Notes to the financial statements

as at and for the year ended 31st March, 2019

1. CORPORATE INFORMATION

Diana Tea Company Limited (the Company) is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its equity shares are listed on stock exchanges in India. It is engaged in the business of manufacturing and sale of tea and having its tea estates in the state of West Bengal. The estates have processing factories capable of producing CTC tea with installed combined capacity of 5000 tones.

2. SIGNIFICANT ACCOUNTING POLICIES

A) Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013. The financial statements have also been prepared in accordance with the relevant presentation requirements of the Companies Act, 2013. The Company adopted Ind AS from 1st April, 2017.

B) Basis of Preparation

The financial statements of the Company have been prepared in accordance with the relevant provisions of the Companies Act, 2013, Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013.

All assets and liabilities have been classified as current or non-current as per Company's operating cycle and other criteria set out in Schedule-III of the Companies Act 2013. Based on the nature of business, the Company has ascertained its operating cycle as 12 months for the purpose of Current or non-current classification of assets and liabilities.

The financial statements have been prepared on historical cost basis, except for financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Fair value for measurement and/ or disclosures in these financial statements is determined on such a basis, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 – Inventories or value in use in Ind AS 36 – Impairment of Assets.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;
- Level 2 inputs are 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 are unobservable inputs for the asset or liability.

C) Use of estimates and critical accounting judgments

The preparation of the financial statements require the use of accounting estimates which, by definition, will seldom equal the actual result. Management also needs to exercise judgment in applying the Company's accounting policies.

This note provides an overview of the areas that involved a high degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

Critical estimates and judgments

The areas involving critical estimates and judgments are:

Notes to the financial statements

as at and for the year ended 31st March, 2019

i) Taxation

The Company is engaged in agricultural activities and also subject to tax liability under MAT provisions. Significant judgment is involved in determining the tax liability for the Company. Also there are many transactions and calculations during the ordinary course of business for which the ultimate tax determination is uncertain. Further judgment is involved in determining the deferred tax position on the Balance Sheet date.

ii) Depreciation and amortisation

Depreciation and amortisation is based on management estimates of the future useful lives of the property, plant and equipment and intangible assets. Estimates may change due to technological developments, competition, changes in market conditions and other factors and may result in changes in the estimated useful life and in the depreciation and amortisation charges.

iii) Employee Benefits

The present value of the defined benefit obligations and long term employee benefits depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) include the discount rate. Any changes in these assumptions will impact the carrying amount of defined benefit obligations.

The Company determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the obligations. In determining the appropriate discount rate, the Company considers the interest rates of Government securities that have terms to maturity approximating the terms of the related defined benefit obligation. Other key assumptions for obligations are based in part on current market conditions.

iv) Provisions and Contingencies

Provisions and contingencies are based on Management's best estimate of the liabilities based on the facts known at the Balance Sheet date.

D) Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and impairment, if any. For this purpose, cost includes deemed cost which represents the carrying value of property, plant and equipment recognised as at 1st April, 2016 measured as per the previous Generally Accepted Accounting Principles (GAAP).

An item of property, plant and equipment is recognised as an asset if it is probable that the future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. This recognition principle is applied to the costs incurred initially to acquire an item of property, plant and equipment and also to costs incurred subsequently to add to, replace part of, or service it. All other repair and maintenance costs, including regular servicing, are recognised in the statement of profit and loss as incurred. When a replacement occurs, the carrying value of the replaced part is de-recognised. Where an item of property, plant and equipment comprises major components having different useful lives, these components are accounted for as separate items.

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment. Cost includes all direct costs and expenditures incurred to bring the asset to its working condition and location for its intended use. Trial run expenses (net of revenue) are capitalised. Borrowing costs incurred during the period of construction is capitalised as part of cost of the qualifying assets.

The gain or loss arising on disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of profit and loss.

E) Intangibles

Subsequent to initial recognition, intangible assets with definite useful lives are reported at cost less accumulated amortisation and accumulated impairment losses.

F) Depreciation and amortisation of property, plant and equipment and intangible assets

(i) Depreciation is provided on prorata basis on straight line method at the rates determined based on estimated useful lives of tangible assets where applicable, specified in Schedule II to the Act. These charges are commenced from the dates the assets are available for their intended use and are spread over their estimated useful economic lives or, in the case of leased assets, over the lease period, if shorter. The estimated useful lives of assets and

Notes to the financial statements
as at and for the year ended 31st March, 2019

residual values are reviewed regularly and, when necessary, revised. No further charge is provided in respect of assets that are fully written down but are still in use. Depreciation on assets under construction commences only when the assets are ready for their intended use.

(ii) Bearer Plants are depreciated from the date when they are ready for commercial harvest.

(iii) Leasehold Land is amortised over the tenure of respective leases.

G) Government Grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other operating income.

Government grants relating to the acquisition/ construction of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other operating income.

H) Impairment

At each Balance Sheet date, the Company reviews the carrying values of its property, plant and equipment and intangible assets to determine whether there is any indication that the carrying value of those assets may not be recoverable through continuing use. If any such indication exists, the recoverable amount of the asset is reviewed in order to determine the extent of impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. An impairment loss is recognised in the statement of profit and loss as and when the carrying value of an asset exceeds its recoverable amount.

Where an impairment loss subsequently reverses, the carrying value of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount so that the increased carrying value does not exceed the carrying value that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised in the statement of profit and loss immediately.

I) Leases

The Company determines whether an arrangement contains a lease by assessing whether the fulfillment of a transaction is dependent on the use of a specific asset and whether the transaction conveys the right to use that asset to the Company in return for payment. Where this occurs, the arrangement is deemed to include a lease and is accounted for either as finance or operating lease.

Leases are classified as finance leases where the terms of the lease transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Company as lessee

(i) Operating lease – Rentals payable under operating leases are charged to the statement of profit and loss on a straight line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred. In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Notes to the financial statements

as at and for the year ended 31st March, 2019

(ii) Finance lease – Finance leases are capitalised at the commencement of lease, at the lower of the fair value of the property or the present value of the minimum lease payments. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in the statement of profit and loss over the period of the lease.

J) Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. The transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the statement of profit and loss.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

a) **Financial assets**

Cash and bank balances

Cash and bank balances consist of:

(i) Cash and cash equivalents - which includes cash in hand, deposits held at call with banks and other short term deposits which are readily convertible into known amounts of cash, are subject to an insignificant risk of change in value and have maturities of less than one year from the date of such deposits. These balances with banks are unrestricted for withdrawal and usage.

