# Notes to Financial Statements
as at and for the year ended 31st March, 2018

## 1. CORPORATE AND GENERAL INFORMATION

Joonktollee Tea & Industries Limited was incorporated as a Limited Company in India under the Companies Act 1956 and has its listing on the BSE Limited and CSE Limited. The registered office of the Company is at 21, Strand Road Kolkata - 700 001. The Company's principal business is manufacturing of Tea, Coffee and Rubber.

## 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. 48. 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 1st April, 2016 as required by Ind- AS 101. The standalone 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 14th 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 are measured at Fair value/ Amortised cost (refer accounting policy regarding financial instruments);
- Defined Benefit Plans – plan assets measured at fair value; and
- Biological Assets – At fair value less cost to sell

### 2.3. 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 rupees 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

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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).

**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**

Some of the accounting policies and disclosures of the company require Fair Value measurement 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

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- 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.

**2.8. Recent Accounting Pronouncement**

**New Standards / Amendments to Existing Standard issued but not yet effective upto the date of issuance of the Company's Financial Statement are disclosed below:**

On 28th March, 2018, the Ministry of Corporate Affairs (MCA) has notified Ind AS 115 - Revenue from Contracts with Customers and certain amendment to existing Ind AS. These amendments shall be applicable to the Company from 1st April 2018.

**a) Ind AS 115-Revenue from Contracts with Customers**

Ind AS 115 supersedes Ind AS 11, Construction Contracts and Ind AS 18, Revenue. Ind AS 115 requires an entity to report information regarding nature, amount, timing and uncertainty of revenue and cash flows arising from contract with customers. The principle of Ind AS 115 is that an entity should recognise revenue that demonstrates the transfer of promised goods and services to the customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services.

Based on preliminary assessment performed by the Company, the impact of the application of the standard is not expected to be material.

**b) Amendment to Existing issued Ind AS**

i. Ind AS 12 - Income Taxes

ii. Ind AS 21 - The Effects of Changes in Foreign Exchange Rates

iii. Ind AS 28 - Investment in Associates and Joint Ventures

iv. Ind AS 112 - Disclosure of Interests in Other Entities

The impact of the above standards on the financial statements, as assessed by the Company, is not expected to be material.

## 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**

Raw materials (including purchased tea leaves), Stores & Spare parts, Finished Goods and Stock in trade are stated at the lower of cost and estimated net realisable value. Cost comprises of expenditure incurred in the normal course of business in bringing such inventories to their present location and condition and includes appropriate overheads (in case of Finished Goods). Cost is determined on weighted average basis. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Raw material in nature of harvested tea leaves, picked cherries, latex and other minor agricultural produce raised from own gardens are measured at fair value less cost of sale at point of harvest. The same cost is used for measuring cost for the purpose of valuation of finished goods.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

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### 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 as per taxation laws under Income tax act, 1961 and under respective state Agriculture Income tax act and 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 are 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 asset 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 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).

# Notes to Financial Statements

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- 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.
- 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.
- 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.

**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 which are used in the production or supply of agricultural produce and expected to bear produce for more than a period of twelve months are capitalized as part of Property, Plant and Equipments and are stated in the balance sheet at cost, less any accumulated depreciation and accumulated impairment losses (if any). The cost of Bearer Plant includes all cost incurred till the plants are ready for commercial harvest.

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**3.4.2.2. Depreciation:**

- Depreciation on bearer plants is recognised so as to write off its cost over useful lives, using the straight-line method.
- 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 to 60 years |
| Coffee Bushes | 30 years to 80 years |
| Rubber plants | 30 years |
| Minor produce | 30 years |

**3.4.2.3. 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.

**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.

- Operating Lease

  Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease except where scheduled increase in rent compensates the Company with expected inflationary costs.

**3.5.3. Company as lessee**

- Finance Lease

  Finance Leases, which effectively transfer to the lessee substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease Payments under such leases are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly to the statement of profit and loss. Lease management fees, legal charges and other initial direct costs are capitalized.

  If there is no reasonable certainty that the Company will obtain the ownership by the end of lease term, capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

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- Operating Lease

  Assets acquired on leases where a significant portion of risk and reward is retained by the lessor are classified as operating leases. Lease rental are charged to statement of profit and loss on a straight-line basis over the lease term, except where scheduled increase in rent compensates the Company with expected inflationary costs.

**3.6. Revenue Recognition**

Revenue is recognised based to the extent it is probable that the economic benefit will flow to the company and revenue can be reliably measured regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment, and excludes taxes & duties collected on behalf of the Government and is reduced for estimated customer returns, rebates and other similar allowances.

**3.6.1. Sale of Products:**

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company and significant risk and reward incidental to sale of products is transferred to the buyer, usually on delivery of the goods.

**3.6.2. Rental Income:**

Rental income from operating lease is recognized on a straight line basis over the term of the relevant lease unless the payments are structured to increase in line with expected general inflation to compensate for the company's expected inflationary cost increases.

**3.6.3. Other Income:**

**3.6.3.1. Interest Income:** For all debt instruments measured either at amortized cost or at fair value through other comprehensive income (FVTOCI), interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset.

**3.6.3.2. Dividend Income:** Dividend income is accounted in the period in which the right to receive the same is established.

**3.6.3.3. Other Income:** Other items of income are accounted as and when the right to receive such income arises and it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably.

**3.7. Employee Benefits**

**3.7.1. Short Term Benefits**

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related services are provided. Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period.

**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.

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**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.

- 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).

**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.

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- 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. Investment In Subsidiaries & Associate**

Investments in subsidiaries & associate are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognized in the statement of profit and loss.

**3.12. 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.

**3.12.1. 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. Amortised 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

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- 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 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.

**3.12.2. 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.

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**3.12.3. 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.

**3.13. 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.

**3.14. 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.

**3.15. Provisions, Contingent Liabilities and Contingent Assets**

**3.15.1. 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.

**3.15.2. 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.

**3.15.3. 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.

**3.16. 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.

**3.17. Intangible Assets**

**3.17.1. 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.

**3.17.2. 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.

**3.17.3. Amortization**

➢ Softwares are amortized over a period of five years.

➢ 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.

**3.18. Biological Assets and Agricultural Produce**

**3.18.1. Biological Assets**

Biological assets of the company comprises of un-harvested green tea leaves, unpicked cherries, latex on tree, timber and other minor produce are measured at fair value.less cost of sales. 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.

**3.18.2. Agricultural Produce**

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.

**3.19. 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 three reportable segment "Tea", "Coffee" and "Rubber" based on the information reviewed by the CODM.

## 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.

# Notes to Financial Statements

as at and for the year ended 31st March, 2018

- 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 assumptions used to measure its obligations are appropriate. However, any changes in these assumptions may have a material impact on the resulting calculations.
- Provisions and Contingencies: The assessments undertaken in recognising provisions and contingencies have been made in accordance with Indian Accounting Standards (Ind AS) 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events is applied best judgement by management regarding the probability of exposure to potential loss.
- Impairment of Financial Assets: The Company reviews its carrying value of investments carried at amortized cost annually, or more frequently when there is indication of impairment. If recoverable amount is less than its carrying amount, the impairment loss is accounted for.
- Allowances for Doubtful Debts: The Company makes allowances for doubtful debts through appropriate estimations of irrecoverable amount. The identification of doubtful debts requires use of judgment and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debts expenses in the period in which such estimate has been changed.
- Fair value measurement of financial Instruments: When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The input to these models are taken from observable markets where possible, but where this not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.
- Fair Value of Biological Assets and Agricultural Produce: The fair value of Biological Assets and Agricultural Produce is determined based on recent transactions entered into with third parties or available market price. Fair valuation of Biological Asset and Agriculture Produce are based on the market rates published by the industrial body for various grades from which the fair value of Biological asset and Agriculture Produce are derived.

# Notes to Financial Statements

as at and for the year ended 31st March, 2018

(Amount in ₹)

## 5 PROPERTY, PLANT AND EQUIPMENT

| 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 |
| Leasehold Land | 287,546,501 | – | – | 287,546,501 | – | – | – | – | 287,546,501 |
| Freehold Land | 48,936,796 | – | – | 48,936,796 | – | – | – | – | 48,936,796 |
| Buildings | 282,877,976 | 2,249,936 | 2,400 | 285,125,512 | 143,495,258 | 12,556,656 | 2,247 | 156,049,667 | 129,075,845 |
| Plant and Machinery | 341,618,771 | 20,908,921 | 2,210,465 | 360,317,227 | 251,557,982 | 19,221,849 | 2,099,942 | 268,679,889 | 91,637,338 |
| Furniture and Fittings | 18,921,547 | 119,545 | 11,626 | 19,029,466 | 16,523,706 | 473,757 | 10,951 | 16,986,512 | 2,042,954 |
| Vehicles | 60,551,854 | 1,709,378 | 1,932,976 | 60,328,256 | 45,441,018 | 4,618,668 | 1,836,326 | 48,223,360 | 12,104,896 |
| Office Equipments | 7,184,686 | 527,511 | 81,000 | 7,631,197 | 5,865,699 | 766,012 | 76,950 | 6,554,761 | 1,076,436 |
| Bearer Plant | 582,768,486 | – | 8,082,583 | 574,685,903 | 26,676,704 | 26,587,151 | 417,706 | 52,846,149 | 521,839,754 |
| **Total** | **1,630,406,617** | **25,515,291** | **12,321,050** | **1,643,600,858** | **489,560,367** | **64,224,093** | **4,444,122** | **549,340,338** | **1,094,260,520** |

| Particulars | Year Ended 31st March 2017 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Gross Carrying Amount | | | | Accumulated Depreciation | | | | |
| | Ind AS. 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 |
| Leasehold Land | 287,546,501 | – | – | 287,546,501 | – | – | – | – | 287,546,501 |
| Freehold Land | 48,936,796 | – | – | 48,936,796 | – | – | – | – | 48,936,796 |
| Buildings | 267,345,066 | 15,673,920 | 141,010 | 282,877,976 | 129,676,341 | 13,842,531 | 23,614 | 143,495,258 | 139,382,718 |
| Plant and Machinery | 334,276,477 | 9,360,018 | 2,017,724 | 341,618,771 | 232,379,285 | 21,080,990 | 1,902,293 | 251,557,982 | 90,060,789 |
| Furniture and Fittings | 18,515,663 | 415,694 | 9,810 | 18,921,547 | 15,844,111 | 688,915 | 9,320 | 16,523,706 | 2,397,841 |
| Vehicles | 56,559,779 | 5,626,437 | 1,634,362 | 60,551,854 | 41,374,934 | 5,592,564 | 1,526,480 | 45,441,018 | 15,110,836 |
| Office Equipments | 6,350,032 | 1,001,952 | 167,298 | 7,184,686 | 5,204,370 | 817,964 | 156,635 | 5,865,699 | 1,318,987 |
| Bearer Plant | 582,768,486 | – | – | 582,768,486 | – | 26,676,704 | – | 26,676,704 | 556,091,782 |
| Total | 1,602,298,800 | 32,078,021 | 3,970,204 | 1,630,406,617 | 424,479,041 | 68,699,668 | 3,618,342 | 489,560,367 | 1,140,846,250 |

The Company has elected to measure bearer plants at the date of transition at its Fair Value and we treat it as its deemed cost at that date. The fair valuation has been done by external parties based on valuation technique permitted under IndAS. Other component of Property, Plant & Equipment has been valued by applying IndAS retrospectively.

# Notes to Financial Statements

as at and for the year ended 31st March, 2018

(Amount in ₹)

## 6 INTANGIBLE ASSETS

| Particulars | Year Ended 31st March 2018 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Gross Carrying Amount | | | | Accumulated Depreciation | | | | Net Carrying Amount |
| | 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 | |
| Computer Software | 507,392 | – | – | 507,392 | 136,999 | 136,999 | – | 273,998 | 233,394 |
| Total | 507,392 | – | – | 507,392 | 136,999 | 136,999 | – | 273,998 | 233,394 |

| Particulars | Year Ended 31st March 2017 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Gross Carrying Amount | | | | Accumulated Depreciation | | | | Net Carrying Amount |
| | 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 | |
| Computer Software | 507,392 | – | – | 507,392 | – | 136,999 | – | 136,999 | 370,393 |
| Total | 507,392 | – | – | 507,392 | – | 136,999 | – | 136,999 | 370,393 |

Deemed cost represents net carrying value as on 1st April,2016 under previous GAAP as per the guideleines of Ind AS 101.

