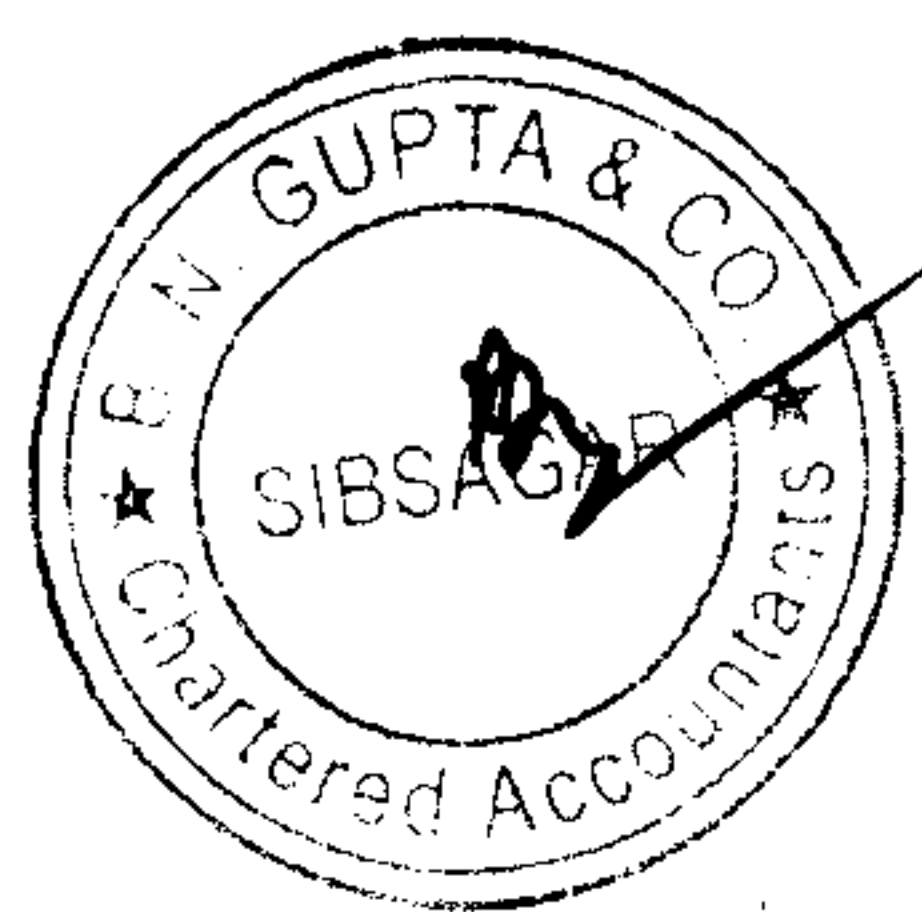




## 40.3.1 Reconciliation of equity as at date of transition (1st April 2016)

Particulars	Refer Note No.	Previous GAAP*	Adjustment	Ind AS
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
Property, Plant and Equipment	a	32,820,451	239,687,291	272,507,742
Capital Work-In-Progress		-	-	-
Intangible Assets		-	-	-
Financial Assets				
Loans		2,712,282	-	2,712,282
Non-Current Tax Assets		1,130,347	-	1,130,347
Other Non-Current Assets				
<b>Total Non Current Asset</b>		<b>36,663,080</b>	<b>239,687,291</b>	<b>276,350,371</b>
<b>CURRENT ASSETS</b>				
Inventories	b	5,475,871	501,915	5,977,786
Biological Asset other than Bearer Plants	c	-	283,850	283,850
Financial Assets				
Trade Receivables		2,981,789	-	2,981,790
Cash and Cash Equivalents		4,354,910	-	4,354,910
Bank balances other than above				
Loans		270,207	-	270,207
Other Financial Assets		396,710	-	396,710
Other Current Assets		181,981	-	181,981
<b>Total Current Assets</b>		<b>13,661,468</b>	<b>785,765</b>	<b>14,447,234</b>
<b>Total Assets</b>		<b>50,324,548</b>	<b>240,473,056</b>	<b>290,797,605</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
Equity Share Capital		8,000,000	-	8,000,000
Other Equity		(19,877,146)	209,542,361	189,665,215
<b>Equity attributable to the owners</b>		<b>(11,877,146)</b>	<b>209,542,361</b>	<b>197,665,215</b>
<b>LIABILITIES</b>				
<b>NON-CURRENT LIABILITIES</b>				
Financial Liabilities				
Borrowings		7,386,003	-	7,386,003
Provisions				
Deferred Tax Liabilities (Net)	d	-	30,930,694	30,930,694
Non-Current Tax Liabilities				
<b>Non Current Liability</b>		<b>7,386,003</b>	<b>30,930,694</b>	<b>38,316,697</b>
<b>CURRENT LIABILITIES</b>				
Financial Liabilities				
Borrowings		36,439,396	-	36,439,396
Trade Payables		3,304,257	-	3,304,257
Other Financial Liabilities		917,228	-	917,228
Provisions		13,512,641	-	13,512,641
Other Current Liabilities		642,170	-	642,170
<b>Current Liability</b>		<b>54,815,692</b>	<b>-</b>	<b>54,815,692</b>
<b>Total Equity and Liabilities</b>		<b>50,324,549</b>	<b>240,473,056</b>	<b>290,797,605</b>