(ii) Other bank balances - which includes balances and deposits with banks that are restricted for withdrawal and usage.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect 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 on the principal amount outstanding.

Financial assets measured at fair value

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company in respect of equity investments (other than in subsidiaries, associates and joint ventures) which are not held for trading has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of such equity instruments. Such an election is made by the Company on an instrument by instrument basis at the time of initial recognition of such equity investments.

Financial asset not measured at amortised cost or at fair value through other comprehensive income is carried at fair value through the statement of profit and loss.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits and trade receivables

Notes to the financial statements
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- Financial assets that are debt instruments and are measured as at FVTOCI
- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date. ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cashflows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss. The Balance Sheet presentation for various financial instruments is described below:

Financial assets measured as at amortised cost: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the Balance Sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

Derecognition of financial assets

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

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

b) **Financial liabilities and equity instruments**

Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Notes to the financial statements
as at and for the year ended 31st March, 2019

Financial Liabilities

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method where the time value of money is significant.

Interest bearing bank loans, overdrafts and issued debt are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the statement of profit and loss.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

Derivative financial instruments

In the ordinary course of business, the Company uses certain derivative financial instruments to reduce business risks which arise from its exposure to foreign exchange and interest rate fluctuations. The instruments are confined principally to forward foreign exchange contracts and interest rate swaps. The instruments are employed as hedges of transactions included in the financial statements or for highly probable forecast transactions/firm contractual commitments. These derivatives contracts do not generally extend beyond six months except for interest rate derivatives.

Derivatives are initially accounted for and measured at fair value from the date the derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period.

K) Employee benefits

Defined contribution plans

Payments to defined contribution plans are charged as an expense as they fall due. Payments made to state managed retirement benefit schemes are dealt with as payments to defined contribution schemes where the Company's obligations under the schemes are equivalent to those arising in a defined contribution retirement benefit scheme.

Defined benefit plans

For defined benefit retirement schemes the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuation being carried out at each Balance Sheet date. Re-measurement gains and losses of the net defined benefit liability/(asset) are recognised immediately in other comprehensive income. The service cost and net interest on the net defined benefit liability/(asset) is treated as a net expense within employment costs.

Past service cost is recognised as an expense when the plan amendment or curtailment occurs or when any related restructuring costs or termination benefits are recognised, whichever is earlier.

The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as reduced by the fair value plan assets.

Compensated absences

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised based on actuarial valuation at the present value of the obligation as on the reporting date.

L) Inventories

a) Stock of Tea is valued at lower of cost computed on annual average basis or net realisable value. Stock of Tea Waste is valued at estimated realisable value.

b) Stock of stores and spares are valued at cost on weighted average basis or net realisable value.

c) As per practice followed by the Company the value of green leaf in stock as at the close of the year are not taken into accounts.

d) Provision is made for obsolete and slow moving stores wherever necessary.

Notes to the financial statements
as at and for the year ended 31st March, 2019

M) Provision

Provisions are recognised in the Balance Sheet when the Company has a present obligation (legal or constructive) as a result of a past event, which is expected to result in an outflow of resources embodying economic benefits which can be reliably estimated. Each provision is based on the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date. Where the time value of money is material, provisions are measured on a discounted basis.

Constructive obligation is an obligation that derives from an entity's actions where:

(a) by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities and;

(b) as a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

N) Onerous contracts

A provision for onerous contracts is recognised when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.

O) Income taxes

Tax expense for the year comprises current and deferred tax. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of profit and loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying values of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the Balance Sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences. In contrast, deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

The carrying value of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on the tax rates and tax laws that have been enacted or substantially enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to cover or settle the carrying value of its assets and liabilities.

Deferred tax assets and liabilities are offset to the extent that they relate to taxes levied by the same tax authority and there are legally enforceable rights to set off current tax assets and current tax liabilities within that jurisdiction.

Current and deferred tax are recognised as an expense or income in the statement of profit and loss, except when they relate to items credited or debited either in other comprehensive income or directly in equity, in which case the tax is also recognised in other comprehensive income or directly in equity.

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. MAT is recognised as deferred tax assets in the Balance Sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

P) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair

Notes to the financial statements

as at and for the year ended 31st March, 2019

value of the consideration received or receivable net of discounts, taking into account contractually defined terms and excluding taxes or duties collected on behalf of the government.

Sale of Goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there are significant uncertainties regarding recovery of the amount due, associated costs or the possible return of goods.

Interest Income

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and the effective interest rate applicable.

Q) Borrowing Costs

Borrowings costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for the intended use or sale.

R) Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the Balance Sheet.

S) Trade Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment, if any.

T) Segment Reporting

Identification of Segments

The Company has identified Tea products as its sole operating segment and the same has been treated as primary segment. The Company's secondary geographical segments have been identified based on the location of customers and then demarcated into Indian and overseas revenue earnings.

U) Earnings Per Share

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

V) Contingent Liabilities

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

Notes to the financial statements

as at and for the year ended 31st March, 2019

(₹ in Lakhs)

3.1 PROPERTY, PLANT & EQUIPMENT

	Tangible Assets							
	Land & Plantation	Building	Roads & Bridges	Plant & Machinery and Electrical Installations	Water Installations	Furniture, Fittings & Other Equipments	Vehicles	Total
Gross Block (At Cost):								
As at 31st March, 2017	4,003.73	377.82	28.94	481.94	465.57	27.25	116.92	5,502.17
Additions	196.77	37.47	-	382.79	9.49	8.07	20.82	655.41
Disposals/Discard	85.53	-	-	-	-	-	9.73	95.26
As at 31st March, 2018	4,114.97	415.29	28.94	864.73	475.06	35.32	128.01	6,062.32
Additions	201.32	24.58	-	474.17	0.61	15.95	50.06	766.69
Disposals/Discard	115.12	-	-	8.86	-	-	12.83	136.81
As at 31st March, 2019	**4,201.17**	**439.87**	**28.94**	**1,330.04**	**475.67**	**51.27**	**165.24**	**6,692.20**
Accumulated Depreciation/ Amortisation:								
As at 31st March, 2017	33.61	12.68	3.46	37.43	20.38	5.90	27.73	141.19
Charge for the year	33.86	13.32	3.46	30.21	21.64	5.25	26.67	134.41
Disposals/Discard	-	-	-	-	-	-	25.90	25.90
As at 31st March, 2018	67.47	26.00	6.92	67.64	42.02	11.15	28.50	249.70
Charge for the year	32.74	14.54	3.49	46.97	21.80	6.64	28.70	154.88
Disposals/Discard	-	-	-	0.90	-	-	7.52	8.42
As at 31st March, 2019	**100.21**	**40.54**	**10.41**	**113.71**	**63.82**	**17.79**	**49.68**	**396.16**
Net Block								
As at 31st March, 2018	4,047.50	389.29	22.02	797.09	433.04	24.17	99.51	5,812.62
As at 31st March, 2019	**4,100.96**	**399.33**	**18.53**	**1,216.33**	**411.85**	**33.48**	**115.56**	**6,296.04**