## 7 INVESTMENT IN SUBSIDIARIES & ASSOCIATES

| | Face Value (₹) | As at 31st March 2018 | | As at 31st March 2017 | | As at 1st April 2016 | |
|---|---|---|---|---|---|---|---|
| **(Fully Paid-up unless otherwise stated)** | | **Qty** | **Amount** | **Qty** | **Amount** | **Qty** | **Amount** |
| **Equity investments valued at cost** | | | | | | | |
| **Unquoted - In trade** | | | | | | | |
| Investment in Subsidiaries | | | | | | | |
| Gloster Real Estate Pvt. Ltd. | 10 | – | – | – | – | 63,135 | 53,235,000 |
| Pranav Infradev Co. Pvt. Ltd. | 10 | 212,271 | 202,371,000 | 212,271 | 202,371,000 | 212,271 | 202,371,000 |
| Keshava Plantations Private Limited | 100 | 80,000 | 227,108,049 | 80,000 | 227,108,049 | – | – |
| Cowcoody Builders Pvt. Ltd. | | | | 156,982 | 147,082,000 | 156,982 | 147,082,000 |
| (Refer note no. 60) | | | | | | | |
| **Quoted - In trade** | | | | | | | |
| Investment in Associate | | | | | | | |
| The Cochin Malabar Estates & Ind. Ltd. (Note 7.1) | 10 | 437,294 | 42,366,029 | 437,294 | 42,366,029 | 437,294 | 42,366,029 |
| | | | **471,845,078** | | **618,927,078** | | **445,054,029** |
| **Aggregate amount of quoted investments** | | | 42,366,029 | | 42,366,029 | | 42,366,029 |
| **Aggregate market value of quoted investments** | | | 20,202,982 | | 12,615,932 | | 12,025,585 |
| **Aggregate amount of unquoted investments** | | | 429,479,049 | | 576,561,049 | | 402,688,000 |

**7.1** Considering the valuation of investment in associate, no impairment in value of investment has been envisaged.

# Notes to Financial Statements

as at and for the year ended 31st March, 2018

(Amount in ₹)

## 8 NON - CURRENT INVESTMENTS

| | Face Value (₹) | As at 31st March 2018 Qty | As at 31st March 2018 Amount | As at 31st March 2017 Qty | As at 31st March 2017 Amount | As at 1st April 2016 Qty | As at 1st April 2016 Amount |
|---|---|---|---|---|---|---|---|
| **Investments at fair value through other comprehensive income** | | | | | | | |
| **Investments in quoted Equity Instruments** | | | | | | | |
| The Phosphate Co. Ltd. (Note 8.1) | 10 | 138,680 | 3,859,645 | 138,680 | 3,859,645 | 138,680 | 3,859,645 |
| Apeejay Tea Ltd. | 10 | – | – | – | – | 200 | 1,030 |
| | | | **3,859,645** | | 3,859,645 | | 3,860,675 |
| Aggregate amount of quoted investments | | | 3,859,645 | | 3,859,645 | | 3,860,675 |

**8.1** In absence of quoted price , the acquisition price has been assumed as fair value of the investment.

## 9 LOANS

| | Refer Note No. | Non-Current As at 31st March 2018 | Non-Current As at 31st March 2017 | Non-Current As at 1st April 2016 | Current As at 31st March 2018 | Current As at 31st March 2017 | Current As at 1st April 2016 |
|---|---|---|---|---|---|---|---|
| **Security Deposit** | | | | | | | |
| Unsecured, considered good | | 18,413,197 | 16,432,936 | 15,725,056 | – | – | – |
| | | 18,413,197 | 16,432,936 | 15,725,056 | – | – | – |
| **Loans to related parties** | | | | | | | |
| Unsecured, considered good | 9.1 | – | – | – | 20,000,000 | 26,705,147 | – |
| | | – | – | – | 20,000,000 | 26,705,147 | – |
| **Other Loans and Advances, unsecured, considered good unless otherwise mentioned** | | | | | | | |
| Loan to Employees | 9.1 | 2,084,000 | 1,718,500 | 1,076,500 | 4,033,459 | 4,972,369 | 8,814,664 |
| Loans to Companies/ Firm | 9.1 & 9.2 | – | – | – | – | 100,000,000 | 107,022,770 |
| | | 2,084,000 | 1,718,500 | 1,076,500 | 4,033,459 | 104,972,369 | 115,837,434 |
| | | **20,497,197** | **18,151,436** | **16,801,556** | **24,033,459** | **131,677,516** | **115,837,434** |

**9.1** 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.

**9.2** Loans to Related parties/ Companies/ Firm are given for general business purpose and payable on demand.

# Notes to Financial Statements

as at and for the year ended 31st March, 2018

(Amount in ₹)

## 10 OTHERS FINANCIAL ASSETS

| | Refer Note No. | Non-Current | | | Current | | |
|---|---|---|---|---|---|---|---|
| | | 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 |
| Advance against purchase of Investment | | – | – | 27,500,000 | – | – | – |
| Deposit with Nabard | | – | – | – | 50,000 | 50,000 | 50,000 |
| Deposit with Assam Financial Corporation | | – | – | – | 267,040 | 2,766,982 | 2,733,859 |
| Interest accrued on Fixed deposit / Loan | | – | – | – | 2,451,717 | 3,331,517 | 3,598,656 |
| Others Receivable | | – | – | – | 1,412,916 | 2,044,952 | 825,285 |
| | | **–** | **–** | **27,500,000** | **4,181,673** | **8,193,451** | **7,207,800** |

## 11 NON CURRENT TAX ASSETS (NET)

| | As at 31st March 2018 | As at 31st March 2017 | As at 1st April 2016 |
|---|---|---|---|
| Advance Income Tax & TDS | 35,369,447 | 33,791,214 | 31,235,064 |
| Income Tax Refundable | 1,233,337 | 1,233,337 | 1,233,337 |
| | **36,602,784** | **35,024,551** | **32,468,401** |

## 12 OTHER ASSETS

| | Refer Note No. | Non-Current | | | Current | | |
|---|---|---|---|---|---|---|---|
| | | 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 |
| Capital Advances | | 910,900 | 910,900 | 1,334,495 | – | – | – |
| **Advances other than Capital Advances** | | | | | | | |
| Advances to Suppliers & Service Providers | | 2,618,356 | 2,618,356 | – | 3,573,678 | 3,750,320 | 26,828,834 |
| Balances with Government & Statutory Authorities ** | 12.1 | – | 1,783,041 | 1,783,041 | 3,155,205 | 361,817 | 294,263 |
| Prepaid Expenses | | – | 17,611 | 512,087 | 2,504,582 | 3,051,184 | 3,127,393 |
| Subsidy Receivable | | – | – | – | 6,703,824 | 9,092,730 | 8,723,586 |
| Other Assets | 12.2 | 23,788,678 | 23,788,678 | 23,788,678 | 600,525 | 635,331 | 602,260 |
| | | 27,317,934 | 29,118,586 | 27,418,301 | 16,537,814 | 16,891,382 | 39,576,336 |
| Less : Provision for Doubtful Advances | | 2,618,356 | 2,618,356 | – | – | – | – |
| | | **24,699,578** | **26,500,230** | **27,418,301** | **16,537,814** | **16,891,382** | **39,576,336** |

**12.1** Represents payment under protest in respect of VAT ₹ Nil (Previous Year 2017 - ₹ 1,783,041/-, Previous Year 2016 - ₹ 1,783,041/-)

**12.2** Represents payment under protest in respect of lease rent and Seigniorage Charges ₹ 23,788,678/- (Previous Year 2017- ₹ 23,788,678/-, Previous Year 2016- ₹ 23,788,678/-).

# Notes to Financial Statements

as at and for the year ended 31st March, 2018

(Amount in ₹)

## 13 INVENTORIES (As valued and certified by the Management)

| | Refer Note No. | As at 31st March 2018 | As at 31st March 2017 | As at 1st April 2016 |
|---|---|---|---|---|
| Finished Goods | | 143,129,303 | 197,567,636 | 99,081,804 |
| Semi Finished Goods | | 167,492 | 1,584,268 | 157,200 |
| Stores and Spares (net of obsolescence) | | 33,970,391 | 40,255,636 | 41,666,466 |
| | | **177,267,186** | **239,407,540** | **140,905,470** |

## 14 BIOLOGICAL ASSET OTHER THAN BEARER PLANT

| | Non-Current | | | Current | | |
|---|---|---|---|---|---|---|
| | 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 |
| Biological Asset other than Bearer Plant | 329,670,482 | 340,834,000 | 344,762,000 | 11,280,023 | 10,887,971 | 10,328,062 |
| | **329,670,482** | **340,834,000** | **344,762,000** | **11,280,023** | **10,887,971** | **10,328,062** |

## 15 TRADE RECEIVABLES

| | Refer Note No. | As at 31st March 2018 | As at 31st March 2017 | As at 1st April 2016 |
|---|---|---|---|---|
| Trade Receivables | 15.1 | 77,916,520 | 50,019,319 | 62,834,955 |
| | | **77,916,520** | **50,019,319** | **62,834,955** |
| Less: Provision for Doubtful Receivables | | 363,068 | 363,068 | 363,068 |
| | | **77,553,452** | **49,656,251** | **62,471,887** |
| **Break Up of Security Details** | | | | |
| Secured, considered good | | | | |
| Unsecured, considered good | | 77,553,452 | 49,656,251 | 62,471,887 |
| Doubtful | | 363,068 | 363,068 | 363,068 |
| | | 77,916,520 | 50,019,319 | 62,834,955 |
| Less: Provision for Doubtful Receivables | | 363,068 | 363,068 | 363,068 |
| **Total Trade Receivables** | | **77,553,452** | **49,656,251** | **62,471,887** |

## 16 CASH AND CASH EQUVALENTS

| | Refer Note No. | As at 31st March 2018 | As at 31st March 2017 | As at 1st April 2016 |
|---|---|---|---|---|
| **Balances With Banks :** | | | | |
| In Current Account | | 7,934,747 | 82,976,316 | 9,616,559 |
| In Cash Credit Account | | 18,927,748 | – | 128,250,097 |
| Cash in Hand | | 1,226,019 | 3,148,040 | 3,757,794 |
| | | **28,088,514** | **86,124,356** | **141,624,450** |

# Notes to Financial Statements

as at and for the year ended 31st March, 2018

(Amount in ₹)

## 17 BANK BALANCES (Other than note: 16)

| | Refer Note No. | As at 31st March 2018 | As at 31st March 2017 | As at 1st April 2016 |
|---|---|---|---|---|
| Balance in Unpaid Dividend Account | | 2,061,121 | 2,104,826 | 2,063,877 |
| Fixed Deposit with Banks | 17.1 | 197,736 | 184,908 | 153,687,838 |
| | | **2,258,857** | **2,289,734** | **155,751,715** |

| | | | |
|---|---|---|---|
| 17.1 Includes deposits marked lien in favour of Govt. Authorities, deposits having maturity of more than three month but less than twelve months. | 197,736 | 184,908 | 158,373 |

## 18 NON CURRENT ASSET HELD FOR SALE

| | Face Value (₹) | As at 31st March 2018 Qty | As at 31st March 2018 Amount | As at 31st March 2017 Qty | As at 31st March 2017 Amount | As at 1st April 2016 Qty | As at 1st April 2016 Amount |
|---|---|---|---|---|---|---|---|
| **Investment in a subsidiary company held for sale** | | | | | | | |
| Cowcoody Builders Pvt. Ltd. | 10 | 95,482 | 89,460,471 | – | – | – | – |
| (Refer note no. 60 ) | | | | | | | |
| | | | **89,460,471** | – | – | – | – |

## 19 EQUITY SHARE CAPITAL

### 19.1 Authorised Share Capital

| | As at 31st March 2018 No. of Shares | As at 31st March 2018 Amount | As at 31st March 2017 No. of Shares | As at 31st March 2017 Amount | As at 1st April 2016 No. of Shares | As at 1st April 2016 Amount |
|---|---|---|---|---|---|---|
| Equity Shares: | | | | | | |
| Equity Shares of ₹ 10/- each | 11,249,000 | 112,490,000 | 11,249,000 | 112,490,000 | 11,249,000 | 112,490,000 |
| Equity Shares of ₹ 100/- each | 35,000 | 3,500,000 | 35,000 | 3,500,000 | 35,000 | 3,500,000 |
| Preference Shares: | | | | | | |
| Redeemable Cumulative Shares of ₹ 10/- each | 50,000 | 500,000 | 50,000 | 500,000 | 50,000 | 500,000 |
| 13.5% Redeemable Cumulative Shares of ₹ 100/- each | 100 | 10,000 | 100 | 10,000 | 100 | 10,000 |
| | | **116,500,000** | | **116,500,000** | | **116,500,000** |

# Notes to Financial Statements
as at and for the year ended 31st March, 2018

(Amount in ₹)

### 19.2 Issued Share Capital

| | 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 |
| Ordinary Shares of ₹ 10/- each | 4,142,201 | 41,422,010 | 4,142,201 | 41,422,010 | 4,142,201 | 41,422,010 |
| | 4,142,201 | **41,422,010** | **4,142,201** | **41,422,010** | **4,142,201** | **41,422,010** |

### 19.3 Subscribed and Paid-up Share Capital

| | 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 |
| Ordinary Shares of ₹ 10/- each fully paid-up | 4,142,201 | 41,422,010 | 4,142,201 | 41,422,010 | 4,142,201 | 41,422,010 |
| | 4,142,201 | **41,422,010** | **4,142,201** | **41,422,010** | **4,142,201** | **41,422,010** |

### 19.4 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.

### 19.5 Terms/ Rights attached to Equity Shares :

The Company has only one class of issued shares i.e. Ordinary Shares having par value of ₹ 10/- per share. Each holder of Ordinary Shares is entitled to one vote per share and equal right for dividend. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the ordinary shareholders are eligible to receive the remaining assets of the Company after payment of all preferential amounts, in proportion to their shareholding.