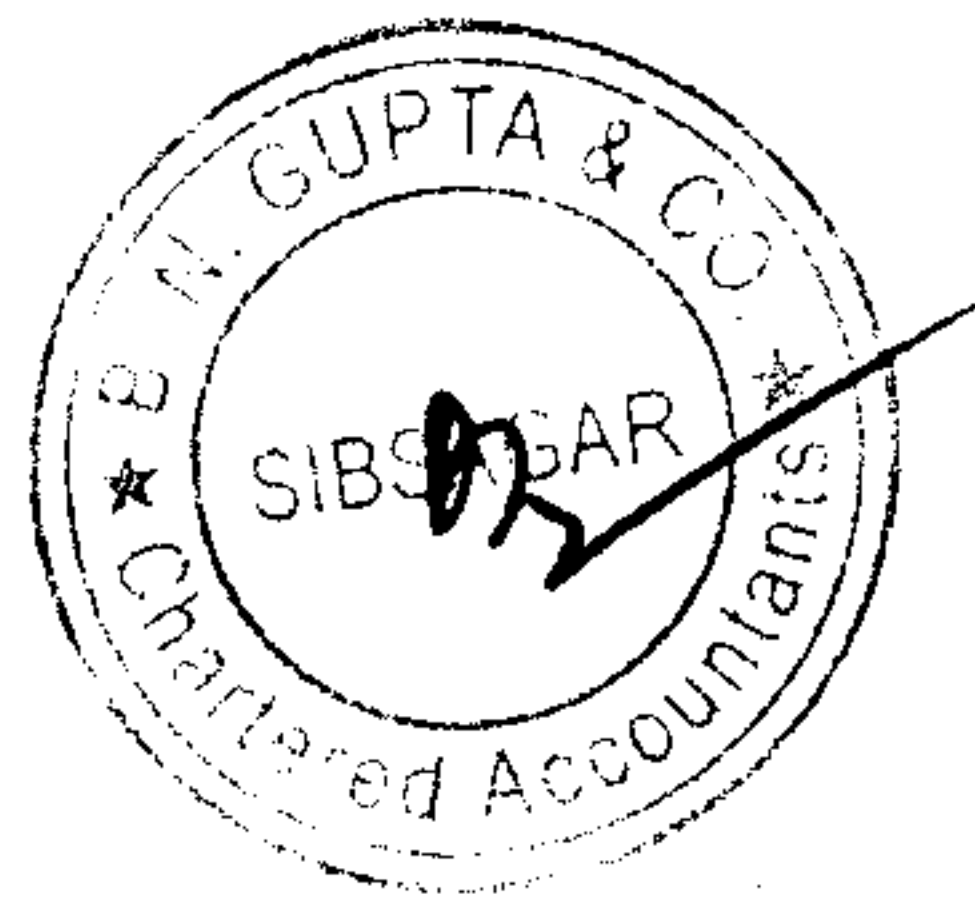
\* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.