3.2 Capital Work in Progress

	As at 31st March, 2019	As at 31st March, 2018
Opening Balance	162.50	122.66
Add: Addition Made During the Year	497.52	500.51
Less: Capitalised During the Year	658.94	460.67
Closing Balance	**1.08**	**162.50**

Notes to the financial statements

as at and for the year ended 31st March, 2019

(₹ in Lakhs)

4 INVESTMENTS

	As at 31st March, 2019		As at 31st March, 2018	
	Nos.	**Amount**	Nos.	Amount
i) Non-Current at fair value through Other Comprehensive Income (FVOCI)				
A. Quoted				
In fully paid equity shares				
Electrosteel Steels Limited of ₹ 10 each	3,500	1.09	1,75,000	4.27
ITC Limited of ₹ 1 each	300	0.89	200	0.64
Jindal Steel & Power Limited of ₹ 1 each	300	0.54	300	0.66
JSW Steel Limited of ₹ 10 each	3,560	10.43	3,560	10.25
Mukand Engineers Limited of ₹ 10 each	5,189	0.91	5,189	1.91
Nath Bio-Genes (I) Limited of ₹ 10 each	902	4.16	902	3.72
Techindia Nirman Limited of ₹ 10 each	2,378	0.12	2,378	0.18
Raj Rayon Industries Limited of ₹ 1 each	71,900	0.04	71,900	0.25
Reliance Capital Limited of ₹ 10 each	49	0.10	49	0.21
Reliance Home Finance Limited of ₹ 10 each	49	0.01	49	-
Reliance Communications Limited of ₹ 5 each	3,090	0.13	3,090	0.67
Reliance Industries Limited of ₹ 10 each	484	6.60	484	4.27
Srei Infrastructure Finance Limited of ₹10 each	15,600	4.64	11,600	8.54
Step Two Corporation Limited of ₹ 10 each	700	0.05	700	0.07
TCM Limited of ₹ 10 each	800	0.38	800	0.04
Star Cement Limited ₹ 1 each	40,000	39.38	40,000	46.24
Indo Count Industries Ltd. ₹ 2 each	800	0.39	800	0.68
TOTAL (A)		**69.86**		**82.60**
B. Unquoted (at cost)				
In fully paid equity shares				
Ambition Vyapaar Private Limited of ₹ 10 each	-	-	1,990	0.01
Diana Capital Limited of ₹ 10 each	1,17,370	24.33	1,17,370	24.33
Jindal Supreme (I) Pvt. Ltd. of ₹ 100 each	20,300	203.00	20,300	203.00
Orkay Industries Limited of ₹ 10 each	2,800	0.01	2,800	0.01
Rank Aqua Estates Limited of ₹ 10 each	1,000	0.01	1,000	0.01
Sonal International Limited of ₹ 10 each	5,000	0.01	5,000	0.01
TOTAL (B)		**227.36**		**227.37**
Total Value Of Investment (A+B)		**297.22**		**309.97**
Aggregate amount of quoted investments and market value there of		**69.86**		**82.60**
Aggregate amount of unquoted investments		**227.36**		**227.37**
ii) Current at fair value through Other Comprehensive Income (FVOCI)				
In Mutual funds				
IIFL Special Opportunities Fund	10,28,489	99.39	5,13,905	50.43
Franklin India Focused Equity Fund	66,275	15.20	7,748	1.88
Motilal Oswal Multicap 35 Fund	58,581	15.22	11,361	2.99
L & T India Value Fund	59,649	15.14	10,661	2.88
Aditya Birla Sun Life Equity Fund	2,139	15.63	424	2.92
TOTAL		**160.58**		**61.10**
Aggregate amount of quoted investments and market value there of		-		-
Aggregate amount of unquoted investments		160.58		61.10

Notes to the financial statements

as at and for the year ended 31st March, 2019

(₹ in Lakhs)

5 LOANS (Unsecured, considered good unless stated otherwise)

	As at 31st March, 2019	As at 31st March, 2018
Current		
Loan to Others	913.50	954.00
Total	**913.50**	**954.00**

6 OTHER FINANCIAL ASSETS (Unsecured, considered good unless stated otherwise)

	As at 31st March, 2019	As at 31st March, 2018
A. Non Current		
Security Deposits	2.71	2.71
Total	**2.71**	**2.71**
B. Current		
Interest Receivable on :		
Other Advances	33.49	40.10
Total	**33.49**	**40.10**

7 DEFERRED TAX ASSETS (Net)

		As at 31st March, 2019	As at 31st March, 2018
Deferred tax liabilities			
Property, plant and equipment		273.49	224.02
Others		1.21	0.69
	(A)	**274.70**	**224.71**
Deferred Tax Assets			
Fair Valuation Reserve		3.45	-
Timing Difference u/s 43B		20.61	20.08
Bought Forward Loss		293.97	210.32
MAT credit entitlement		16.25	16.25
	(B)	**334.28**	**246.65**
Net Deferred Tax Assets/ (Liabilities)	**(B-A)**	**59.58**	**21.94**

Movement in Deferred Tax Assets

Particulars	**As at 31st March, 2018**	**Recognised in the Statement of Profit & Loss**	**Recognised in the Other Comprehensive Income**	**As at 31st March, 2019**
Deferred tax liabilities				
Property, plant and equipment	224.02	(49.47)	-	273.49
Others	0.69	(0.52)	-	1.21
(A)	**224.71**	**(49.99)**		**274.70**
Deferred Tax Assets				
Fair Valuation Reserve	-	-	(3.45)	3.45
Timing Difference u/s 43B	20.08	(0.53)	-	20.61
Bought Forward Loss	210.32	(83.66)	-	293.97
(B)	**230.40**	**(84.19)**	**(3.45)**	**318.03**
(B-A)	**5.69**	**(34.20)**	**(3.45)**	**43.33**
Add: MAT credit entitlement	16.25	–	–	16.25
Net Deferred Tax Assets/ (Liabilities)	**21.94**	**(34.20)**	**(3.45)**	**59.58**

Notes to the financial statements

as at and for the year ended 31st March, 2019

(₹ in Lakhs)