### 19.6 Shareholding Pattern with respect of Holding or Ultimate Holding Company

The Company does not have any Holding Company or Ultimate Holding Company.

### 19.7 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 |
| Equity Shares of ₹ 10/- each fully paid | | | | | | |
| Pushpa Devi Bangur | 642,928 | 15.52% | 517,928 | 12.50% | 970,181 | 23.42% |
| The Oriental Company Limited | 593,643 | 14.33% | 493,643 | 11.92% | 493,643 | 11.92% |
| Kettlewell Bullen and Company Limited | 538,838 | 13.01% | 538,838 | 13.01% | 538,838 | 13.01% |
| Hemant Bangur | 426,729 | 10.30% | 226,729 | 5.47% | 289,070 | 6.98% |
| Madhav Trading Corporation Limited | 424,130 | 10.24% | 374,130 | 9.03% | 54,102 | 1.30% |
| Life Insurance Corporation of India | 246,493 | 5.95% | 246,493 | 5.95% | 246,493 | 5.95% |
| The Cambay Investment Corporation Limited | 110,737 | 2.67% | 110,737 | 2.67% | 265,227 | 6.40% |
| Mugneeram Bangur & Co.LLP | 12,500 | 0.30% | 612,500 | 14.78% | 12,500 | 0.30% |

# Notes to Financial Statements

as at and for the year ended 31st March, 2018

(Amount in ₹)

**19.8** 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.

**19.9** 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.

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

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

## 20 OTHER EQUITY

| | Refer Note No. | As at 31st March 2018 | As at 31st March 2017 | As at 1st April 2016 |
|---|---|---|---|---|
| Capital Reserve | 20.1 | 698,203,792 | 698,203,792 | 698,203,792 |
| Capital Redemption Reserve | 20.2 | 41,600 | 41,600 | 41,600 |
| Capital Reserve in the nature of Share Premium | 20.3 | 69,839,105 | 69,839,105 | 69,839,105 |
| Securities Premium | 20.4 | 24,701,440 | 24,701,440 | 24,701,440 |
| General Reserve | 20.5 | 310,264,255 | 310,264,255 | 310,264,255 |
| Retained Earnings | 20.6 | 427,073,277 | 540,984,981 | 697,662,047 |
| Other Comprehensive Income | 20.7 | – | – | – |
| | | **1,530,123,469** | **1,644,035,173** | **1,800,712,239** |

a) Capital Reserve & Capital Reserve in the nature of Security Premium: During amalgamation / merger / acquisition, the excess of net assets taken, over the consideration paid, if any, is treated as capital reserve.

b) Capital Redemption Reserve: The Company has recognised Capital Redemption Reserve on redemption of preference shares from its retained earnings. The amount in Capital Redemption Reserve is equal to nominal amount of the preference shares redeemed.

c) Securities Premium: The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve. This reserve is utilised in accordance with the provisions of the Companies Act 2013.

d) General Reserve: The reserve arises on transfer portion of the net profit pursuant to the earlier provisions of Companies Act 1956.

e) Retained Earnings: Retained earnings represent accumulated profits earned by the Company and remaining undistributed as on date.

f) Other Comprehensive Income (OCI) : Other Comprehensive Income (OCI) represent the balance in equity for items to be accounted under OCI and comprises of the following:

   i) Equity Instruments through OCI: The Company has elected to recognise changes in the fair value of certain investment in equity instrument in other comprehensive income.

   ii) Remeasurement of defined benefit obligations: The actuarial gains and losses arising on defined benefit obligations have been recognised in OCI.

# Notes to Financial Statements

as at and for the year ended 31st March, 2018

(Amount in ₹)

| | | As at 31st March 2018 | As at 31st March 2017 |
|---|---|---|---|
| **20.1** | **Capital Reserve** | | |
| | Balance at the beginning and at the end of the year | **698,203,792** | **698,203,792** |
| **20.2** | **Capital Redemption Reserve** | | |
| | Balance at the beginning and at the end of the year | **41,600** | **41,600** |
| **20.3** | **Capital Reserve in the nature of Share Premium** | | |
| | Balance at the beginning and at the end of the year | **69,839,105** | **69,839,105** |
| **20.4** | **Securities Premium** | | |
| | Balance at the beginning and at the end of the year | **24,701,440** | **24,701,440** |
| **20.5** | **General Reserve** | | |
| | Balance at the beginning and at the end of the year | **310,264,255** | **310,264,255** |
| **20.6** | **Retained Earnings** | | |
| | Balance at the beginning of the year | 540,984,981 | 697,662,047 |
| | Add: Other Comprehensive Income arising from remeasurement of defined benefit obligation (net of tax) | 8,735,700 | (10,683,551) |
| | Add: Profit/(Loss) for the year | (117,661,947) | (141,514,012) |
| | | **432,058,734** | **545,464,484** |
| | Less: Appropriation | | |
| | Final Dividend | 4,142,201 | 4,142,201 |
| | Dividend Distribution Tax on Final Dividend | 843,256 | 337,302 |
| | | **4,985,457** | **4,479,503** |
| | Balance at the end of the year | **427,073,277** | **540,984,981** |
| **20.7** | **Other Comprehensive Income** | | |
| | **Remeasurement of Defined Benefit Obligations** | | |
| | Balance at the beginning of the year | – | – |
| | Add/(Less): Changes during the year (net of tax) | 8,735,700 | (10,683,551) |
| | Add/(Less): Transferred to Retained Earnings | (8,735,700) | 10,683,551 |
| | Balance at the end of the year | – | – |
| | **Total Reserve & Surplus** | **1,530,123,469** | **1,644,035,173** |

# Notes to Financial Statements

as at and for the year ended 31st March, 2018

(Amount in ₹)

## 21 BORROWINGS

| | 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 |
| **Secured** | | | | | | |
| Term Loan from banks | 180,000,000 | 254,583,333 | 227,916,666 | 60,000,000 | 85,416,667 | 80,416,667 |
| **Total Secured Borrowings** | **180,000,000** | **254,583,333** | **227,916,666** | **60,000,000** | **85,416,667** | **80,416,667** |
| Amount disclosed under the head "Other Financial Liability" | – | – | – | 60,000,000 | 85,416,667 | 80,416,667 |
| | **180,000,000** | **254,583,333** | **227,916,666** | – | – | – |
| **Break Up of Security Details** | | | | | | |
| Secured | 180,000,000 | 254,583,333 | 227,916,666 | 60,000,000 | 85,416,667 | 80,416,667 |
| Unsecured | – | – | – | – | – | – |
| | **180,000,000** | **254,583,333** | **227,916,666** | **60,000,000** | **85,416,667** | **80,416,667** |

### 21.1 Details of Security Given for Loan

a. Term Loan from a Bank amounting to ₹ 15,00,00,000/- together with working capital facility from the same Bank is secured / to be secured by exclusive charge on the title deeds of Goomankhan Tea Estate and also by way of hypothecation of Plant and Machinery of Goomankhan Tea Estate. Loan is repayable in 15 quarterly installments of ₹ 1,00,00,000/-. Interest is payable on quarterly basis at 9.85%.

b. Term Loans from a Bank amounting to ₹ 9,00,00,000/- together with working capital facility from the same Bank is secured by exclusive charge on the title deeds of Nilmoni Tea Estate, current assets of Karnataka division both present and future. Loan is repayable in 18 quarterly installments of ₹ 50,00,000/-. Interest is payable on monthly basis at 9.60%.

**21.2** Refer note no. 41 for information on the carrying amounts of financial and non-financial assets pledged as security for the non-current borrowings.

## 22 PROVISIONS

| | Non-Current | | | Current | | |
|---|---|---|---|---|---|---|
| | 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 |
| Provision for Employee Benefits | | | | | | |
| Gratuity | 27,366,000 | 25,883,000 | – | – | – | 13,185,545 |
| Bonus | – | – | – | 22,633,660 | 20,767,366 | 19,406,356 |
| Leave | – | – | – | 1,964,699 | 935,000 | 900,000 |
| | **27,366,000** | **25,883,000** | – | **24,598,359** | **21,702,366** | **33,491,901** |

# Notes to Financial Statements
as at and for the year ended 31st March, 2018

(Amount in ₹)

## 23 DEFERRED TAX LIABILITIES (NET)

| | Refer Note No. | As at 31st March 2018 | As at 31st March 2017 | As at 1st April 2016 |
|---|---|---|---|---|
| **Deferred Tax Liabilities** | | | | |
| Arising on account of : | | | | |
| Property, Plant & Equipments & Intangible Assets | | 141,232,566 | 160,927,031 | 175,134,018 |
| Other temporary differences | | 16,117,867 | 9,279,404 | 616,946 |
| | | **157,350,433** | **170,206,435** | **175,750,964** |
| **Less: Deferred Tax Assets** | | | | |
| Arising on account of : | | | | |
| Unused tax credit | | 1,800,000 | 1,800,000 | 1,800,000 |
| Section 43B of Income-tax Act | | 9,233,418 | 10,135,356 | 905,101 |
| Unabsorbed Depreciation/ Carried Forward Business Losses | 23.1 | 8,405,083 | 6,448,687 | – |
| | | **19,438,501** | **18,384,043** | **2,705,101** |
| Deferred Tax Liabilities (Net) | | **137,911,932** | **151,822,392** | **173,045,863** |

**23.1** 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.

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

| | As at 1st April, 2016 | Charge/(Credit) in Statement of Profit & Loss | Charge/(Credit) in Other Comprehensive Income | As at 31st March, 2017 |
|---|---|---|---|---|
| **Deferred Income Tax Liabilities/(Assets)** | | | | |
| Property, Plant & Equipments & Intangible Assets | 175,134,018 | (14,206,987) | – | 160,927,031 |
| Other temporary differences | 616,946 | 8,662,458 | – | 9,279,404 |
| Unused tax credit | (1,800,000) | – | – | (1,800,000) |
| Items u/s 43B of the Income Tax Act, 1961 | (905,101) | (4,452,806) | (4,777,449) | (10,135,356) |
| Unabsorbed Depreciation/ Carried Forward Business Losses | – | (6,448,687) | – | (6,448,687) |
| **Deferred Tax Liabilities/(Assets)** | **173,045,863** | **(16,446,022)** | **(4,777,449)** | **151,822,392** |

| | As at 31st March, 2017 | Charge/(Credit) in Statement of Profit & Loss | Charge/(Credit) in Other Comprehensive Income | As at 31st March, 2018 |
|---|---|---|---|---|
| **Deferred Income Tax Liabilities/(Assets)** | | | | |
| Property, Plant & Equipments & Intangible Assets | 160,927,031 | (19,694,465) | – | 141,232,566 |
| Other temporary differences | 9,279,404 | 6,838,463 | – | 16,117,867 |
| Unused tax credit | (1,800,000) | – | – | (1,800,000) |
| Items u/s 43B of the Income Tax Act, 1961 | (10,135,356) | (2,167,362) | 3,069,300 | (9,233,418) |
| Unabsorbed Depreciation/ Carried Forward Business Losses | (6,448,687) | (1,956,396) | – | (8,405,083) |
| **Deferred Tax Liabilities/(Assets)** | **151,822,392** | **(16,979,760)** | **3,069,300** | **137,911,932** |

# Notes to Financial Statements

as at and for the year ended 31st March, 2018

(Amount in ₹)

**23.3** 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 laibilities relate to income tax levied by the same taxation authority.

## 24 NON CURRENT TAX LIABILITY (NET)

| | Refer Note No. | As at 31st March 2018 | As at 31st March 2017 | As at 1st April 2016 |
|---|---|---|---|---|
| Provision for tax (Net of Advance Tax) | | 2,059,938 | 2,059,938 | 2,059,938 |
| | | **2,059,938** | **2,059,938** | **2,059,938** |

## 25 CURRENT BORROWINGS

| | Refer Note No. | As at 31st March 2018 | As at 31st March 2017 | As at 1st April 2016 |
|---|---|---|---|---|
| **Secured** | | | | |
| Loan from Banks | | | | |
| Working Capital loans repayable on demand | | 11,242,702 | 123,307,431 | 147,654,160 |
| Short Term Loan | | 170,000,000 | 170,000,000 | 70,000,000 |
| **Unsecured** | | | | |
| Loan from Banks | | | | |
| Short Term Loan | | 192,050,000 | 152,499,244 | 108,200,000 |
| | | **373,292,702** | **445,806,675** | **325,854,160** |

**25.1 Details of Security Given for Loan**

a. Working Capital Loan and Short Term Loan amounting to ₹ 17,27,01,424/- is secured by way of exclusive charge on the title deeds of Nilmoni Tea Estate and the Current Assets of the Karnataka Division, both present and future.

b. Working Capital Loan from a Bank of ₹ 85,41,278/- is secured by equitable mortgage of Jamirah Tea Estate and Pullikanam Tea Estate and also by way of hypothecation of current assets of Kerala Division.