40.3.2 Reconciliation of equity as at date of transition (31st March 2017)

Particulars	Refer Note No.	Previous GAAP*	Adjustment	Ind AS
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
Property, Plant and Equipment	a	29,457,768	228,000,796	257,458,564
Capital Work-In-Progress		369,838	-	369,838
Intangible Assets		799,200	-	799,200
Investment in Subsidiaries & Associate				
Financial Assets				
Investments				
Loans		2,712,282	-	2,712,282
Other Financial Assets				
Non-Current Tax Assets		1,132,341	-	1,132,341
Other Non-Current Assets				
<b>Total Non Current Asset</b>		<b>34,471,429</b>	<b>228,000,796</b>	<b>262,472,225</b>
<b>CURRENT ASSETS</b>				
Inventories	b	10,833,945	396,311	11,230,256
Biological Asset other than Bearer Plants	c	-	239,951	239,951
Financial Assets				
Trade Receivables		4,407,435	-	4,407,435
Cash and Cash Equivalents		240,259	-	240,259
Bank balances other than above				
Loans		151,768	-	151,768
Other Financial Assets		514,428	-	514,428
Other Current Assets		240,901	-	240,901
<b>Total Current Assets</b>		<b>16,388,736</b>	<b>636,262</b>	<b>17,024,998</b>
<b>Total Assets</b>		<b>50,860,165</b>	<b>228,637,058</b>	<b>279,497,223</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
Equity Share Capital		8,000,000	-	8,000,000
Other Equity		(27,878,939)	206,871,098	178,992,159
<b>Equity attributable to the owners</b>		<b>(19,878,939)</b>	<b>206,871,098</b>	<b>186,992,159</b>
<b>LIABILITIES</b>				
<b>NON-CURRENT LIABILITIES</b>				
Financial Liabilities				
Borrowings		-	-	-
Provisions				
Deferred Tax Liabilities (Net)	d	-	21,765,960	21,765,960
Non-Current Tax Liabilities				
<b>Non Current Liability</b>		<b>-</b>	<b>21,765,960</b>	<b>21,765,960</b>
<b>CURRENT LIABILITIES</b>				
Financial Liabilities				
Borrowings		52,428,845	-	52,428,845
Trade Payables		3,839,016	-	3,839,016
Other Financial Liabilities		822,581	-	822,581
Provisions		11,989,871	-	11,989,871
Other Current Liabilities		1,658,791	-	1,658,791
<b>Current Liability</b>		<b>70,739,104</b>	<b>-</b>	<b>70,739,104</b>
<b>Total Equity and Liabilities</b>		<b>50,860,165</b>	<b>228,637,058</b>	<b>279,497,223</b>

\* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.





40.3.3 Reconciliation of total comprehensive income for the year ended 31 March 2017

Particulars	Refer Note No.	Previous GAAP*	Adjustment	Ind AS
<b>INCOME</b>				
Revenue from Operations		63,277,144	-	63,277,144
Other Income		912,542	(662,899)	249,643
<b>Total Income (A)</b>	c & e	64,189,686	(662,899)	63,526,787
<b>EXPENSES</b>				
Cost of Materials Consumed				
Purchases of Stock -in- Trade				
Changes in Inventories of Finished Goods, Stock-In-Trade and Work-in-Progress	b	(2,182,555)	105,604	(2,076,951)
Employee Benefits Expense		36,438,310	-	38,348,310
Finance Costs		6,078,736	-	6,078,736
Depreciation and Amortisation Expense	a	4,281,685	11,686,494	15,968,179
Other Expenses		27,575,302	-	27,575,302
<b>Total Expenses (B)</b>		72,191,478	11,792,098	85,893,576
<b>Profit before Exceptional Items and Tax (A-B)</b>		(8,001,792)	(12,454,997)	(22,366,789)
Exceptional Items				
<b>Profit before Tax</b>		(8,001,792)	(12,454,997)	(22,366,789)
<b>Tax Expense:</b>				
Current Tax				
Income Tax for earlier years				
Deferred Tax	d	-	(9,815,952)	(9,815,952)
<b>Profit for the year</b>		(8,001,792)	(2,639,045)	(12,550,837)
<b>Other Comprehensive Income</b>				
Items that will not be reclassified to profit or loss				
Remeasurement of defined benefit plan	e	-	2,529,000	2,529,000
Income tax relating to these items	d & e	-	(651,218)	(651,218)
<b>Other Comprehensive Income for the Year (Net of Tax)</b>		-	1,877,783	1,877,783
<b>Total Comprehensive Income for the period</b>		(8,001,792)	(761,263)	(10,673,055)