8 OTHER ASSETS (Unsecured, considered good unless stated otherwise)	As at 31st March, 2019	As at 31st March, 2018
A. Non Current		
Capital advances		
Considered good - To Others	271.46	268.88
Deferred Reserve Fund	5.62	5.62
Total	**277.08**	**274.50**
B. Current		
Advances recoverable in cash or kind		
- Considered good - To Others	47.13	80.91
Prepaid expenses	12.82	13.49
Balances with statutory / Government authorities	2.76	0.43
Income tax advance (net of provisions)	15.40	6.68
Replantation subsidy receivables	254.80	2.48
Total	**332.91**	103.99

9 INVENTORIES (valued at lower of cost and net realizable value)	As at 31st March, 2019	As at 31st March, 2018
Finished Goods (Stock of Tea & Tea Waste)	244.62	296.45
Stores & Spares(#)	233.85	353.45
Total	**478.47**	**649.90**

Stores & spares includes goods in transit amounting ₹ 3.01 Lakhs (Previous year ₹ 3.90 Lakhs).

10 TRADE RECEIVABLES (Current)	As at 31st March, 2019	As at 31st March, 2018
Considered good, Unsecured	110.85	156.01
Doubtful	-	-
Total	110.85	156.01
Less: Allowance for doubtful trade receivables	0.04	0.21
Total	**110.81**	**155.80**
Ageing of receivables that are post due but not impaired		
60-90 days	0.12	-
91-180 days	0.35	2.52
>180 days	0.79	4.20

The credit period on sales of goods ranges from 30 to 60 days without security. No interest is charged on trade receivables upto the end of the credit period.

In determining the allowances for doubtful trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix. There has been no significant change in the credit quality of receivables past due for more than 180 days.

The Company does not generally hold any collateral or other credit enhancements over these balances nor does it have a legal right of offset against any amounts owed by the Company to the counter-party.

In determining the recoverability of a trade receivable, the Company considers any change in the credit quality of the trade

Notes to the financial statements

as at and for the year ended 31st March, 2019

receivable from the date credit was initially granted up to the end of the reporting period. The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

(₹ in Lakhs)

11 CASH AND CASH EQUIVALENTS

	As at 31st March, 2019	As at 31st March, 2018
Balances with banks:		
On current accounts	112.53	29.62
Cash in hand	11.89	4.50
Total	**124.42**	**34.12**

12 BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

	As at 31st March, 2019	As at 31st March, 2018
Unpaid dividend account (#)	6.16	7.53
Deposits with original maturity for more than 12 months	61.22	40.16
Total	**67.38**	**47.69**

Earmarked bank balance are restricted in use and it relates to unclaimed dividend.

13 SHARE CAPITAL

	As at 31st March, 2019	As at 31st March, 2018
Authorized shares		
2,40,00,000 (2,40,00,000) equity shares of ₹ 5/- each	1,200.00	1,200.00
Issued, subscribed and fully paid-up shares		
1,49,91,000 (1,49,91,000) equity shares of ₹ 5/- each	749.55	749.55
Total	**749.55**	**749.55**

(a) Reconciliation of the Shares outstanding at the beginning and at the end of the reporting period

	As at 31st March, 2019	As at 31st March, 2018
At the beginning of the year	1,49,91,000	1,49,91,000
Issued during the period	-	-
At the end of the year	**1,49,91,000**	**1,49,91,000**

(b) Terms/rights attached to equity shares

(i) The company has only one class of equity shares having par value of ₹ 5 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend if any proposed by Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

(ii) In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) For the period of five years immediately preceding the date at which the Balance Sheet is prepared, the company has a) not allotted any shares other than for cash, b) not allotted any shares by way of bonus, c) not bought back any shares.

Notes to the financial statements

as at and for the year ended 31st March, 2019

(d) Details of shareholders holding more than 5% shares in the Company (₹ in Lakhs)

Name of the Shareholder	As at 31st March, 2019	As at 31st March, 2018
Equity shares of ₹ 5/- each fully paid		
Diana Capital Limited - Number of Shares	81,79,340	81,79,340
- Percentage of Shareholding	54.56%	54.56%

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

14 OTHER EQUITY

		As at 31st March, 2019	As at 31st March, 2018
Reserves & Surplus			
Securities Premium Account	(a)	323.61	323.61
General Reserve	(b)	3,351.94	3,501.94
Retained Earnings	(c)	79.40	55.28
Total (A)	**(a to c)**	**3,754.95**	**3,880.83**
Other Reserves			
Capital Reserve (Share Forfeiture)	(d)	0.10	0.10
Capital Reserve (Revaluation)	(e)	1,521.86	1,662.63
FVOCI Equity Investments	(f)	(34.53)	(19.50)
Total (B)	**(d to f)**	**1,487.43**	**1,643.23**
Total Other Equity	**(A + B)**	**5,242.38**	5,524.06

15 BORROWINGS (at amortised cost)

		As at 31st March, 2019	As at 31st March, 2018
A. Non Current			
a) Secured			
Term Loans from :			
Banks (#)		1,277.77	846.58
Others (##)		55.79	68.11
	(a)	**1,333.56**	**914.69**
Deferred Payment Liabilities			
Vehicle Loans (###)	(b)	**41.07**	**29.88**
Total	**(a to b)**	**1,374.63**	**944.57**
Less: Amount disclosed under the head "other current liabilities" (Note No. 17)		(146.75)	(103.63)
Total		**1,227.88**	**840.94**
B. Current			
a) Secured			
Cash credits from banks (*)	(a)	436.39	155.46
b) Unsecured			
From related Parties (**)	(b)	100.42	31.67
Total	**(a to b)**	**536.81**	187.13

Term loans from banks includes loan from United Bank of India repayable upto 2029-30 amounting to ₹ 1282.02 Lakhs (PY ₹ 849.00 Lakhs), bearing interest @ MCLR-Y plus 0.65%. The said term loan is secured by first charge on the current assets

Notes to the financial statements

as at and for the year ended 31st March, 2019

of the company and also secured by Pari Pasu first charge on all immovable assets of the company both present and future excluding specific items of assets charged in favour of lenders or suppliers providing finance for the acquisitions thereof and also personal guarantee of one director of the company.

Rupee loan from others includes ₹ 55.79 Lakhs (PY ₹ 68.11 Lakhs) loan from Tea Board of India bearing interest @ 9.12% p.a. The said is secured by second charge by equitable mortgage of lease hold Tea Estate ranking subsequent to the charge to the bank.

Vehicle loan includes loan from HDFC Bank Ltd. and ICICI Bank ltd. against vehicles repayable in equated periodic installments as per the scheme of loan. The loan are secured by hypothecation of respective vehicles.