**25.2** Refer note no. 41 for information on the carrying amounts of financial and non-financial assets pledged as security for current borrowings.

## 26 TRADE PAYABLES

| | Refer Note No. | As at 31st March 2018 | As at 31st March 2017 | As at 1st April 2016 |
|---|---|---|---|---|
| **Trade Payables for goods and services** | | | | |
| Total outstanding dues of creditors to micro enterprises and small enterprises | | – | – | – |
| Total outstanding dues of creditor to other than micro enterprises and small enterprises | | 45,872,632 | 38,040,998 | 29,441,598 |
| | | **45,872,632** | **38,040,998** | **29,441,598** |

# Notes to Financial Statements

as at and for the year ended 31st March, 2018

(Amount in ₹)

## 27 OTHER CURRENT FINANCIAL LIABILITIES

| | Refer Note No. | As at 31st March 2018 | As at 31st March 2017 | As at 1st April 2016 |
|---|---|---|---|---|
| Current maturities of Non-Current debt | | 60,000,000 | 85,416,667 | 80,416,667 |
| Employee Related Liability | | 13,750,875 | 20,116,158 | 16,503,004 |
| Interest accrued but not due on Borrowings | | 7,631,818 | 3,363,799 | 1,673,151 |
| Interest accrued and due on Borrowings | | 2,929,288 | 2,963,528 | 2,364,618 |
| Unpaid and unclaimed dividends | 21.1 | 2,061,121 | 2,104,826 | 2,063,877 |
| Security deposit | | 467,241 | 345,863 | 471,664 |
| Amount payable for Capital Goods | | – | 321,000 | 1,276,398 |
| | | **86,840,343** | **114,631,841** | **104,769,379** |

**27.1** There are no amounts due for payment to the Investor Education and Protection Fund at the end of the year.

## 28 OTHER CURRENT LIABILITIES

| | Refer Note No. | As at 31st March 2018 | As at 31st March 2017 | As at 1st April 2016 |
|---|---|---|---|---|
| Statutory Dues Payable | | 15,296,072 | 16,453,806 | 14,584,562 |
| Advances Received from Customers | | 1,997,373 | 4,445,127 | 1,991,402 |
| | | **17,293,445** | **20,898,933** | **16,575,964** |

# Notes to Financial Statements

as at and for the year ended 31st March, 2018

(Amount in ₹)

## 29 REVENUE FROM OPERATIONS

| | Refer Note No. | For the year ended 31st March 2018 | For the year ended 31st March 2017 |
|---|---|---|---|
| Sale of Finished Goods | | 985,287,940 | 860,950,722 |
| | | **985,287,940** | **860,950,722** |
| **Other Operating Revenues** | | | |
| Sale of Minor Produce / Timber | | 14,707,036 | 12,836,874 |
| Incentives & Subsidies | | – | 4,580,400 |
| Insurance and Other Claims (Net) | | 1,289,020 | 3,739,867 |
| | | **15,996,056** | **21,157,141** |
| | | **1,001,283,996** | **882,107,863** |

## 30 OTHER INCOME

| | Refer Note No. | For the year ended 31st March 2018 | For the year ended 31st March 2017 |
|---|---|---|---|
| **Interest Income at amortised cost** | | | |
| On Bank Deposits | | 12,828 | 3,131,438 |
| On Inter Corporate Deposits and Others | | 16,444,798 | 18,907,951 |
| **Other Non Operating Income** | | | |
| Rent | | 47,904 | 80,822 |
| Excess Liabilities and Unclaimed Balances written back | | 467,668 | 1,011,768 |
| Proceed on Maturity of Keyman Insurance Policy | | – | 32,747,626 |
| Miscellaneous Income | | 1,824,284 | 3,697,684 |
| Changes in Fair value of Biological assets | | (10,771,465) | (3,368,091) |
| Profit/(loss) on Sale of Non-Current Investment | | 47,358,970 | – |
| | | **55,384,987** | **56,209,198** |

## 31 COST OF MATERIALS CONSUMED

| | Refer Note No. | For the year ended 31st March 2018 | For the year ended 31st March 2017 |
|---|---|---|---|
| Purchase of Green Leaf | | **199,848,945** | **237,516,294** |

# Notes to Financial Statements

as at and for the year ended 31st March, 2018

(Amount in ₹)

## 32 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

| | Refer Note No. | For the year ended 31st March 2018 | For the year ended 31st March 2017 |
|---|---|---|---|
| **Inventories at the end of the year** | | | |
| Tea | | 81,223,141 | 91,558,399 |
| Rubber | | 29,025,830 | 75,816,221 |
| Coffee | | 30,794,780 | 30,128,825 |
| Minor Produce | | 2,253,044 | 1,648,459 |
| | | **143,296,795** | **199,151,904** |
| **Inventories at the beginning of the year** | | | |
| Tea | | 91,558,399 | 47,066,689 |
| Rubber | | 75,816,221 | 22,463,065 |
| Coffee | | 30,128,825 | 27,857,760 |
| Minor Produce | | 1,648,459 | 1,851,490 |
| | | **199,151,904** | **99,239,004** |
| | | **55,855,109** | **(99,912,900)** |

## 33 EMPLOYEE BENEFITS EXPENSE

| | Refer Note No. | For the year ended 31st March 2018 | For the year ended 31st March 2017 |
|---|---|---|---|
| Salaries & Wages | | 436,625,811 | 425,142,450 |
| Contribution to Provident Funds and Others | | 42,786,465 | 42,285,293 |
| Contribution to Gratuity Fund | | 13,288,000 | 10,422,000 |
| Contribution to Superannuation Fund | | 3,894,905 | 3,921,210 |
| Staff Welfare Expenses | | 39,226,433 | 38,202,548 |
| | | 535,821,614 | 519,973,501 |
| Less: Amount Capitalised | | 16,430,181 | 17,865,214 |
| | | **519,391,433** | **502,108,287** |

## 34 FINANCE COST

| | Refer Note No. | For the year ended 31st March 2018 | For the year ended 31st March 2017 |
|---|---|---|---|
| **Interest Expenses** | | | |
| To Banks on Term Loans | | 30,066,230 | 33,851,753 |
| To Banks On Working Capital Loans | | 45,522,816 | 40,547,660 |
| **Other Borrowing Costs** | | | |
| Other Financial Charges | | 1,078,750 | 2,719,650 |
| | | 76,667,796 | 77,119,063 |
| Less: Amount Capitalised | 34.1 | 1,315,287 | 1,439,287 |
| | | **75,352,509** | **75,679,776** |

**34.1** 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 10.96% (31 March 2017 – 10.75%).

# Notes to Financial Statements
as at and for the year ended 31st March, 2018

(Amount in ₹)

## 35 DEPRECIATION AND AMORTIZATION EXPENSES

| | Refer Note No. | For the year ended 31st March 2018 | For the year ended 31st March 2017 |
|---|---|---|---|
| On Property, Plant and Equipment | | 64,224,093 | 68,699,668 |
| On Intangible Assets | | 136,999 | 136,999 |
| | | **64,361,092** | **68,836,667** |

## 36 OTHER EXPENSES

| | Refer Note No. | For the year ended 31st March 2018 | For the year ended 31st March 2017 |
|---|---|---|---|
| **Manufacturing Expenses** | | | |
| Stores, Spare Parts & Packing Materials Consumed | | 18,341,557 | 19,317,362 |
| Power & Fuel | | 81,330,732 | 81,570,671 |
| Cultivations | | 71,510,225 | 82,934,135 |
| Repairs to Buildings | | 10,943,827 | 10,471,273 |
| Repairs to Machinery | | 9,008,631 | 10,416,670 |
| Repairs to Other Assets | | 406,761 | 504,364 |
| Tea Cess | | 393,492 | 2,910,402 |
| | | 191,935,225 | 208,124,877 |
| Less: Amount Capitalised | | 7,572,341 | 8,900,544 |
| | | **184,362,884** | **199,224,333** |
| **Selling and Administration Expenses** | | | |
| Freight & Cartage | | 16,088,135 | 21,731,261 |
| Commission , Brokerage & Discount | | 8,486,035 | 14,204,258 |
| Rent | | 3,112,901 | 3,271,835 |
| Rates & Taxes | | 6,266,332 | 7,173,207 |
| Insurance | | 5,693,765 | 5,560,001 |
| Vehicle Running & Maintenance Expense | | 13,449,048 | 13,306,687 |
| Charity & Donation | | 106,340 | 42,500 |
| Corporate Social Responsibility Expenses | | 90,300 | 62,800 |
| **Auditors' Remuneration -** | | | |
| Statutory Auditors - | | | |
| Audit Fees | | 1,200,000 | 1,200,000 |
| Issue of Certificates | | 1,000,000 | 1,040,000 |
| Reimbursement of Expenses | | 21,880 | 28,872 |
| Reimbursement of Service Tax | | – | 336,000 |
| **Cost Auditors' Remuneration -** | | | |
| Audit Fees | | 150,000 | 150,000 |
| Legal & Professional Fees | | 3,587,137 | 11,214,670 |
| Advances written off | | 170,179 | 847,001 |
| Provision for obsolescence on stores | | – | 2,495,927 |
| Loss/(Profit) on Sale/discard of Property, Plant and Equipment | | 7,123,440 | 1,904,267 |

# Notes to Financial Statements

as at and for the year ended 31st March, 2018

(Amount in ₹)

## 36 OTHER EXPENSES

| | Refer Note No. | For the year ended 31st March 2018 | For the year ended 31st March 2017 |
|---|---|---|---|
| Loss on Sale of Non Current Investment | | – | 5,378,670 |
| Provision for doubtful advances | | – | 2,618,356 |
| Travelling Expenses | | 1,712,817 | 1,558,031 |
| Director Sitting Fees | | 445,000 | 435,000 |
| Other Miscellaneous Expenses | | 19,640,917 | 18,265,295 |
| | | **88,344,227** | **112,824,638** |
| | | **272,707,110** | **312,048,971** |

## 37 TAX EXPENSE

| | Refer Note No. | For the year ended 31st March 2018 | For the year ended 31st March 2017 |
|---|---|---|---|
| Deferred Tax | | (16,979,761) | (16,446,022) |
| | | **(16,979,761)** | **(16,446,022)** |

**37.1 Reconciliation of estimated Income tax expense at Indian statutory Income tax rate to income tax expense reported in statement of Profit & Loss.**

| | Refer Note No. | For the year ended 31st March 2018 | For the year ended 31st March 2017 |
|---|---|---|---|
| Profit from before income tax expense | | (134,641,707) | (157,960,034) |
| Income Tax rate* | | 34.61% | 34.61% |
| Estimated Income Tax Expense | | (46,596,802) | (54,666,809) |
| Tax effect of adjustments to reconcile expected Income tax expense to reported Income tax expense | | | |
| Exempt Income | | (8,231,041) | (2,594,859) |
| Non Deductible expenses under Income tax Act | | 49,652 | 52,886 |
| Adjustments due to change in tax rates | | 24,075,395 | – |
| Unrecognised tax credit on losses | | (37,276,018) | (32,007,928) |
| Others | | (8,235,030) | (3,670,886) |
| | | (29,617,042) | (38,220,787) |
| **Income tax expense in Statement of Profit & Loss** | | **(16,979,760)** | **(16,446,022)** |

* Applicable Income Tax rate for Financial Year 2018 & 2017 is 34.608%. However, Company is required to pay tax u/s 115JB of Income Tax Act, 1961.

## 38 OTHER COMPREHENSIVE INCOME

| | Refer Note No. | For the year ended 31st March 2018 | For the year ended 31st March 2017 |
|---|---|---|---|
| **Items that will not be reclassified to profit or loss** | | | |
| Remeasurement of the defined benefit plans | | (11,805,000) | 15,461,000 |
| Less: Tax expense on the above | | 3,069,300 | (4,777,449) |
| | | **(8,735,700)** | **10,683,551** |

# Notes to Financial Statements

as at and for the year ended 31st March, 2018

(Amount in ₹)

## 39 EARNING PER SHARE

| | Refer Note No. | For the year ended 31st March 2018 | For the year ended 31st March 2017 |
|---|---|---|---|
| Nominal Value of Equity Share (₹) | | 10.00 | 10.00 |
| Profit attributed to the Equity shareholders of the Company | | (117,661,947) | (141,514,012) |
| Weighted average number of equity shares | | 4,142,201 | 4,142,201 |
| Basis and diluted earning per share (₹) | | (28.41) | (34.16) |

There are no dilutive equity shares in the Company.