40.3.4 Reconciliation of Total Equity

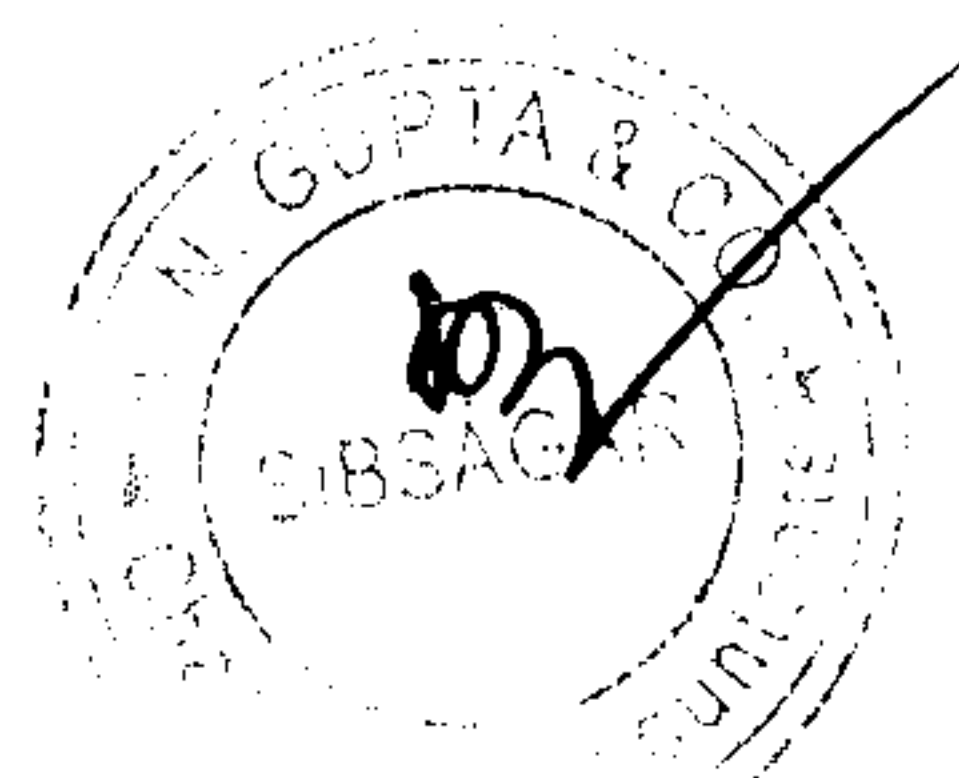
Particulars	Refer Note No.	As on 31st March, 2017	As on 1st April, 2016
<b>Total Equity as per previous GAAP</b>		(19,878,939)	(11,877,146)
<b>Add/ (less): Adjustments for GAAP difference</b>			
Effect of fair valuation of Bearer Plant	a	50,100,463	51,968,453
Effect of fair valuation of PPE	a	177,900,333	187,718,837
Effect of measuring Inventory of Finished goods as per Ind AS	b	396,311	501,915
Effect of recognition of Biological Asset	c	239,951	283,850
Tax adjustment on Ind AS adjustment	d	(21,765,960)	(30,930,694)
<b>Total Equity as per Ind AS</b>		186,992,159	197,665,215

40.3.5 Reconciliation of total comprehensive income for the year ended 31 March 2017

Particulars	Refer Note No.	2016-17
<b>Total Profit as per previous GAAP</b>		(8,001,792)
<b>Add/ (less): Adjustments for GAAP difference</b>		
Effect of fair valuation of Bearer Plant	a	(1,867,991)
Effect of fair valuation of PPE	a	(9,818,504)
Effect of measuring Inventory of Finished goods as per Ind AS	b	(105,604)
Effect of recognition of Biological Asset	c	(43,899)
Tax adjustment on Ind AS adjustment	d	9,164,735
<b>Total Comprehensive Income as per Ind AS</b>		(10,673,055)

40.3.6 Impact of Ind AS adoption on the statements of cash flows for the year ended 31 March 2017

Particulars	Notes	Previous GAAP	Adjustments	Ind AS
Net cash flow from Operating Activities				
Net cash flow from Investing Activities				
Net cash flow from Financing Activities				
<b>Net increase/(decrease) in cash and cash equivalents</b>		-	-	-
Cash and cash equivalents as at 1 April 2016				
Cash and cash equivalents as at 31 March 2017				



#### 40.3.7 Notes to First Time Adoption

##### a Property Plant & Equipment

The Company have considered fair valuation for Bearer Plant, other items of Property, Plant and Equipment are carried at existing carrying cost in accordance with stipulations of Ind AS 101 with the resultant impact being accounted for in the retained earnings. In the subsequent years, the same has resulted in additional depreciation charge in the Statement of Profit & Loss.

##### b Inventory

Raw Materials : Under previous GAAP, no valuation was done for period end harvested tea-leaf. Under Ind AS, harvested leaf is measured at its fair value less cost to sell and is classified as Raw Materials.

Finished Goods : Under previous GAAP, tea stock has been valued at the lower of cost and net realizable value. Cost of inventories comprise all costs of purchase/production of green leaf, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Under Ind AS, cost of inventories comprise cost of purchase of green leaf, fair value of green leaf at the time of harvest less cost to sell, conversion cost and other costs incurred in bringing the inventories to their present location and condition.