The scheduled maturity of long term borrowings (gross) is summarised as under: (₹ in Lakhs)

	As at 31st March, 2019		As at 31st March, 2018	
	Rupee loan from Banks/ Vehicle Loan	Rupee Loan from Others	Rupee loan from Banks/ Vehicle Loan	Rupee Loan from Others
Borrowings Repayable				
In the First Year	134.43	12.32	91.31	12.32
Current maturities of long term debt	**134.43**	**12.32**	**91.31**	**12.32**
In the Second Year	169.98	12.32	91.22	12.32
In the Third to Fifth Year	553.47	30.04	333.91	36.96
After Five Year	465.18	1.11	362.44	6.51
Long term borrowings	**1,188.63**	**43.47**	**787.57**	**55.79**

* Cash Credit facilities are secured by first charge on current assets of the company mainly, stock of raw materials, semi-finished and finished goods, stores and spares, book debts, receivables and also secured by Pari Pasu first charge on all immovable assets of the company both present and future, excluding specific items of assets charged/ to be charged in favour of lenders or suppliers providing finance for the acquisition thereof and also personal guarantee of one director of the company.

** Includes loan from Holding company Diana Capital Limited which is payable on demand. (₹ in Lakhs)

16 TRADE PAYABLES

	As at 31st March, 2019	As at 31st March, 2018
(a) Total Outstanding Dues Of Micro Enterprises And Small Enterprises	8.91	-
(b) Total Outstanding Dues Of Creditors Other Than Micro Enterprises and Small Enterprises	323.34	420.16
Total	**332.25**	**420.16**

Note: The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. The amount of principal and interest outstanding during the year is given below :

Particulars	As at 31st March, 2019	As at 31st March, 2018
(a) Amounts outstanding but not due as at year end	3.82	-
(b) Amounts due but unpaid as at year end	5.09	-
(c) Amounts paid after appointed date during the year	-	-
(d) Amount of interest accrued and unpaid as at year end	0.85	-
(e) The amount of further interest due and payable even in the succeeding year	-	-
Total	**9.76**	**-**

Notes to the financial statements

as at and for the year ended 31st March, 2019

(₹ in Lakhs)

17 OTHER FINANCIAL LIABILITIES

	As at 31st March, 2019	As at 31st March, 2018
Current		
Current Maturities of Long-term borrowings	146.75	103.63
Interest accrued but not due on borrowings	36.56	4.42
Employee related liabilities	145.68	336.18
Unpaid Dividend	6.16	7.53
Others	0.19	0.19
Total	**335.34**	**451.95**

18 OTHER LIABILITIES

	As at 31st March, 2019	As at 31st March, 2018
A. Non Current		
Deferred Government Grant	182.06	19.98
Total	**182.06**	**19.98**
B. Current		
Advance from customers	17.27	39.82
Deferred Government Grant	64.33	3.97
Statutory Liabilities	46.84	20.43
Others	149.72	149.72
Total	**278.16**	**213.94**

19 PROVISIONS

	As at 31st March, 2019	As at 31st March, 2018
Current		
Provision for employee benefits:		
Gratuity (Refer Note No. 33)	11.93	12.41
Bonus	223.26	178.70
Leave benefits	35.65	32.12
Total	**270.84**	**223.23**

Notes to the financial statements

as at and for the year ended 31st March, 2019

(₹ in Lakhs)

20 REVENUE FROM OPERATIONS

	Year ended 31st March, 2019	Year ended 31st March, 2018
Revenue from operations		
Sale of products		
Finished goods	6,202.27	6,074.78
Other operating revenue		
- Miscellaneous Sale	28.42	11.24
Total	**6,230.69**	**6,086.02**

21 OTHER INCOME

	Year ended 31st March, 2019	Year ended 31st March, 2018
Interest income on Loans & Bank Deposits	80.90	122.11
Deferred Government Grant Income	65.16	6.98
Dividend Income	1.72	0.23
Rent	7.92	4.83
Insurance & other Claims	6.20	-
Sundry Balance Written Back	-	2.12
Profit on Expected Credit Loss	0.17	0.30
Total	**162.07**	**136.57**

22 COST OF RAW MATERIALS CONSUMED

	Year ended 31st March, 2019	Year ended 31st March, 2018
Opening Stock of Raw Materials	-	-
Add: Purchases	743.24	533.64
	743.24	533.64
Less: Closing Stock	-	-
Cost of raw materials consumed	**743.24**	**533.64**

23 EXCISE DUTY ON SALE OF GOODS

	Year ended 31st March, 2019	Year ended 31st March, 2018
Excise duty on sale of goods (upto 30.06.2017)	-	4.43
Total	**-**	**4.43**

24 CHANGE IN INVENTORIES OF WORK-IN-PROGRESS, STOCK-IN-TRADE, BY-PRODUCTS AND FINISHED GOODS

	Year ended 31st March, 2019	Year ended 31st March, 2018	(Increase)/ Decrease
Inventories at the end of the year:			
Finished Goods	244.62	296.47	(51.85)
(A)	**244.62**	**296.47**	**(51.85)**
Inventories at the beginning of the year:			
Finished Goods	296.47	411.20	(114.73)
(B)	**296.47**	**411.20**	**(114.73)**
(B-A)	**51.85**	**114.73**	**–**

Notes to the financial statements

as at and for the year ended 31st March, 2019

(₹ in Lakhs)

25 EMPLOYEE BENEFITS EXPENSE

	Year ended 31st March, 2019	Year ended 31st March, 2018
Salaries, wages and bonus	2,960.98	2,681.99
Contribution to provident fund	269.63	238.40
Gratuity expense (Refer Note No. 33)	83.78	74.29
Workmen and Staff Welfare Expenses	95.50	84.94
Total	**3,409.89**	**3,079.62**

26 FINANCE COSTS

	Year ended 31st March, 2019	Year ended 31st March, 2018
Interest:		
On Term Loans	97.63	62.50
On Cash Credit and Others	71.87	49.06
Other borrowing costs	6.22	26.03
Total	**175.72**	**137.59**

27 DEPRECIATION & AMORTIZATION EXPENSE

	Year ended 31st March, 2019	Year ended 31st March, 2018
Depreciation of tangible assets	154.87	134.41
Total	**154.87**	**134.41**