## 40 CONTINGENT LIABILITIES, CONTINGENT ASSETS & COMMITMENT TO THE EXTENT NOT PROVIDED FOR:

**40.1** Contingent Liabilities

| Sl. No. | Particulars | As at 31st March 2018 | As at 31st March 2017 | As at 1st April 2016 |
|---|---|---|---|---|
| A | Claims/Disputes/Demands not acknowledged as debts - | | | |
| i. | Income Tax under appeal **[Note 1]** | 33,855,215 | 19,847,195 | 15,599,345 |
| ii. | Sales Tax under appeal (Total amount paid under protest) | – | 1,783,041 | 1,783,041 |
| iii. | Karnataka Agriculture Income Tax under Appeal (Advance paid ₹ 73,538/-) | 2,844,818 | 2,765,240 | 4,669,274 |
| iv. | Claims of Creditors & workers | 2,227,395 | 1,940,429 | 829,945 |
| v. | Seigniorage Charges (KERALA Forest Dept.) | 17,702,033 | 17,702,033 | 17,702,033 |
| vi. | Provident Fund Damages | 5,179,844 | 5,689,919 | 4,500,608 |
| vii. | Lease Rent **[Note 2]** | 11,686,205 | 10,286,315 | 8,886,425 |
| viii. | Other claims not acknowledged as debts | 8,436,848 | – | – |

**Note 1** ₹ 11,865,666/- (2017: ₹ 14,943,629/-, 2016: ₹ 9,239,139/-) paid under protest / adjusted for appeal.

**Note 2** The Government of Kerala has increased the Lease Rent payable in respect of Chemoni and Pudukad Estates from ₹ 2/- per Acre to ₹ 1300/- per Hectare with effect from 25th November, 2009. The Company filed Writ Petition before the Hon'ble Court of Kerala challenging the increase and the case is subjudice. The Company has paid ₹ Nil (2017: ₹ 60,86,645/-, 2016: ₹ 60,86,645/-) on account of the increased Lease rental under protest.

In respect of above matters, future cash outflows in respect of contingent liabilities are determinable only on receipt of judgements pending at various forums/ authorities.

**40.2** Commitments

| Sl. No. | Particulars | As at 31st March 2018 | As at 31st March 2017 | As at 1st April 2016 |
|---|---|---|---|---|
| i. | Estimated amount of contracts remaining to be executed on Capital Account (net of advances) | Nil | 140,800 | 2,423,901 |

# Notes to Financial Statements

as at and for the year ended 31st March, 2018

(Amount in ₹)

## 41 ASSETS PLEDGED AS SECURITY

The carrying amounts of assets pledged as security for current and non current borrowings are as follows :

| Particulars | As at 31st March 2018 | As at 31st March 2017 | As at 1st April 2016 |
|---|---|---|---|
| **Current** | | | |
| **Financial assets** | **102,034,345** | **71,810,384** | **241,070,737** |
| Trade Receivables | 77,553,452 | 49,656,251 | 62,471,887 |
| Cash and cash equivalents | 12,196,934 | 9,963,725 | 139,117,080 |
| Other Current Assets | 12,283,959 | 12,190,408 | 39,481,770 |
| **Non-financial assets** | **188,547,210** | **250,295,511** | **151,233,532** |
| Inventories | 188,547,210 | 250,295,511 | 151,233,532 |
| **Total current assets pledged as security** | **290,581,555** | **322,105,895** | **392,304,269** |
| **Non-current** | | | |
| Freehold land & Plantation | 620,584,591 | 617,902,624 | 616,934,512 |
| Freehold buildings | 106,365,140 | 115,175,842 | 112,186,968 |
| Furniture, fittings and equipment | 52,510,361 | 46,037,123 | 52,479,656 |
| **Total non-currents assets pledged as security** | **779,460,092** | **779,115,589** | **781,601,136** |
| **Total assets pledged as security** | **1,070,041,647** | **1,101,221,484** | **1,173,905,405** |

## 42. 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 31st March 2018 | As at 31st March 2017 | As at 1st 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.

# Notes to Financial Statements

as at and for the year ended 31st March, 2018

(Amount in ₹)

## 43. OPERATING LEASES (OTHER THAN LAND LEASES)

The Company has operating lease for an office permise which is a non-cancellable lease for a period of 5 years. With respect to non-cancellable operating lease, the future minimum lease payment at the balance sheet date is as under.

### 43.1 Future Minimum Lease Payments

At 31st March, the future minimum lease payments to be made under non-cancellable operating leases are as follows:

| Particulars | As at 31st March 2018 | As at 31st March 2017 | As at 1st April 2016 |
|---|---|---|---|
| Payables within one year | – | 1,800,000 | 1,800,000 |
| Payables later than one year but not later than five years | – | – | 1,800,000 |
| Payables later than five years | – | – | – |

### 43.2 Amounts recognized in Profit or Loss

| Particulars | For the year ended 31st March 2018 | For the year ended 31st March 2017 |
|---|---|---|
| Minimum lease payments | 3,112,901 | 3,271,835 |
| Total rental expense relating to operating leases | 3,112,901 | 3,271,835 |

## 44. DISCLOSURE PURSUANT TO INDIAN ACCOUNTING STANDARD - 19 'EMPLOYEE BENEFITS'

### 44.1 Defined Contribution Plan:

The Company makes contribution towards provident fund and superannuation 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 Company operates a superannuation scheme for certain employees and contributions by the Company under the scheme, is charged against revenue every year.

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 | 37,581,208 | 37,886,361 |
| b. | Superannuation Fund | 3,894,905 | 3,921,210 |

### 44.2 Defined Benefit Plan:

The following are the types of defined benefit plans

#### 44.2.1 Gratuity Plan

The Company makes annual contribution of gratuity to gratuity funds duly constituted and administered by independent trustees and funded with Birla Sun Life Insurance Company Limited/ 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.

# Notes to Financial Statements
as at and for the year ended 31st March, 2018

### 44.2.2 Leave

The employees of the Company are also eligible for encashment of leave upon retirement up to 30 days for each year (maximum 120 days). The benefit obligation related to leave liability are funded with Life Insurance Corporation of India.

### 44.2.3 Risk Exposure

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

| | |
|---|---|
| **Interest rate risk** | The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation with tend to increase. |
| **Salary Inflation risk** | Higher than expected increases in salary will increase the defined benefit obligation. |
| **Demographic risk** | This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compare to long service employee. |

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

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

(₹ in lacs)

| Particulars | Gratuity | |
|---|---|---|
| | 2017-18 | 2016-17 |
| Net defined benefit asset/(liability) at the beginning of the year | (258.83) | (131.86) |
| Service Cost | (114.51) | (98.95) |
| Net interest on net defined benefit (liability)/asset | (18.37) | (5.27) |
| Amount recognised in OCI | 118.05 | (154.61) |
| Employer contributions | – | 131.86 |
| Net defined benefit asset/(liability) at the end of the year | (273.66) | (258.83) |

# Notes to Financial Statements

as at and for the year ended 31st March, 2018

(Amount in ₹)

### 44.2.5 Reconciliation of Defined Benefit Obligations

The following table shows a reconciliation to defined benefits obligations:

(₹ in lacs)

| Particulars | Gratuity | |
|---|---|---|
| | 2017-18 | 2016-17 |
| Defined Benefit Obligation at the beginning of the year | 1,854.38 | 1,613.81 |
| Current Service Cost | 114.51 | 98.95 |
| Interest Cost on the defined benefit obligation | 126.17 | 122.21 |
| Curtailment (Credit)/ Cost | – | – |
| Settlement (Credit)/ Cost | – | – |
| Past Service cost- plan amendments | – | – |
| Acquisitions (Credit)/ Cost | – | – |
| Actuarial (gain)/loss-experience | (36.02) | 64.59 |
| Actuarial (gain)/ loss -demographic assumptions | – | – |
| Actuarial (gain)/loss-financial assumptions | (74.12) | 127.11 |
| Benefits paid directly by the Company | – | – |
| Benefits paid from plan assets | (154.61) | (172.29) |
| Defined Benefit Obligation at the end of the year | 1,830.31 | 1,854.38 |

### 44.2.6 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:

(₹ in lacs)

| Particulars | Gratuity | |
|---|---|---|
| | 2017-18 | 2016-17 |
| Fair Value of Plan Assets at the beginning of the year | 1,595.55 | 1,481.95 |
| Interest Income on Plan Assets | 107.80 | 116.94 |
| Return on plan assets greater/ (lesser) than discount rate | 7.91 | 37.09 |
| Employer Contributions | – | 131.86 |
| Benefits Paid | (154.61) | (172.29) |
| Fair Value of Plan Assets at the end of the year | 1,556.65 | 1,595.55 |

### 44.2.7 Expenses recognized in profit or loss

(₹ in lacs)

| Particulars | Gratuity | |
|---|---|---|
| | 2017-18 | 2016-17 |
| Current Service Cost | 114.51 | 98.95 |
| Interest Cost | 126.17 | 122.21 |
| Interest Income on Plan Assets | 107.80 | 116.94 |

# Notes to Financial Statements

as at and for the year ended 31st March, 2018

**44.2.8 Remeasuremets recognzied in other comprehensive income** (₹ in lacs)

| Particulars | Gratuity | |
|---|---|---|
| | 2017-18 | 2016-17 |
| Actuarial (gain)/ Loss on defined benefit obligation | (110.14) | 191.70 |
| Return on plan assets greater/ (lesser) than discount rate | (7.91) | (37.09) |

**44.2.9 Major Categories of Plan Assets**

The Gratuity Scheme is invested in a Group Unit Linked Gratuity Plan managed by Birla Sun Life Insurance Company Limited and the Independent Administered Gratuity Fund. The information on the allocations of fund managed by Birla Sun Life Insurance Company Limited into major assets classes and expected return on each major classes are not readily available. In case of company's administered trust, 100% allocation of fund has been made towards government securities. The expected rate of return on plan assets is based on the assumed rate of return provided by Company's actuary.

**44.2.10 Actuarial Assumptions** (₹ in lacs)

| Particulars | Gratuity | |
|---|---|---|
| | 2017-18 | 2016-17 |
| **Financial Assumptions** | | |
| Discount Rate | 7.60 | 7.10 |
| Salary Escalation Rate- Management | 8.00 | 8.00 |
| Salary Escalation Rate- Non- Management | 6.00 | 6.00 |
| **Demographic Assumptions** | | |
| 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% |

**44.2.11** 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.

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

| Expected benefits payment for the year ending on | Gratuity |
|---|---|
| 31st March 2019 | 247.61 |
| 31st March 2020 | 123.14 |
| 31st March 2021 | 141.75 |
| 31st March 2022 | 139.29 |
| 31st March 2023 | 168.57 |
| 31st March 2024 to 31st March 2028 | 1,173.88 |

**44.2.13** The Company expects to contribute ₹ Nil (previous year ₹ Nil) to its gratuity fund in 2018-19

# Notes to Financial Statements

as at and for the year ended 31st March, 2018

### 44.2.14 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 occuring 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: (₹ in lacs)

| Particulars | Gratuity | |
|---|---|---|
| | 2017-18 | 2016-17 |
| Effect on DBO due to 1% increase in Discount Rate | (133.00) | (140.24) |
| Effect on DBO due to 1% decrease in Discount Rate | 154.00 | 162.63 |
| Effect on DBO due to 1% increase in Salary Escalation Rate | 154.00 | 162.44 |
| Effect on DBO due to 1% decrease in Salary Escalation Rate | (136.00) | (142.59) |

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.