##### c Biological Assets

Under previous GAAP, biological assets i.e. unplucked leaf on tea bushes has neither been valued nor recognised in the accounts. Under Ind AS, unplucked leaf on tea bushes has been measured at its fair value less cost to sell.

##### d Deferred Tax

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

In addition, the various transitional adjustments lead to different temporary differences. According to the accounting policies, the company has to account for such differences. Deferred tax adjustments are recognized in correlation to the underlying transaction either in retained earnings or a separate component of equity.

##### e Remeasurements of post-employment benefit obligations

Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year. Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss.

##### f Retained Earnings

Retained earnings as at April 1, 2016 has been adjusted consequent to the above Ind AS transition adjustments.

#### 41 Fair Value Measurement

Categories of Financial Assets & Financial Liabilities as at 31st March 2018 and 31st March 2017

Particulars	31st March 2018			31st March 2017		
	FVTPL	FVOCI	Amortized Cost	FVTPL	FVOCI	Amortized Cost
<b>Financial Assets</b>						
Trade Receivables			1,946,769			4,407,435
Cash and Cash Equivalents			164,115			240,259
Loans to Employees			81,296			151,768
Security Deposits			2,712,282			2,712,282
Other Financial Assets			439,170			514,428
<b>Total Financial Assets</b>	-	-	<b>5,343,632</b>	-	-	<b>8,026,172</b>
<b>Financial Liabilities</b>						
Borrowings			51,849,663			52,428,845
Trade Payables			5,820,096			3,839,016
Other Financial Liabilities			777,451			822,581
<b>Total Financial Liabilities</b>	-	-	<b>58,447,210</b>	-	-	<b>57,090,442</b>

As at 1st April 2016

Particulars	FVTPL	FVOCI	Amortized Cost
<b>Financial Assets</b>			
Trade Receivables			2,981,790
Cash and Cash Equivalents			4,354,910
Loans to Employees			270,207
Security Deposits			2,712,282
Other Financial Assets			396,710
<b>Total Financial Assets</b>	-	-	<b>10,715,899</b>
<b>Financial Liabilities</b>			
Borrowings			36,439,396
Trade Payables			3,304,257
Other Financial Liabilities			917,228
<b>Total Financial Liabilities</b>	-	-	<b>40,660,881</b>

42 Fair Values of Financial Assets and Financial Liabilities measured at Amortised Cost

42.1 The following is the comparison by class of the carrying amounts and fair value of the Company's financial instruments that are measured at amortized cost:

Particulars	31st March 2018		31st March 2017		1st April 2016	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial Assets</b>						
Trade Receivables	1,940,769	1,940,769	4,407,435	4,407,435	2,981,790	2,981,790
Cash and Cash Equivalents	164,115	164,115	240,259	240,259	4,354,910	4,354,910
Loans to Employees	81,296	81,296	151,768	151,768	270,207	270,207
Security Deposits	2,712,282	2,712,282	2,712,282	2,712,282	2,712,282	2,712,282
Other Financial Assets	439,170	439,170	514,428	514,428	396,710	396,710
<b>Total Financial Assets</b>	<b>5,343,632</b>	<b>5,343,632</b>	<b>8,026,172</b>	<b>8,026,172</b>	<b>10,715,899</b>	<b>10,715,899</b>
<b>Financial Liabilities</b>						
Borrowings	51,849,663	51,849,663	52,428,845	52,428,845	36,439,396	36,439,396
Trade Payables	5,820,096	5,820,096	3,839,016	3,839,016	3,304,257	3,304,257
Other Financial Liabilities	777,451	777,451	822,581	822,581	917,228	917,228
<b>Total Financial Liabilities</b>	<b>58,447,210</b>	<b>58,447,210</b>	<b>57,090,442</b>	<b>57,090,442</b>	<b>40,660,881</b>	<b>40,660,881</b>

42.2 The management assessed that the fair values of cash and cash equivalents, trade receivables, trade payables, short term borrowings, and other financial liabilities approximates their carrying amounts largely due to the short-term maturities of these instruments.

42.3 For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to their fair values.

42.4 The fair value of the financial assets and financial liabilities is included at the amount at which the instruments could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

42.5 The following methods and assumptions were used to estimate the fair values:

42.5.1 The fair values for loans, security deposits were calculated based on cash flows discounted using a current lending rate. They are classified as Level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risks, which has been assessed to be insignificant.

42.5.2 The fair values of non-current borrowings are based on the discounted cash flows using a current borrowing rate. They are classified as Level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including own credit risks, which was assessed as on the balance sheet date to be insignificant.