28 OTHER EXPENSES

	Year ended 31st March, 2019	Year ended 31st March, 2018
Stores & spares consumed	485.03	503.52
Power and fuel	829.99	785.29
Repairs & Maintenance :		
- Buildings	32.75	36.21
- Plant & Machinery	45.12	46.97
- Others	22.77	23.96
Tea Selling Expenses :		
- Brokerage, Commission & Service Charges	62.41	70.75
- Freight, Warehouse and Other Selling Expenses	90.45	88.14
Office Rent	6.79	5.90
Rates and Taxes	10.41	9.13
Travelling Expenses	165.25	151.96
Insurance charges	8.84	7.42
Payment to auditors		
- Audit fees	1.46	1.46
- Tax Audit fees	0.85	0.85
- Other Services	0.10	0.69
Loss on Sale/Discard of Fixed Assets(net)	7.70	2.32
Bad Debts Written Off	4.20	11.76
Loss on Discard of Tea Plantation	4.09	3.21
Loan & Interest No Longer Receivable Written off	34.99	-
Sundry Balances Written off	1.90	-
Miscellaneous expenses	191.32	201.28
Total	**2,006.42**	**1,950.82**

Notes to the financial statements
as at and for the year ended 31st March, 2019

29 EARNINGS PER SHARE

	2018-19	2017-18
Net Profit / (Loss) after tax for calculation of basic and diluted EPS (₹ In Lakhs)	(118.50)	225.61
Weighted average number of equity shares	1,49,91,000	1,49,91,000
Nominal Value of equity shares (₹)	5.00	5.00
Basic Earnings Per Share (₹)	(0.79)	1.50
Diluted Earnings Per Share (₹)	(0.79)	1.50

(₹ in Lakhs)

30 CONTINGENT LIABILITIES

	2018-19	2017-18
Claims & Govt. demands against the company not acknowledged as debt:		
- Sales Tax matter under dispute/ appeal	27.59	27.59
- Income Tax matter under dispute/ appeal	-	-
Bank Guarantee	154.71	121.70

31 ASSETS PLEDGED AS SECURITY

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

	Notes	As at 31st March, 2019	As at 31st March, 2018
ASSETS			
Non-Current Assets			
(a) Property, plant and equipment	3.1	6,296.04	5,812.62
Total Non-Current Assets pledged as security		**6,296.04**	**5,812.62**
Current Assets			
(a) Inventories	9	478.47	649.90
(b) Financial assets:			
(i) Trade receivables	10	110.81	155.80
Total Current Assets pledged as security		**589.28**	805.70
Total Assets pledged as security		**6,885.32**	6,618.32

32. CAPITAL COMMITMENTS

As at 31st March, 2019, the company has commitments of ₹ 0.00 Lakhs (Previous year ₹ 162.43 Lakhs) net of advances relating to estimated amount of contracts to be executed on capital account and not provided for.

33. Employee Benefits

a) Defined Contribution Plan (₹ in Lakhs)

Particulars	2018-19	2017-18
Employer's Contribution to Provident Fund	249.93	217.42
Employee's Contribution to Provident Fund	249.93	217.42

b) Defined Benefit Plan - Gratuity

The Gratuity scheme is a final salary defined benefit plan, that provides for lump sum payment at the time of separation; based on scheme rules the benefits are calculated on the basis of last drawn salary and the period of service at the time of separation and paid as lump sum. There is a vesting period of 5 years.

Associated Risks :

Where there is a benefit being promised and benefit being provided, there will always be some uncertainty for the benefit provider and the benefit recipient.

i. Risk to the Beneficiaries (i.e. for Employees)

Insufficient funds: The greatest risk to the beneficiary is that there are insufficient funds available to provide

Notes to the financial statements
as at and for the year ended 31st March, 2019

the promised benefits. This may be due to:
- The insufficient funds set aside, i.e. underfunding
- The insolvency of Employer - The holding of investments which are not matched to the liabilities; or
- A combination of these events

ii. Risk to the Benefit provider (i.e. for employer)

Parameter Risk: Actuarial valuation is done on basis of some assumptions like salary inflation, discount rate and withdrawal assumptions. In case the actual experience varies from the assumptions, fund may be insufficient to pay off the liability.

Risk of Illiquid Assets: Another risk is that the funds, although sufficient, are not available when they are required to finance the benefits. This may be due to assets being locked for longer period or in illiquid assets.

Risk of Benefit Change: There may be a risk that a benefit promised is changed or is changeable within the terms of the contract.

Assets Liability Mismatching Risk: ALM risk arises due to mismatch between assets and liabilities either due to liquidity or changes in interest rates or due to different duration.

(A) Changes in Defined Benefit Obligation (₹ in Lakhs)

	As at 31st March, 2019	As at 31st March, 2018
Present Value of Defined Benefit Obligation as at the beginning of the year	1,544.10	1,363.95
Current Service Cost	90.68	77.67
Interest Cost	118.89	105.71
Remeasurements - Due to Financial Assumptions	7.31	(23.06)
Remeasurements - Due to Experience Adjustments	40.70	19.83
Present Value of Defined Benefit Obligation as at the end of the year	**1,801.68**	**1,544.10**
(B) Changes in the Fair Value of Assets		
Fair Value of Plan Assets at the beginning of the year	500.54	464.32
Interest Income	38.54	35.99
Remeasurements - Return on Assets (Excluding Interest Income)	0.67	0.23
Fair Value of Plan Assets at the end of the year	**539.75**	**500.54**
(C) Amount recognised in the Balance Sheet		
Present Value of Defined Benefit Obligation	1,801.68	1,544.10
Fair Value of Plan Assets	539.75	500.54
Net Assets/ (Liability) recognised in the Balance Sheet	**(1,261.93)**	**(1,043.56)**
(D) Current and Non Current Liability and Asset		
Non Current Assets	-	-
Current Liabilities	370.04	296.86
Non Current Liabilities	1,431.62	**1,247.23**
(E) Expense recognized in Statement of Profit and Loss		
Total Service Cost	90.68	77.67
Interest cost	118.89	105.71
Expected Return on Plan Assets	(38.54)	(35.99)
Total Expense required to be recognized in Statement of Profit and Loss but not recognised	**171.03**	**147.39**

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(F) Expense recognized in the Other Comprehensive Income (OCI) for Current Year (₹ in Lakhs)

	As at 31st March, 2019	As at 31st March, 2018
Remeasurements - Due to Financial Assumptions	7.31	(23.06)
Remeasurements - Due to Experience Adjustments	40.70	19.83
(Return) on Plan Assets (Excluding Interest Income)	(0.67)	(0.23)
Net (Income)/ Expense for the period to be recognized in OCI but not recognised	**47.34**	**(3.46)**