## 45 IN ACCORDANCE WITH THE GUIDANCE NOTE ON ACCOUNTING FOR EXPENDITURE ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES, THE REQUISITE DISCLOSURE AS FOLLOWS:

(₹ in lacs)

| 45.1 Particulars | Gratuity | |
|---|---|---|
| | 2017-18 | 2016-17 |
| Gross Amount Required to be spent by the company during the year | – | 5.27 |
| Provision made in relation to CSR expenditure | – | – |

(₹ in lacs)

| 45.2 Particulars | 2017-18 | | 2016-17 | |
|---|---|---|---|---|
| | In Cash | Yet to be paid in cash | In Cash | Yet to be paid in cash |
| **Amount spent during the year on :** | | | | |
| Construction/ Acquisition of any asset | – | – | – | – |
| On purpose other than above | 0.90 | – | 0.62 | – |
| Unspent Amount | – | – | 4.65 | – |

## 46 RELATED PARTY DISCLOSURES

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

**A Subsidiaries of the Company**

- Cowcoody Builders Private Limited (CBPL)
- Pranav Infradev Company Private Limited (PICPL)
- Keshava Plantations Private Limited (KPPL)(w.e.f. 05.04.2016)
- Gloster Real Estate Private Limited. (GREPL) (Subsidiary upto 19.01.2017)

**B Associate of the Company**

- The Cochin Malabar Estates & Industries Limited (TCMEIL)

# Notes to Financial Statements

as at and for the year ended 31st March, 2018

(Amount in ₹)

**C Key Management Personnel**

- Hemant Bangur- Chairman
- Pushpa Devi Bangur- Non Executive Director
- Manoj Kumar Daga-Independent Director
- Mihir Mohan Pyne-Independent Director
- Jay Kumar Surana-Independent Director
- K. C. Mohta - Executive Director & C.E.O (till 30th April,2018)
- Babulal Dhanuka - Chief Financial Officer (upto 31.03.2018)
- Sharad Bagree - Company Secretary
- Sayansiddha Das - Chief Financial Officer (w.e.f 23.03.2018)

**D Entities over which Key Management Personnels are able to exercise control/joint control**

- Credwyn Holdings (I) Private Limited (CHPL)
- Kettlewell Bullen & Company Limited (KBCL)
- The Oriental Company Limited (TOCL)
- Madhav Trading Corporation Limited (MTCL)
- Wind Power Vinimay Private Limited (WPVPL)
- Gopal Das Bangur (HUF)
- PDGD Investment & Trading Private Limited
- Mugneeram Bangur & Company LLP (MB)
- The Cambay Investment Corporation Limited (TCICL)

**E Post Employement Benefit Plan**

- Bangur Superannuation Fund
- Joonktollee Tea & Industries Limited Gratuity Fund

**46.2 Summary of transactions with the related parties**

| Particulats | Subsidiaries of the Company | Associate of the Company | Entities over which Key Management Personnels are able to exercise control/ joint control | Key Management Personnel | Post Employement Benefit Plan |
|---|---|---|---|---|---|
| Loan/ Advances Given | 22,346,196 | 3,500,000 | 7,500,000 | – | – |
| Previous Year | 45,124,185 | 7,500,000 | – | – | – |
| Loan/ Advances Refunded | 29,051,343 | 3,500,000 | 7,500,000 | – | – |
| Previous Year | 28,246,716 | 7,500,000 | – | – | – |
| Loan Received | – | – | 35,000,000 | – | – |
| Previous Year | – | – | – | – | – |
| Loan Repaid | – | – | 35,000,000 | – | – |
| Previous Year | – | – | – | – | – |
| Interest Income/ (Paid) | 1,316,730 | 185,261 | (581,918) | – | – |
| Previous Year | 3,116,566 | 24,658 | – | | |
| Rent Paid | – | – | 1,867,500 | – | – |
| Previous Year | – | – | 2,067,750 | – | – |

# Notes to Financial Statements

as at and for the year ended 31st March, 2018

(Amount in ₹)

| Particulats | Subsidiaries of the Company | Associate of the Company | Entities over which Key Management Personnels are able to exercise control/ joint control | Key Management Personnel | Post Employement Benefit Plan |
|---|---|---|---|---|---|
| Purchase of Goods | 3,794,492 | – | – | – | – |
| Previous Year | – | – | – | – | – |
| Dividend Paid | – | – | 2,256,091 | 744,657 | – |
| Previous Year | – | – | 1,336,063 | 1,379,251 | – |
| Sale of Investment | – | – | 48,649,500 | 43,528,500 | – |
| Previous Year | | | 38,760,330 | – | |
| Sitting Fees | – | – | – | 445,000 | – |
| Previous Year | – | – | – | 435,000 | – |
| Remuneration | – | – | – | 11,108,542 | – |
| Previous Year | – | – | – | 10,779,099 | – |
| Contribution towards post employement benefit plan | – | – | – | – | 3,911,206 |
| Previous Year | – | – | – | – | 4,821,210 |

**46.3 Summary of Closing Balance Outstanding with the related parties**

| Particulats | Subsidiaries of the Company | Associate of the Company | Entities over which Key Management Personnels are able to exercise control/ joint control | Key Management Personnel | Post Employement Benefit Plan |
|---|---|---|---|---|---|
| Loan/ Advances Receivable | | | | | |
| 2018 | 20,000,000 | – | 7,500,000 | – | – |
| **2017** | 26,705,147 | – | 7,500,000 | – | – |
| **2016** | – | – | 7,500,000 | – | – |

**46.4 Key Management Personnel compensation**

| Particulars | For the year ended 31st March 2018 | For the year ended 31st March 2017 |
|---|---|---|
| Short-term employee benefits | 11,108,547 | 10,779,099 |
| *Post-employment benefits | 1,730,769 | – |
| *Long-term employee benefits | 1,200,000 | – |
| Sitting Fees | 445,000 | 435,000 |
| **Total compensation** | **14,484,316** | **11,214,099** |

* Post-employment benefits and other long-term benefits is being disclosed based on actual payment made on retirement/ resignation of services, but does not includes provision made on actuarial basis as the same is available for all the employees together.

# Notes to Financial Statements

as at and for the year ended 31st March, 2018

(Amount in ₹)

**46.5 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 to related parties which are generally for a period of one to three years. Interest rates range from 11% to 12%. All loans to related parties are unsecured.

## 47 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 three segment i.e. Tea, Coffee and Rubber which have been identified taking into account the organizational structure as well as the differing risks and returns of these segments. The segment wise revenue, assets and liabilities relate to the respective amounts directly identifiable with each other of the segments. There is no inter-segment revenue. The company does not have any secondary/geographical segments.

| Particulars | 2017-18 | 2016-17 |
|---|---|---|
| **Segment Revenue** | | |
| Tea | 786,467,220 | 752,239,188 |
| Coffee | 43,488,720 | 50,091,587 |
| Rubber | 162,554,341 | 72,501,944 |
| Others | 8,773,715 | 7,275,144 |
| **Total** | **1,001,283,996** | **882,107,863** |
| **Segment Results** | | |
| Tea | (65,767,756) | (80,764,959) |
| Coffee | (11,684,672) | (3,301,388) |
| Rubber | (22,856,423) | (18,141,605) |
| Others | 6,786,616 | 4,956,703 |
| **Total** | **(93,522,235)** | **(97,251,249)** |
| Interest Expenses | 75,353,506 | 75,679,776 |
| Interest Income | 16,457,626 | 22,039,660 |
| Other Unallocated Income (net of Unallocated Expenses) | 17,775,408 | (7,068,669) |
| Total Profit before Tax | (134,642,707) | (157,960,034) |
| Less : Income Taxes | (16,979,760) | (16,446,022) |
| **Total Profit/(Loss) after Tax** | **(117,662,947)** | **(141,514,012)** |

# Notes to Financial Statements

as at and for the year ended 31st March, 2018

(Amount in ₹)

| Particulars | 31-03-2018 | | 31-03-2017 | | 01-04-2016 | |
|---|---|---|---|---|---|---|
| **Segment Assets & Segment Liabilities** | **Assets** | **Liabilities** | **Assets** | **Liabilities** | **Assets** | **Liabilities** |
| Tea | 1,199,999,509 | 84,063,803 | 1,209,216,851 | 77,024,350 | 1,334,702,034 | 71,758,486 |
| Coffee | 377,987,806 | 2,802,443 | 382,115,542 | 3,558,346 | 387,198,037 | 2,688,890 |
| Rubber | 219,171,415 | 15,873,672 | 276,106,528 | 27,115,488 | 230,509,469 | 13,259,336 |
| Others | 2,253,044 | – | 1,648,459 | – | 1,851,490 | – |
| Unallocable | 667,369,056 | 179,202,731 | 891,799,279 | 181,924,617 | 801,028,688 | 191,261,264 |
| **Total** | **2,466,780,830** | **281,942,649** | **2,760,886,659** | **289,622,801** | **2,755,289,718** | **278,967,976** |
| **Capital Expenditure & Depreciation/ Amortisation** | **Capital Expenditure** | **Depreciation/ Amortisation** | **Capital Expenditure** | **Depreciation/ Amortisation** | **Capital Expenditure** | **Depreciation/ Amortisation** |
| Tea | 42,415,083 | 46,773,012 | 43,074,048 | 50,008,243 | 64,864,938 | 32,066,446 |
| Coffee | 4,906,980 | 4,794,268 | 11,899,912 | 4,721,573 | 1,624,240 | 2,395,284 |
| Rubber | 4,438,887 | 11,546,889 | 7,709,430 | 12,196,946 | 4,833,097 | 3,153,301 |
| Unallocable | – | 1,246,923 | 639,507 | 1,909,905 | 145,196 | 2,865,712 |
| **Total** | **51,760,950** | **64,361,092** | **63,322,897** | **68,836,667** | **71,467,471** | **40,480,743** |

No customer individually accounted for more than 10% of the revenues from external customers during the years.

## 48 TRANSITION TO IND AS

### 48.1 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.

### 48.2 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 standalone financial statements, the Company has applied the below mentioned optional exemptions and mandatory exceptions.

### 48.2.1 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 occured before the transition date i.e., 1st April 2016. Accordingly, business combinations occurring prior to the transition date have not been restated.

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**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 cost as per Ind AS except for Bearer Plants which are measured at Fair Value at the date of transition. Intangible assets has been measured 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.

**d Designation of previously recognised financial instruments**

Para D19B of Ind AS 101 permits an entity to designate particular investments in equity instruments as at fair value through other comprehensive income (FVOCI) based on facts and circumstances at the date of transition to Ind AS (rather at initial recognition). The Company has opted to avail this exemption to designate its investments in equity insturments (other than investment in subsidiaries and associates) as FVOCI on the date of transition.

**48.2.2 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 transctions. 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 measuremnt of financial assets accounted at

# Notes to Financial Statements

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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."

**48.3 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.

**48.3.1 Reconciliation of equity as at date of transition (1st April 2016)**

| Particulars | Refer Note No. | Previous GAAP* | Adjustment | Ind AS |
|---|---|---|---|---|
| **ASSETS** | | | | |
| **NON-CURRENT ASSETS** | | | | |
| Property, Plant and Equipment | b | 799,369,006 | 378,450,753 | 1,177,819,759 |
| Capital Work-In-Progress | | 5,394,451 | – | 5,394,451 |
| Intangible Assets | | 507,392 | – | 507,392 |
| Biological Asset other than Bearer Plants | d | – | 344,762,000 | 344,762,000 |
| Investment in Subsidiaries & Associate | | 445,054,029 | – | 445,054,029 |
| Financial Assets | | | | |
| Investments | | 3,860,675 | – | 3,860,675 |
| Loans | a | 17,928,548 | (1,126,992) | 16,801,556 |
| Other Financial Assets | | 27,500,000 | – | 27,500,000 |
| Non-Current Tax Assets | | 32,468,401 | – | 32,468,401 |
| Other Non-Current Assets | a | 26,906,214 | 512,087 | 27,418,301 |
| **Total Non Current Asset** | | **1,358,988,716** | **722,597,848** | **2,081,586,564** |
| **CURRENT ASSETS** | | | | |
| Inventories | c | 139,744,191 | 1,161,279 | 140,905,470 |
| Biological Asset other than Bearer Plants | d | – | 10,328,062 | 10,328,062 |
| Financial Assets | | | | |
| Trade Receivables | | 62,471,887 | – | 62,471,887 |
| Cash and Cash Equivalents | | 141,624,450 | – | 141,624,450 |
| Bank balances other than above | | 155,751,715 | – | 155,751,715 |
| Loans | | 115,837,434 | – | 115,837,434 |
| Other Financial Assets | | 7,207,800 | – | 7,207,800 |
| Other Current Assets | a | 39,081,860 | 494,476 | 39,576,336 |
| **Total Current Assets** | | **661,719,337** | **11,983,817** | **673,703,154** |
| **Total Assets** | | **2,020,708,053** | **734,581,665** | **2,755,289,718** |
| **EQUITY AND LIABILITIES** | | | | |
| **EQUITY** | | | | |
| Equity Share Capital | | 41,422,010 | – | 41,422,010 |
| Other Equity | i | 1,235,989,252 | 564,722,987 | 1,800,712,239 |
| **Equity attributable to the owners** | | **1,277,411,262** | **564,722,987** | **1,842,134,249** |

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(Amount in ₹)

| Particulars | Refer Note No. | Previous GAAP* | Adjustment | Ind AS |
|---|---|---|---|---|
| **LIABILITIES** | | | | |
| **NON-CURRENT LIABILITIES** | | | | |
| Financial Liabilities | | | | |
| Borrowings | | 227,916,666 | – | 227,916,666 |
| Provisions | | | | |
| Deferred Tax Liabilities (Net) | f | (1,292,318) | 174,338,181 | 173,045,863 |
| Non-Current Tax Liabilities | | 2,059,938 | – | 2,059,938 |
| **Non Current Liability** | | **228,684,286** | **174,338,181** | **403,022,467** |
| **CURRENT LIABILITIES** | | | | |
| Financial Liabilities | | | | |
| Borrowings | | 325,854,160 | – | 325,854,160 |
| Trade Payables | | 29,441,598 | – | 29,441,598 |
| Other Financial Liabilities | | 104,769,379 | – | 104,769,379 |
| Provisions | e | 37,971,404 | (4,479,503) | 33,491,901 |
| Other Current Liabilities | | 16,575,964 | – | 16,575,964 |
| **Current Liability** | | **514,612,505** | **(4,479,503)** | **510,133,002** |
| **Total Equity and Liabilities** | | **2,020,708,053** | **734,581,665** | **2,755,289,718** |