43 Fair Value Hierarchy

43.1 Biological assets other than bearer plants

This section explains the judgements and estimates made in determining the fair values of the biological assets other than bearer plants that are recognised and measured at fair value in the financial statements. The Company uses a Valuation technique that is appropriate in the circumstances and for which sufficient data are available to measure the fair value, maximising the use of relevant observable inputs.

Biological Assets measured at Fair Value less cost to sell

As at 31st March 2018 and 31st March 2017

Particulars	31st March 2018			31st March 2017		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Non Financial Assets</b>						
Biological Assets other than Bearer Plant - Unharvested Tea Leaf			436,936			239,951
<b>Total Non Financial Assets</b>	-	-	<b>436,936</b>	-	-	<b>239,951</b>

As at 1st April 2016

Particulars	Level 1	Level 2	Level 3
<b>Non Financial Assets</b>			
Biological Assets other than Bearer Plant - Unharvested Tea Leaf	-	-	283,850
<b>Total Non Financial Assets</b>	-	-	<b>283,850</b>

43.2 During the year ended March 31, 2018 and March 31, 2017 there are no transfers between level 1, level 2 and level 3.

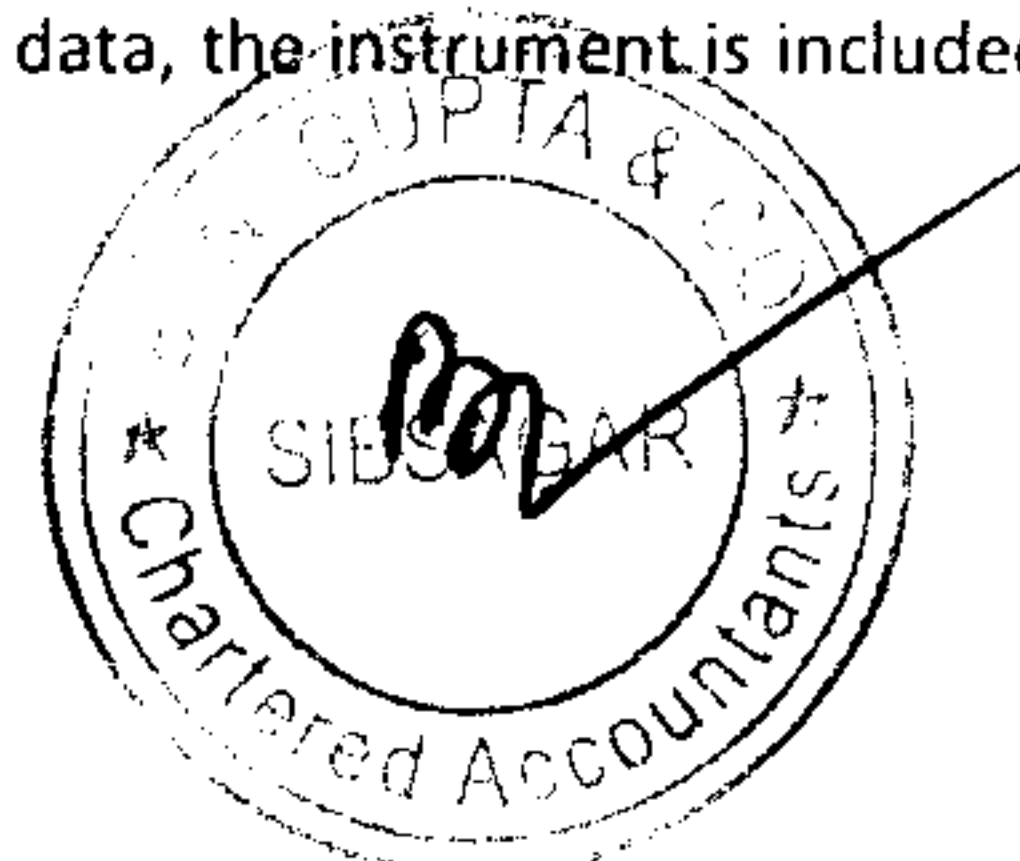
43.3 Explanation to the fair value hierarchy

The Company measures financial instruments, such as, quoted investments at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

43.3.1 Level 1 Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

43.3.2 Level 2 The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

43.3.3 Level 3 If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration included in level 3.





#### 44 Financial Risk Management

Financial risk management of the Company has been receiving attention of the top management of the Company. The management considers finance as the lifeline of the business and therefore, financial management is carried out meticulously on the basis of detailed management information systems and reports at periodical intervals extending from daily reports to long-term plans. Importance is laid on liquidity and working capital management with a view to reduce over-dependence on borrowings and reduction in interest cost. Various kinds of financial risks and their mitigation plans are as follows:

##### 44.1 Credit Risk

Credit risk is the risk that counterparty will not meet its obligations leading to financial loss. The Company has an established credit policy and a credit review mechanism. Credit exposure is undertaken only with large reputed business houses and with no history of default against payments. Based on the business model, macro economic environment of the business and past trends, the management has determined nil percentage for any class of financial asset under expected credit loss.