G) Sensitivity Analysis

	As at 31st March, 2019		As at 31st March, 2018	
	% increase in DBO	Liability (₹ in Lakhs)	% increase in DBO	Liability (₹ in Lakhs)
Discount Rates				
+ 100 Basis Points	-6.14%	1,691.12	-6.15%	1,449.15
- 100 Basis Points	6.95%	1,926.85	6.96%	1,651.59
Salary Growth				
+ 100 Basis Points	7.07%	1,928.97	7.12%	1,654.05
- 100 Basis Points	-6.34%	1,687.37	-6.35%	1,446.03
Withdrawal Rates				
+ 100 Basis Points	0.74%	1,814.97	0.77%	1,555.99
- 100 Basis Points	-0.82%	1,786.92	-0.85%	1,530.90

(H) Maturity profile of Defined Benefit Obligation

	As at 31st March, 2019	As at 31st March, 2018
i) Year 1	370.04	296.86
ii) Year 2 to Year 5	652.63	401.55
iii) Year 6 to Year 10	736.63	698.48

(I) The Major Categories of Plan Assets as a Percentage of Total Plan

	As at 31st March, 2019		As at 31st March, 2018	
	(₹ in Lakhs)	%	(₹ in Lakhs)	%
Insurance Policies	539.75	100%	500.54	100%

(J) The principal assumptions used in determining gratuity and leave encashment obligations for the company's plans are shown below:

	As at 31st March, 2019	As at 31st March, 2018
Discount rate (per annum)	7.75%	7.50%
Salary increase (per annum)	6.00%	6.00%
Expected rate of return on assets	7.75%	7.50%
Disability Rate	5% of Mortality Rate	
Mortality	Indian Assured Lives Mortality (2006-08)	

Notes to the financial statements
as at and for the year ended 31st March, 2019

34. Related Party Disclosures

(a) Name of the related party:

Party	Relationship
I. Holding Company	
A. Diana Capital Limited	
II. Key Managerial Personnel	
A. Mr. Sandeep Singhania	Managing Director
B. Mrs. Sarita Singhania	Whole Time Director
C. Mr. Ramesh Kumar Jhunjhunwala	Chief Financial Officer
D. Ms. Namrata Jain	Company Secretary
III. Related Party	
A. Singhania Builders Limited	Enterprise owned and influenced by key managerial personnel or their relatives
B. Mr. Devang Singhania	Relative of KMP
C. Ms. Varda Singhania	Relative of KMP

(b) Transaction during the period: (₹ in Lakhs)

Sl. No.	Nature of Transaction	Holding Company		Key Management Personnel		Relatives of Key Management Personnel		Enterprises owned/ influenced by Key Managerial Personnel or their relatives	
		2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
1	**Loan Taken**								
	Diana Capital Ltd.	77.50	91.25	–	–	–	–	–	–
2	**Loan Repaid**								
	Diana Capital Ltd.	8.75	109.91	–	–	–	–	–	–
3	**Interest Paid**								
	Diana Capital Ltd.	4.42	4.92	–	–	–	–	–	–
4	**Rent Paid**								
	Singhania Builders Limited	–	–	–	–	–	–	2.40	2.40
5	**Electricity Expenses**								
	Singhania Builders Limited	–	–	–	–	–	–	4.08	3.69
6	**Maintenance Charges Paid**								
	Singhania Builders Limited	–	–	–	–	–	–	0.67	0.61
7	**Remuneration Paid**								
	Mr. Sandeep Singhania	–	–	47.04	47.04	–	–	–	–
	Mrs. Sarita Singhania	–	–	33.60	33.60	–	–	–	–
8	**Salary Paid**								
	Mr. Ramesh Kumar Jhunjhunwala	–	–	6.34	5.49	–	–	–	–
	Ms. Namrata Jain	–	–	4.22	1.42	–	–	–	–
	Mr. Devang Singhania	–	–	–	–	10.75	5.38	–	–
	Ms. Varda Singhania	–	–	–	–	6.72	–	–	–
9	**Advance Taken**								
	Ramesh Kumar Jhunjhunwala	–	–	–	2.25	–	–	–	–
10	**Advance Repaid**								
	Ramesh Kumar Jhunjhunwala	–	–	0.60	0.75	–	–	–	–

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as at and for the year ended 31st March, 2019

(₹ in Lakhs)

Sl. No.	Nature of Transaction	Holding Company		Key Management Personnel		Relatives of Key Management Personnel		Enterprises owned/ influenced by Key Managerial Personnel or their relatives	
11	**Balance outstanding on account of**								
	Advances								
	Ramesh Kumar Jhunjhunwala	–	–	0.90	1.50	–	–	–	–
	Electricity Expenses								
	Singhania Builders Limited	–	–	–	–	–	–	0.85	0.79
	Loan Taken								
	Diana Capital Ltd.	100.42	31.67	–	–	–	–	–	–
	Interest Payable								
	Diana Capital Ltd.	6.72	4.42	–	–	–	–	–	–

35. SEGMENT INFORMATION:

The Company is engaged in the business of integrated activities of manufacture and sale of tea, predominantly in the domestic market. Hence there are no disclosures to be made under Ind AS -108, other than those already provided in the financial statements.

36. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE:

Dividend

(₹ in Lakhs)

	2018-19	2017-18
Final Dividend for the year 2017-18 @ ₹ 0.25 per share	37.48	-
Tax on final dividend for the year 2017-18	3.08	-
Total	**40.56**	**-**

37. Disclosure pursuant to SEBI's (Listing Obligations and Disclosure Requirements) Regulations, 2015:

	As at 31st March, 2019	As at 31st March, 2018
Loans and Advances in the Nature of Loans from Holding		
Diana Capital Limited		
- Balance at the year end (including interest)	100.42	36.10
- Maximum amount outstanding at any time during the year	104.62	86.13

38. Details of Loans and Guarantees given covered under section 186(4) of the Companies Act, 2013:

The Company has made investments in the shares of different companies and given loans to different parties which are general in nature. The loans given are interest bearing which are not lower than the prevailing yield of related government security close to the tenure of the respective loans. Further, the company has not given any guarantee or provided any security.

39. The company has provided deferred tax assets for ₹ 59.58 Lakhs (PY ₹ 21.94 Lakhs) based on the future profitability projection. The management is of the view that future taxable income will be available to realise/ adjust such deferred tax assets.

40. Expenditure in Foreign Currency:

(₹ in Lakhs)

	As at 31st March, 2019	As at 31st March, 2018
Travelling & Others	70.22	93.27
Total	**70.22**	**93.27**

41. Trade receivables and trade payables with respect to few parties are subject to confirmation and reconciliation, if any.