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

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

| Particulars | Refer Note No. | Previous GAAP* | Adjustment | Ind AS |
|---|---|---|---|---|
| **ASSETS** | | | | |
| **NON-CURRENT ASSETS** | | | | |
| Property, Plant and Equipment | b | 744,090,586 | 396,755,664 | 1,140,846,250 |
| Capital Work-In-Progress | | 31,244,875 | – | 31,244,875 |
| Intangible Assets | | 370,393 | – | 370,393 |
| Biological Asset other than Bearer Plants | d | – | 340,834,000 | 340,834,000 |
| Investment in Subsidiaries & Associate | | 618,927,078 | – | 618,927,078 |
| Financial Assets | | | | |
| Investments | | 3,859,645 | – | 3,859,645 |
| Loans | a | 18,747,700 | (596,264) | 18,151,436 |
| Other Financial Assets | | – | – | – |
| Non-Current Tax Assets | | 35,024,551 | – | 35,024,551 |
| Other Non-Current Assets | a | 26,482,619 | 17,611 | 26,500,230 |
| **Total Non Current Asset** | | **1,478,747,447** | **737,011,011** | **2,215,758,458** |

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as at and for the year ended 31st March, 2018

(Amount in ₹)

| Particulars | Refer Note No. | Previous GAAP* | Adjustment | Ind AS |
|---|---|---|---|---|
| **CURRENT ASSETS** | | | | |
| Inventories | c | 237,785,747 | 1,621,793 | 239,407,540 |
| Biological Asset other than Bearer Plants | d | – | 10,887,971 | 10,887,971 |
| Financial Assets | | | | |
| Trade Receivables | | 49,656,251 | – | 49,656,251 |
| Cash and Cash Equivalents | | 86,124,356 | – | 86,124,356 |
| Bank balances other than above | | 2,289,734 | – | 2,289,734 |
| Loans | | 131,677,516 | – | 131,677,516 |
| Other Financial Assets | | 8,193,451 | – | 8,193,451 |
| Other Current Assets | a | 16,396,906 | 494,476 | 16,891,382 |
| **Total Current Assets** | | **532,123,961** | **13,004,240** | **545,128,201** |
| **Total Assets** | | **2,010,871,408** | **750,015,251** | **2,760,886,659** |
| **EQUITY AND LIABILITIES** | | | | |
| **EQUITY** | | | | |
| Equity Share Capital | | 41,422,010 | – | 41,422,010 |
| Other Equity | i | 1,056,300,666 | 587,734,507 | 1,644,035,173 |
| **Equity attributable to the owners** | | **1,097,722,676** | **587,734,507** | **1,685,457,183** |
| **LIABILITIES** | | | | |
| **NON-CURRENT LIABILITIES** | | | | |
| Financial Liabilities | | | | |
| Borrowings | | 254,583,333 | – | 254,583,333 |
| Provisions | | 25,883,000 | – | 25,883,000 |
| Deferred Tax Liabilities (Net) | f | (10,458,352) | 162,280,744 | 151,822,392 |
| Non-Current Tax Liabilities | | 2,059,938 | – | 2,059,938 |
| **Non Current Liability** | | **272,067,919** | **162,280,744** | **434,348,663** |
| **CURRENT LIABILITIES** | | | | |
| Financial Liabilities | | | | |
| Borrowings | | 445,806,675 | – | 445,806,675 |
| Trade Payables | | 38,040,998 | – | 38,040,998 |
| Other Financial Liabilities | | 114,631,841 | – | 114,631,841 |
| Provisions | | 21,702,366 | – | 21,702,366 |
| Other Current Liabilities | | 20,898,933 | – | 20,898,933 |
| **Current Liability** | | **641,080,813** | **–** | **641,080,813** |
| **Total Equity and Liabilities** | | **2,010,871,408** | **750,015,251** | **2,760,886,659** |

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

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as at and for the year ended 31st March, 2018

(Amount in ₹)

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

| Particulars | Refer Note No. | Previous GAAP* | Adjustment | Ind AS |
|---|---|---|---|---|
| **INCOME** | | | | |
| Revenue from Operations | | 882,107,863 | – | 882,107,863 |
| Other Income | d | 59,046,560 | (2,837,362) | 56,209,198 |
| **Total Income (A)** | | **941,154,423** | **(2,837,362)** | **938,317,061** |
| **EXPENSES** | | | | |
| Cost of Materials Consumed | | 237,516,294 | – | 237,516,294 |
| Purchases of Stock -in- Trade | | – | – | — |
| Changes in Inventories of Finished Goods, Stock-In-Trade and Work-in-Progress | c | (99,452,386) | (460,514) | (99,912,900) |
| Employee Benefits Expense | g | 517,569,287 | (15,461,000) | 502,108,287 |
| Finance Costs | | 75,679,776 | – | 75,679,776 |
| Depreciation and Amortisation Expense | b | 46,755,559 | 22,081,108 | 68,836,667 |
| Other Expenses | h | 311,554,494 | 494,477 | 312,048,971 |
| **Total Expenses (B)** | | **1,089,623,024** | **6,654,071** | **1,096,277,095** |
| **Profit/(Loss) before Tax** | | **(148,468,601)** | **(9,491,433)** | **(157,960,034)** |
| **Tax Expense:** | | | | |
| Deferred Tax | f | (9,166,034) | (7,279,988) | (16,446,022) |
| **Profit/(Loss) for the year** | | **(139,302,567)** | **(2,211,455)** | **(141,514,012)** |
| **Other Comprehensive Income** | | | | |
| Items that will not be reclassified to profit or loss | | | | |
| Remeasurement of defined benefit plan | g | – | (15,461,000) | (15,461,000) |
| Income tax relating to these items | f | – | 4,777,449 | 4,777,449 |
| **Other Comprehensive Income for the Year (Net of Tax)** | | – | **(10,683,551)** | **(10,683,551)** |
| **Total Comprehensive Income for the period** | | **(139,302,567)** | **(12,894,996)** | **(152,197,563)** |

### 48.3.4 Reconciliation of Total Equity

| Particulars | Refer Note No. | As on 31st March, 2017 | As on 1st April, 2016 |
|---|---|---|---|
| **Total Equity as per previous GAAP** | | **1,097,722,676** | **1,277,411,262** |
| **Add/ (less): Adjustments for GAAP difference** | | | |
| Effect of fair valuation of Financial Assets | a | (84,176) | (120,429) |
| Effect of fair valuation of Bearer Plant | b | 356,369,645 | 378,450,753 |
| Effect of measuring Inventory of Finished goods as per Ind AS | c | 1,621,793 | 1,161,279 |
| Effect of recognition of Biological Asset | d | 351,721,971 | 355,090,062 |
| Effect of recognition of Agriculture Produce | d | – | – |
| Effect of proposed dividend | e | – | 4,479,503 |
| Effect of others | | 40,386,018 | – |
| Tax adjustment on Ind AS adjustment | f | (162,280,744) | (174,338,181) |
| **Total Equity as per Ind AS** | | **1,685,457,183** | **1,842,134,249** |

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

| Particulars | Refer Note No. | 2016-17 |
|---|---|---|
| **Total Profit as per previous GAAP** | | **(139,302,567)** |
| **Add/ (less): Adjustments for GAAP difference** | | |
| Effect of fair valuation of Financial Assets | a | 36,252 |
| Effect of fair valuation of Bearer Plant | b | (22,081,108) |
| Effect of measuring Inventory of Finished goods as per Ind AS | c | 460,514 |
| Effect of recognition of Biological Asset | d | (3,368,091) |
| Effect of recognition of Agriculture Produce | d | – |
| Tax adjustment on Ind AS adjustment | f | 12,057,437 |
| **Total Comprehensive Income as per Ind AS** | | **(152,197,563)** |

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

| Particulars | Notes | Previous GAAP | Adjustments | Ind AS |
|---|---|---|---|---|
| Net cash flow from Operating Activities | a | (73,049,495) | – | (73,049,495) |
| Net cash flow from Investing Activities | a | (56,200,060) | – | (56,200,060) |
| Net cash flow from Financing Activities | | 73,749,461 | – | 73,749,461 |
| Net increase/(decrease) in cash and cash equivalents | | **(55,500,094)** | **–** | **(55,500,094)** |
| Cash and cash equivalents as at 1 April 2016 | | 141,624,450 | – | 141,624,450 |
| Cash and cash equivalents as at 31 March 2017 | | 86,124,356 | – | 86,124,356 |

**48.3.7 Notes to First Time Adoption**

**a Fair valuation of Financial Assets**

Under previous GAAP, the interest free security deposit were carried at cost. Under Ind AS the same are measured at fair value on initial recognistion and subsequently measured at amortised cost.

**b Property Plant & Equipment**

The Company have considered fair valuation for Bearer Plant & Land, 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 additonal depreciation charge in the Statement of Profit & Loss.

**c 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.

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(Amount in ₹)

**d Biological Assets**

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

**e Proposed Dividend**

Under Indian GAAP, proposed dividends are recognized as liability in the period to which they relate irrespective of the approval by shareholders. Under Ind AS, a proposed dividend is recognised as a liability in the period in which it is declared by the entity (on approval of Shareholders in a general meeting) or paid.

In the case of the entity, the declaration of dividend occurs after period end. Therefore, the liability for the year ended 31 March 2016 recorded for dividend has been derecognised against retained earnings on 1 April 2016.

**f 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.

**g 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.

**h Reclassification between Previous GAAP and Ind AS**

Trade discounts, rebates to customers (both primary and secondary) has been reclassifed from other expenses to revenue.

**i Retained Earnings**

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

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as at and for the year ended 31st March, 2018

(Amount in ₹)

## 49 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 |
| **Financial Assets** | | | | | | |
| Investment | | | | | | |
| - Equity Instruments | – | 3,859,645 | – | – | 3,859,645 | – |
| Trade Receivables | – | – | 77,553,452 | – | – | 49,656,251 |
| Cash and Cash Equivalents | – | – | 28,088,514 | – | – | 86,124,356 |
| Bank Balance other than above | – | – | 2,258,857 | – | – | 2,289,734 |
| Loans to Employees | – | – | 6,117,459 | – | – | 6,690,869 |
| Loans to Related Parties | – | – | 20,000,000 | – | – | 26,705,147 |
| Loans to Companies/ Firm | – | – | – | – | – | 100,000,000 |
| Security Deposits | – | – | 18,413,197 | – | – | 16,432,936 |
| Other Financial Assets | – | – | 4,181,673 | – | – | 8,193,451 |
| **Total Financial Assets** | **–** | **3,859,645** | **156,613,152** | **–** | **3,859,645** | **296,092,744** |
| **Financial Liabilities** | | | | | | |
| Borrowings | – | – | 553,292,702 | – | – | 700,390,008 |
| Trade Payables | – | – | 45,872,632 | – | – | 38,040,998 |
| Other Financial Liabilities | – | – | 86,840,343 | – | – | 114,631,841 |
| **Total Financial Liabilities** | **–** | **–** | **686,005,677** | **–** | **–** | **853,062,847** |

As at 1st April 2016

| Particulars | FVTPL | FVOCI | Amortized Cost |
|---|---|---|---|
| **Financial Assets** | | | |
| Investment | | | |
| - Equity Instruments | – | 3,860,675 | – |
| Trade Receivables | – | – | 62,471,887 |
| Cash and Cash Equivalents | – | – | 141,624,450 |
| Bank Balance other than above | – | – | 155,751,715 |
| Loans to Employees | – | – | 9,891,164 |
| Loans to Related Parties | – | – | – |
| Loans to Companies/ Firm | – | – | 107,022,770 |
| Security Deposits | – | – | 15,725,056 |
| Other Financial Assets | – | – | 34,707,800 |
| **Total Financial Assets** | **–** | **3,860,675** | **527,194,842** |
| **Financial Liabilities** | | | |
| Borrowings | – | – | 553,770,826 |
| Trade Payables | – | – | 29,441,598 |
| Other Financial Liabilities | – | – | 104,769,379 |
| **Total Financial Liabilities** | **–** | **–** | **687,981,803** |

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(Amount in ₹)

## 50 FAIR VALUES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES MEASURED AT AMORTISED COST

**50.1** 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 |
| **Financial Assets** | | | | | | |
| Trade Receivables | 77,553,452 | 77,553,452 | 49,656,251 | 49,656,251 | 62,471,887 | 62,471,887 |
| Cash and Cash Equivalents | 28,088,514 | 28,088,514 | 86,124,356 | 86,124,356 | 141,624,450 | 141,624,450 |
| Bank Balance other than above | 2,258,857 | 2,258,857 | 2,289,734 | 2,289,734 | 155,751,715 | 155,751,715 |
| Loans to Employees | 6,117,459 | 6,117,459 | 6,690,869 | 6,690,869 | 9,891,164 | 9,891,164 |
| Loans to Related Parties | 20,000,000 | 20,000,000 | 26,705,147 | 26,705,147 | – | – |
| Loans to Companies/ Firm | – | – | 100,000,000 | 100,000,000 | 107,022,770 | 107,022,770 |
| Security Deposits | 18,413,197 | 18,413,197 | 16,432,936 | 16,432,936 | 15,725,056 | 15,725,056 |
| Other Financial Assets | 4,181,673 | 4,181,673 | 8,193,451 | 8,193,451 | 34,707,800 | 34,707,800 |
| **Total Financial Assets** | **22,594,870** | **22,594,870** | **296,092,744** | **296,092,744** | **527,194,842** | **527,194,842** |
| **Financial Liabilities** | | | | | | |
| Borrowings | 553,292,702 | 553,292,702 | 700,390,008 | 700,390,008 | 553,770,826 | 553,770,826 |
| Trade Payables | 45,872,632 | 45,872,632 | 38,040,998 | 38,040,998 | 29,441,598 | 29,441,598 |
| Other Financial Liabilities | 86,840,343 | 86,840,343 | 114,631,841 | 114,631,841 | 104,769,379 | 104,769,379 |
| **Total Financial Liabilities** | **686,005,677** | **686,005,677** | **853,062,847** | **853,062,847** | **687,981,803** | **687,981,803** |

**50.2** 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.

**50.3** The management considers that the carrying amounts of Financial assets and Financial liabilities recognised at nominal cost/amortised cost in the Financial statements approximate their fair values.