##### 44.2 Liquidity Risk

The Company determines its liquidity requirement in the short, medium and long term. This is done by drawings up cash forecast for short term and long term needs.

The Company manages its liquidity risk in a manner so as to meet its normal financial obligations without any significant delay or stress. Such risk is managed through ensuring operational cash flow while at the same time maintaining adequate cash and cash equivalent position. The management has arranged for diversified funding sources and adopted a policy of managing assets with liquidity monitoring future cash flow and liquidity on a regular basis. Surplus funds not immediately required are invested in certain mutual funds and fixed deposit which provide flexibility to liquidate. Besides, it generally has certain undrawn credit facilities which can be assessed as and when required; such credit facilities are reviewed at regular basis.

##### 44.2.1 Maturity Analysis for financial liabilities

The following are the remaining contractual maturities of financial liabilities as at 31st March 2018

a	Particulars	On Demand	Less than 6 months	6 months to 1 year	1 years to 5 years	More than 5 years	Total
	Borrowings						
	Working Capital loans repayable on demand	51,849,663					51,849,663
	Trade payables		5,820,096				5,820,096
	Other financial liabilities		777,451				777,451
	<b>Total</b>	<b>51,849,663</b>	<b>6,597,547</b>				<b>58,447,210</b>

b The following are the remaining contractual maturities of financial liabilities as at 31st March 2017

b	Particulars	On Demand	Less than 6 months	6 months to 1 year	1 years to 5 years	More than 5 years	Total
	Borrowings						
	Working Capital loans repayable on demand	52,428,845					52,428,845
	Trade payables		3,839,016				3,839,016
	Other financial liabilities		822,581				822,581
	<b>Total</b>	<b>52,428,845</b>	<b>4,661,597</b>				<b>57,090,442</b>

c The following are the remaining contractual maturities of financial liabilities as at 1st April 2016

c	Particulars	On Demand	Less than 6 months	6 months to 1 year	1 years to 5 years	More than 5 years	Total
	Borrowings						
	Working Capital loans repayable on demand	36,439,396					36,439,396
	Trade payables		3,304,257				3,304,257
	Other financial liabilities		917,228				917,228
	<b>Total</b>	<b>36,439,396</b>	<b>4,221,485</b>				<b>40,660,881</b>

d The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements (if any). The interest payments on variable interest rate loans in the tables above reflect market forward interest rates at the respective reporting dates and these amounts may change as market interest rates change. Except for these financial liabilities, it is not expected that cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts. When the amount payable is not fixed, the amount disclosed has been determined with reference to conditions existing at the reporting date.

##### 44.3 Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three type of risks: Foreign Exchange Risk, Interest Rate Risk.

##### 44.3.1 Foreign Exchange Risk

Foreign Exchange Risk is the exposure of the Company to the potential impact of movements in foreign exchange rates. The management has assessed that exposure of the Company in foreign currency at the end of the year is Rs. Nil (2017: Rs. Nil, 2016: Rs. Nil)