Notes to the financial statements

as at and for the year ended 31st March, 2019

42. Capital Management

The Company's capital management is intended to create value for shareholders by facilitating the meeting of long-term and short-term goals of the Company.

The Company determines the amount of capital required on the basis of annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through equity and other long-term/short-term borrowings. The Company's policy is aimed at combination of short-term and long-term borrowings.

The Company monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

(₹ in Lakhs)

	As at 31st March, 2019	As at 31st March, 2018
i) Equity share capital	749.55	749.55
ii) Other equity	5,242.38	5,524.06
Total Equity (a)	**5,991.93**	**6,273.61**
i) Borrowings	1,764.69	1,028.07
ii) Current Maturity of long term debt	146.75	103.63
iii) Interest accrued and due on borrowings	36.56	4.42
Total debt (b)	**1,948.00**	**1,136.12**
i) Cash and cash equivalents	124.42	34.12
Total cash (c)	**124.42**	**34.12**
Net debt {d=(b-c)}	1,823.58	1,102.00
Total capital (equity + net debt)	7,815.51	7,375.61
Net debt to equity ratio	**0.30**	**0.18**

43. Financial risk management objectives and policies

The Company's principal financial liabilities, comprise loans and borrowings, trade and other payables, security deposits, employee liabilities, unpaid and finance lease obligation. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include trade and other receivables, and cash and short-term deposits that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by a Risk Management Compliance Board that advises on financial risks and the appropriate financial risk governance framework for the Company. The financial risk committee provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings and deposits.

The sensitivity analyses in the following sections relate to the position as at 31 March 2019 and 31 March 2018.

The sensitivity analyses have been prepared on the basis that the amount of debts.

The following assumptions have been made in calculating the sensitivity analysis:

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31st March 2019 and 31st March 2018.

Notes to the financial statements
as at and for the year ended 31st March, 2019

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 interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company is subject to variable interest rates on some of its interest bearing liabilities. The Company's interest rate exposure is mainly related to debt obligations. The Company also uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day to day operations like short term loans.

The risk estimates provided assume a parallel shift of 100 basis points interest rate across all yield curves. This calculation also assumes that the change occurs at the Balance Sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

(₹ in Lakhs)

	Increase/ decrease in basis points	Effect on profit before tax	Effect on post-tax equity
31st March, 2019			
₹ In Lakhs	+ 100	(17.81)	(13.18)
₹ In Lakhs	(-) 100	17.81	13.18
31st March,2018			
₹ In Lakhs	+ 100	(11.98)	(8.90)
₹ In Lakhs	(-) 100	11.98	8.90

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Customer credit risk is managed by each divisions subject to the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of credit insurance.

The risk relating to trade receivables is shown under note no 10.

Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The Company has obtained fund and non-fund based working capital lines from various banks. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, buyer's credit and other means of borrowings. The company invests its surplus funds in liquid schemes of mutual funds, which carry no/low mark to market risk.

The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

Notes to the financial statements
as at and for the year ended 31st March, 2019

(₹ in Lakhs)

	On Demand	Less than 1 Year	1 to 5 Years	> 5 Years	Total
31st March, 2019					
Borrowings	536.81	146.75	765.81	466.29	1,915.66
Trade payables	-	332.25	-	-	332.25
Other financial liabilities	-	188.59	-	-	188.59
	536.81	**667.59**	**765.81**	**466.29**	**2,436.50**
31st March, 2018					
Borrowings	187.13	103.63	474.41	368.95	1,134.12
Trade payables	-	420.16	-	-	420.16
Other financial liabilities	-	348.32	-	-	348.32
	187.13	**872.11**	**474.41**	**368.95**	**1,902.60**

Agricultural 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 (tea) due to increase in supply/availability.

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

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

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

- 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.

44. Financial Instruments

The significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2 (I) to the financial statements.

(a) Financial assets and liabilities

The carrying value of financial instruments by categories as of March 31, 2019 is as follows: (₹ in Lakhs)

	As at 31st March, 2019		As at 31st March, 2018	
	FVOCI	Amortised cost	FVOCI	Amortised cost
Assets:				
Trade receivables	-	110.81	-	155.80
Investments	457.79	-	371.07	
Loans	-	913.50	-	954.00
Cash and cash equivalents	-	191.79	-	81.81
Other financial assets	-	36.21	-	42.81
Total	**457.79**	**1,252.31**	**371.07**	**1,234.42**
Liabilities:				
Borrowings	-	1,911.44	-	1,131.70
Other financial liabilities	-	188.59	-	348.32
Trade payables	-	332.25	-	420.16
Total	**-**	**2,432.28**	**-**	**1,900.18**

Notes to the financial statements

as at and for the year ended 31st March, 2019

Fair value hierarchy:

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;

Level 2 inputs are 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 are unobservable inputs for the asset or liability.

The investments included in Level 2 of fair value hierarchy have been valued using quotes available for similar assets and liabilities in the active market. The investments included in Level 3 of fair value hierarchy have been valued using the cost approach to arrive at their fair value. The cost of unquoted investments approximate the fair value because there is a range of possible fair value measurements and the cost represents estimate of fair value within that range.

The following table summarises financial assets and liabilities measured at fair value on a recurring basis and financial assets that are not measured at fair value on a recurring basis (but fair value disclosure are required):

(₹ in Lakhs)

	Level 1	Level 2	Level 3
As at 31st March, 2019			
Financial Assets:			
Financial investments at FVOCI			
Quoted Investments	69.86	-	-
Unquoted Investments	-	160.58	227.36
Total	**69.86**	**160.58**	**227.36**
As at 31st March, 2018			
Financial Assets:			
Financial investments at FVOCI			
Quoted Investments	82.60	-	-
Unquoted Investments	-	61.10	227.37
Total	**82.60**	**61.10**	**227.37**

Notes:

i) There have been no transfers between level 1 and level 2 for the years ended March 31, 2019 and March 31, 2018

45. Figures for the previous year have been regrouped, rearranged and recast wherever necessary.

In terms of our report of even date
For **B. Nath & Company**
Chartered Accountants
Firm Registration No. 307057E
Sd/-
Gaurav More
Partner
Membership No. 306466
Place: Kolkata
Date : 28th May, 2019

For and on behalf of the Board

Sd/-
Sandeep Singhania
Managing Director
(DIN : 00343837)

Sd/-
Sarita Singhania
Director (Sales & Marketing)
(DIN : 00343786)

Sd/-
Namrata Jain
Company Secretary
(Membership No.51075)

Sd/-
Ramesh Kumar Jhunjhunwala
Chief Financial Officer