**50.4** Non current borrowings has been contracted at floating rates of interest, which are reset at short intervals. Fair value of floating interest rate borrowings approximates their carrying value subject to adjustments made for transaction cost.

## 51 FAIR VALUE HIERARCHY

### 51.1 Financial Instrument

The following are the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognized and measured at fair value and (b) measured at amortized cost and for which fair value are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels of fair value measurement as prescribed under the Ind AS 113 "Fair Value Measurement". An explanation of each level follows underneath the tables.

# Notes to Financial Statements

as at and for the year ended 31st March, 2018

(Amount in ₹)

**Assets and Liabilities measured at Fair Value - recurring fair value measurements**

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 |
| **Financial Assets** | | | | | | |
| Investment | | | | | | |
| - Equity Instruments | – | – | 3,859,645 | – | – | 3,859,645 |
| **Total Financial Assets** | **–** | **–** | **3,859,645** | **–** | **–** | **3,859,645** |

As at 1st April 2016

| Particulars | Level 1 | Level 2 | Level 3 |
|---|---|---|---|
| **Financial Assets** | | | |
| Investment | | | |
| - Equity Instruments | – | – | 3,860,675 |
| **Total Financial Assets** | **–** | **–** | **3,860,675** |

In absence of quoted price, the acquisition price has been assumed as fair value of the investment.

**51.2 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 |
| **Non Financial Assets** | | | | | | |
| Biological Assets other than Bearer Plant | | | | | | |
| - Unharvested Tea Leaf & Other Minor Produce | – | 11,280,024 | – | – | 10,887,971 | – |
| - Timber | – | 329,670,482 | – | – | 340,834,000 | – |
| **Total Non Financial Assets** | **–** | **340,950,505** | **–** | **–** | **351,721,971** | **–** |

# Notes to Financial Statements
as at and for the year ended 31st March, 2018

(Amount in ₹)

As at 1st April 2016

| Particulars | Level 1 | Level 2 | Level 3 |
|---|---|---|---|
| **Non Financial Assets** | | | |
| Biological Assets other than Bearer Plant | | | |
| - Unharvested Tea Leaf & Other Minor Produce | – | 10,328,062 | – |
| - Timber Plantation | – | 344,762,000 | – |
| **Total Non Financial Assets** | **–** | **355,090,062** | **–** |

**51.2.1 Valuation Technique**

Unharvested Tea Leaf: Fair value is being arrived at based on the observable market prices of made tea adjusted for manufacturing costs. The same is applied on quantity of the tea leaves unharvested using plucking averages of various estates.

Timber Plantation & Others : Fair value is being arrived at based on the observable market prices of timber.

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

**51.4 Explanation to the fair value hierarchy**

The Company measures Financial instruments, such as, equity investments and non financial instruments, such as, unharvested tea leaf and timber plantation, 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 based on the lowest level input that is significant to the fair value measurement as a whole. The valuation of equity instruments are based on level 3 inputs and valuation of unharvested tea leaf and timber plantation are based on level 2 inputs as per the hierarchy mentioned in the Accounting Policies.

## 52 FINANCIAL RISK MANAGEMENT

Financial 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:

**52.1 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. The Company has used a practical expedience by computing the expected credit losses matrix which has taken into account historical credit loss experience based on which no expected credit loss risk has been estimated.

**52.2 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 manage 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 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.

# Notes to Financial Statements

as at and for the year ended 31st March, 2018

(Amount in ₹)

**52.2.1 Maturity Analysis for financial liabilities**

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

| Particulars | On Demand | Less than 6 months | 6 months to 1 year | More than 1 year | Total |
|---|---|---|---|---|---|
| Borrowings | | | | | |
| Term loan from banks | – | 30,000,000 | 30,000,000 | 180,000,000 | 240,000,000 |
| Working Capital loans repayable on demand | 11,242,702 | – | – | – | 11,242,702 |
| Short term loan | – | 362,050,000 | – | – | 362,050,000 |
| Trade payables | – | 45,872,632 | – | – | 45,872,632 |
| Other financial liabilities | 2,528,362 | 24,311,981 | – | – | 26,840,343 |
| **Total** | **13,771,064** | **462,234,613** | **30,000,000** | **180,000,000** | **686,005,677** |

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

| Particulars | On Demand | Less than 6 months | 6 months to 1 year | More than 1 year | Total |
|---|---|---|---|---|---|
| Borrowings | | | | | |
| Term loan from banks | – | 40,833,334 | 44,583,333 | 254,583,333 | 340,000,000 |
| Working Capital loans repayable on demand | 123,307,431 | – | – | – | 123,307,431 |
| Short term loan | – | 322,499,244 | – | – | 322,499,244 |
| Trade payables | – | 38,040,998 | – | – | 38,040,998 |
| Other financial liabilities | 2,450,689 | 26,764,485 | – | – | 29,215,174 |
| **Total** | **125,758,120** | **428,138,061** | **44,583,333** | **254,583,333** | **853,062,847** |

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

| Particulars | On Demand | Less than 6 months | 6 months to 1 year | More than 1 year | Total |
|---|---|---|---|---|---|
| Borrowings | | | | | |
| Term loan from banks | – | 29,166,667 | 51,250,000 | 227,916,666 | **308,333,333** |
| Working Capital loans repayable on demand | 217,654,160 | – | – | – | **217,654,160** |
| Short term loan | – | 108,200,000 | – | – | **108,200,000** |
| Trade payables | – | 29,441,598 | – | – | **29,441,598** |
| Other financial liabilities | 2,535,541 | 21,817,171 | – | – | **24,352,712** |
| **Total** | **220,189,701** | **188,625,436** | **51,250,000** | **227,916,666** | **687,981,803** |

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.

# Notes to Financial Statements

as at and for the year ended 31st March, 2018

(Amount in ₹)

## 52.3 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. The Company's business primarily agricultural in nature, exposes it to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of adverse weather conditions and lack of future markets. The Company closely monitors the changes in market conditions and select the sales strategies to mitigate its exposure to risk. Market risk comprises two type of risks: Interest Rate Risk and Commodity Risk.

### 52.3.1 Commodity Risk

Cultivation of tea being an agricultural activity, there are certain specific financial risks. These financial risks arise mainly due to adverse weather conditions, logistic problems inherent to remote areas, and fluctuation of selling price of finished goods viz. tea, coffee and rubber due to increase in supply/availability.

The Company manages the above financial risks in the following manner:

i) Sufficient inventory levels of chemicals, fertilisers and other inputs are maintained so that timely corrective action can be taken in case of adverse weather conditions.

ii) Slightly higher level of consumable stores viz. packing materials, coal and HSD are maintained in order to mitigate financial risk arising from logistics problems.

iii) Sufficient working-capital-facility is obtained from banks in such a way that cultivation, manufacture and sale of tea is not adversely affected even in times of adverse conditions.

### 52.3.2 Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market rates. The company's exposure to the risk of changes in market interest rate relates primarily to company's borrowing with floating interest rates. The Company do not have any significant interest rate risk on its current borrowing due to their short tenure. The Company is also exposed to interest rate risk on surplus funds parked in loans. To manage such risks, such loans are granted for short durations with fixed interest rate in line with the expected business requirements for such funds.

a Exposure to interest rate risk

| Particulars | 31st March 2018 | 31st March 2017 | 1st April 2016 |
|---|---|---|---|
| Non Current Borrowings at floating rate | 240,000,000 | 340,000,000 | 308,333,333 |
| | **240,000,000** | **340,000,000** | **308,333,333** |

b Sensitivity Analysis

Profit or loss is sensitive to higher/ lower interest expense from borrowings as a result of changes in interest rates. This analysis assumes that all other variables, remain constant and ignores any impact of forecast sales and purchases.

| Particulars | 31st March 2018 | | | 31st March 2017 | | |
|---|---|---|---|---|---|---|
| | Sensitivity Analysis | Impact on | | Sensitivity Analysis | Impact on | |
| | | Profit before tax | Other Equity | | Profit before tax | Other Equity |
| Interest Rate Increase by | 0.50% | (1,200,000) | (829,200) | 0.50% | (1,700,000) | (1,174,700) |
| Interest Rate Decrease by | 0.50% | 1,200,000 | 829,200 | 0.50% | 1,700,000 | 1,174,700 |

# Notes to Financial Statements

as at and for the year ended 31st March, 2018

## 53 CAPITAL MANAGEMENT

The Company 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 cash and cash equivalents) to equity ratio is used to monitor capital.

| Particulars | 31st March 2018 | 31st March 2017 | 1st April 2016 |
|---|---|---|---|
| Net Debt | 613,292,702 | 785,806,675 | 630,326,818 |
| Total Equity | 1,571,545,479 | 1,685,457,183 | 1,842,134,249 |
| Net Debt to Equity Ratio | 0.39 | 0.47 | 0.34 |

## 54 Information pursuant to Regulation 34(3) of SEBI (Listing Obligation and disclosure requirements) Regulation 2015.

Loan to subsidiary/associate company are as under :

| Particulars | Balance Outstanding | | | Maximum Outstanding | | |
|---|---|---|---|---|---|---|
| | As at 31st March 2018 | As at 31st March 2017 | As at 1st April 2016 | For the year ended 31st March 2018 | 31st March 2017 | 1st April 2016 |
| Keshava Plantations Pvt. Ltd (Subsidiary) | 20,000,000 | 26,705,147 | – | 24,509,967 | 48,449,352 | – |
| The Cochin Malabar Estates and Industries Ltd. (Associate) | – | – | – | 3,500,000 | 7,500,000 | 4,000,000 |

Note: The loan was given for the general business purpose of the subsidiary & associate.

**55** The Company's entitlement of ₹ 17,560,442/- (2017: ₹ 17,560,442/-, 2016: ₹ 17,560,442/-) under section 80-IC of the Income Tax Act, 1961 in respect of income generated from facilities situated in North East states is pending before Hon'ble High Court since assessment year 2004-05 to 2013-14. The management of the Company does not foresee any additional liability of the income tax at this point.

**56** Transfer of certain assets/liabilities from/to transferor companies/demerged units under the scheme of arrangement/ amalgamations carried out in earlier years are still in the process of completion.

**57** The Board of Directors at its meeting held on 14th May, 2018 recommended final dividend of ₹ 0.50 per equity share of face value of ₹10/- each for the financial year ended 31st March,2018. The same amounts to ₹ 24.93 lacs (including dividend distribution tax of ₹ 4.22 lacs). The above is subject to approval at ensuing Annual General Meeting of the Company and hence not recognised as a liability.

**58** Trade Receivables, Loans, Other Financial Assets and Other Assets include certain overdue and unconfirmed balances. However, in the opinion of the management, these current assets would, in the ordinary course of business, realize the value stated in the accounts.

**59** Miscellaneous Expenditure includes revenue expenditure on research and development ₹ 6,53,280/- (2017: ₹ 5,67,940/-, 2016: ₹ 4,42,783/-) incurred towards subscription to Tea Research Association.

# Notes to Financial Statements

as at and for the year ended 31st March, 2018

**60** In view of approval dated 30th January, 2018 by the shareholders of the company through postal ballot, the company has disposed off 39.18% of its holding in subsidiary "Cowcoody Builders Pvt Ltd" to its promoters/promoter group companies. The remaining investment in the subsidiary has been disclosed & consolidated under the head " Non Current Asset held for Sale" in Standalone statement of Assets & Liabilities as on 31st March, 2018.

**61** 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.

As per our report of even date annexed.
For and on behalf of
**JITENDRA K AGARWAL & ASSOCIATES**
*Chartered Accountants*
Firm Registration No. 318086E

**Utsav Saraf**
*Partner*
Membership No. 306932

Place : Kolkata
Dated: 14th May, 2018

For and on behalf of Board of Directors

**Hemant Bangur**
*Chairman*
(DIN 00040903)

**Manoj Kumar Daga**
*Director*
(DIN 00123386)

**Sayansiddha Das**
*Chief Financial Officer*

**Sharad Bagree**
*Manager (Finance) & Company Secretary*