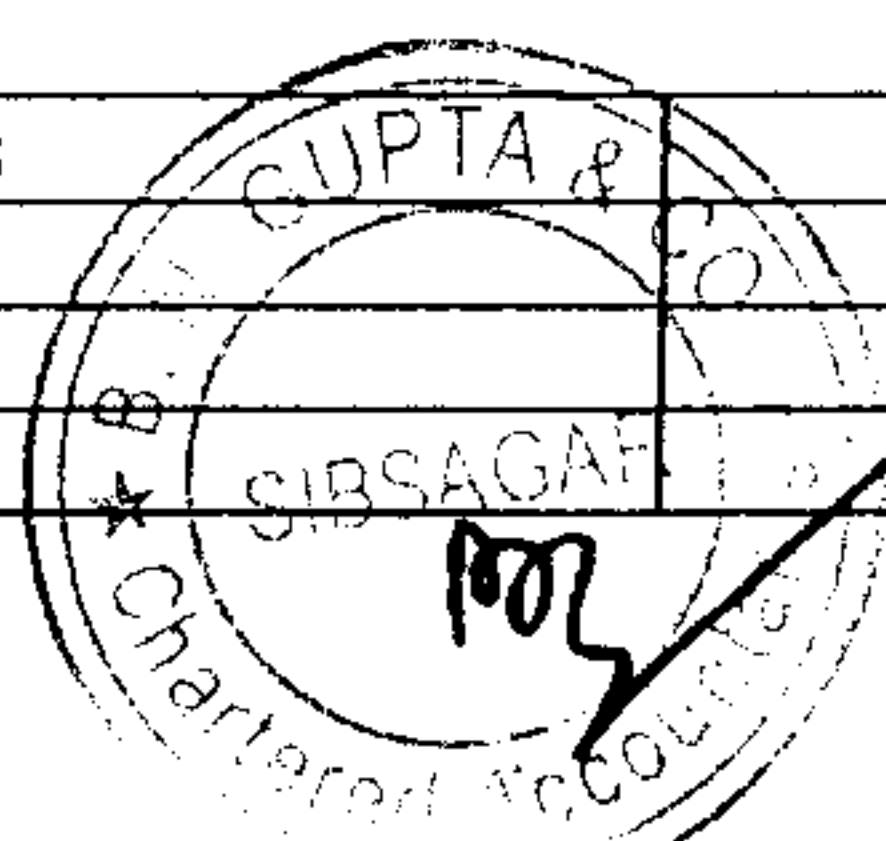
##### 44.3.2 Interest Rate Risk

The Company has no long term borrowings and the short term borrowing carries fixed rate of interest. The management has assessed that exposure of the Company in interest rate risk at the end of the year is Rs. Nil (2017: Rs. Nil, 2016: Rs. Nil)

#### 45 Capital Management

The Company's objective to manage its capital is to ensure continuity of business while at the same time provide reasonable returns to its various stakeholders but keep associated costs under control. In order to achieve this, requirement of capital is reviewed periodically with reference to operating and business plans that take into account capital expenditure and strategic Investments. Sourcing of capital is done through judicious combination of equity/internal accruals and borrowings, both short term and long term. Net debt (total borrowings less investments and cash and cash equivalents) to equity ratio is used to monitor capital.

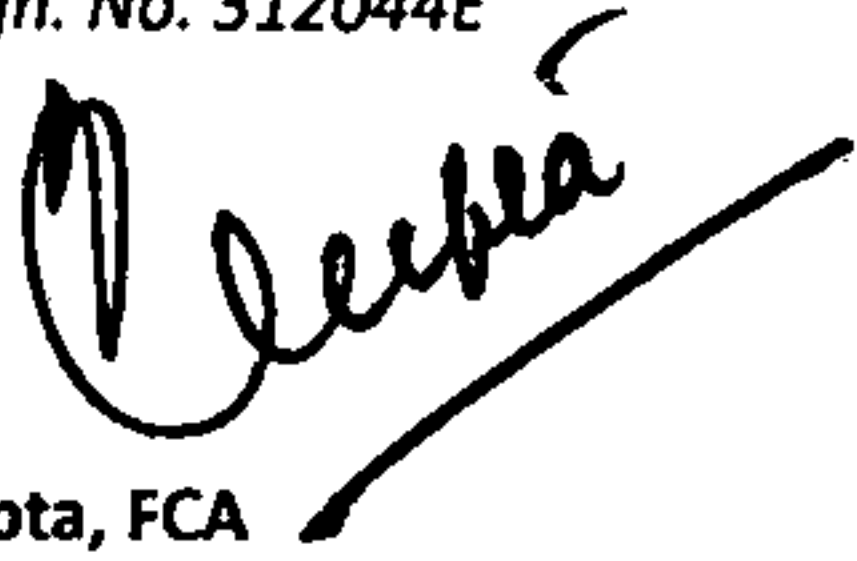
Particulars	31st March 2018	31st March 2017	1st April 2016
Net Debt	51,685,548	52,188,586	32,084,486
Total Equity	172,923,492	186,992,159	197,665,215
Net Debt to Equity Ratio	0.30	0.28	0.16



- 46 Miscellaneous Expenditure includes revenue expenditure on research and development Rs. 1,69,876 (2017: Rs. 1,87,282/-, 2016: Rs.NIL/-) incurred towards subscription to Tea Research Association.
- 47 Previous GAAP figures have been reclassified/regrouped to confirm the presentation requirements under IND AS and the requirements laid down in Division-II of the Schedule-III of the Companies Act,2013.

Signatures to Note 1 to 47

- For B.N. GUPTA & CO.  
Chartered Accountants  
Firm Regn. No. 312044E



B.N. Gupta, FCA  
Proprietor  
Membership No. 050504  
Kolkata  
Dated : 12th May, 2018



✓ M. L. D. J.

✓ Sharad Baghel