



# THE GROB TEA CO. LTD.

17<sup>th</sup> September, 2018

National Stock Exchange of India Limited. Listing Department Exchange Plaza Bandra(E), Mumbai 400 051	The Secretary The Calcutta StockExchange Ltd 7 Lyons Range Kolkata 700 001
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**SUB : Submission of Annual Report For F.Y. 2017 - 2018**

Dear Sir,

Pursuant to Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulation, 2015 we enclose herewith the Annual Report for the Financial Year 2017 -2018.

Kindly acknowledge the receipts and take on the record.

Thanking You,

Yours Faithfully,  
For the Grob Tea.Co. Ltd.

*Kritika Mohata*

Kritika Mohata  
(Company Secretary)





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For the Grob Tea.Co. Ltd.

*Kritika Mohata*

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(Company Secretary)



The Grob  
Tea Company  
Limited

**2017 - 18**

**REPORT &  
ACCOUNTS**

Registered 7<sup>th</sup> January, 1895

## CORPORATE INFORMATION

### Board of Directors :

Mr. P.K.Agarwal, Managing Director  
Mr. M.K.Agarwal, Non-Executive Director  
Mr. H.M. Parekh, Independent Director  
Mr. P.J. Bhide, Independent Director  
Mr. S.K. Agarwal, Independent Director  
Mrs. P. Singhania, Independent Director  
Mr. I.B.Sharaf, Executive Director

### Executives :

Mr S Dasgupta, Chief Executive Officer  
Mr. B L Patawari, Chief Financial Officer  
Mrs. Kritika Mohata, Company Secretary

### Auditors :

M/s. Dhandhanias & Associates  
Chartered Accountants

### Bankers :

United Bank of India  
State Bank of India  
HDFC Bank

### Registered Office :

"HAUTE STREET" 9th Floor  
86A, Topsia Road,  
Kolkata – 700 046  
Phone: 033-40031325/26  
E-Mail : [grobtea@rawalwasia.co.in](mailto:grobtea@rawalwasia.co.in)  
CIN:L15494WB1895PLC000963

### Tea Estates :

Dessoie Tea Estate  
P.O. Mariani, Assam

Doyang Tea Estate  
P.O. Oating, Assam

Kanu Tea Estate  
P.O. Sapekhathi, Assam

Teen Ali Tea Estate  
P.O. Naharkatia, Assam

Pathemara Tea Estate  
P.O. Thaligram, Assam

Martycherra Tea Estate  
P.O. Kumbhirgram, Assam

### Stock Exchange :

The Calcutta Stock Exchange Ltd.  
National Stock Exchange of India Ltd.

### Registrar & Share Transfer Agents :

Niche Technologies Pvt. Ltd.  
D-511, Bagree Market, 5th Floor  
71, B R B Basu Road, Kolkata  
Phone No. 033 22357270/7271  
Fax No. 033 22156823  
E-Mail : [nichetechpl@nichetechpl.com](mailto:nichetechpl@nichetechpl.com)  
CIN:U74140WB1994PTC062636

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## DIRECTORS REPORT TO THE MEMBERS

Your Directors have pleasure in presenting the annual report together with Audited Accounts of the Company for the year ended 31st March 2018.

FINANCIAL RESULTS	2017-18 (Rs. in Lacs)	2016-17 (Rs. in Lacs)
Revenue from Operations	7696.31	7437.37
Other Income	85.86	56.83
Total Revenue	7782.17	7494.20
Profit before Finance Costs, Depreciation, Exceptional Items and Taxation	632.84	650.13
Less : Finance Costs	39.39	83.72
Less : Depreciation and Amortization Expenses	334.36	379.03
Profit before Exceptional Items and Tax	259.09	187.38
Less : Exceptional Items	-	-
Profit before tax	259.09	187.38
Tax Expenses	74.56	18.74
Profit for the year	184.53	168.64

### PERFORMANCE

During the financial year 2017-18, your Company achieved a production of 45.00 lacs kgs of Tea as compared to 47.24 lacs kgs in last year. The crop was lower mainly due to erratic weather condition in early part of the season. The average sale price realization for the CTC tea for the current year was Rs. 170.16, as compared to Rs. 159.60 in the earlier year. The sale price has improved by Rs. 10.56 mainly due to improvement in the quality of tea made.

### ADOPTION OF INDIAN ACCOUNTING STANDARD (IND AS)

The Company has adopted Indian Accounting Standard (IND AS) w.e.f 1st April, 2017 pursuant to the notification issued of Ministry of Corporate Affairs dated 16th February, 2015, notifying the Companies (Indian Accounting Standard) Rules, 2015. The Financial Statement for the year ended as on 31st March, 2018 have been prepared following the Ind-AS and Financial Statement for the year ended 31st March, 2017 has been re-stated to comply with Ind- AS to make them comparable.

### DIVIDEND

The Directors have recommended a dividend of Rs. 2/- Per Equity Share of Rs. 10/- each (Previous Year- Rs. 2/- per Equity Share) for the year ended 31st March, 2018, subject to approval of the shareholders at the ensuing Annual General Meeting.

### TRANSFER TO RESERVE

No amount was transferred to the reserves during the financial year ended 31st March, 2018.

### PROSPECTS

The crop prospects for the year 2018-19 is uncertain due to inclement weather condition with prolonged dry spell at the early season and followed by unprecedented pest attacks. The market is expected to remain range bound but good quality tea will attract premium. Your Company is continuously emphasizing to improve the quality of tea to fetch the higher realization.

## DIRECTORS REPORT TO THE MEMBERS (Contd.)

### PUBLIC DEPOSIT

During the Financial Year 2017-18, the Company has not accepted any deposit within the meaning of Sec 73 and 74 of the Companies Act, 2013.

### DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. M K Agarwal, Non-Executive Director, will retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment in accordance with the provisions of Companies Act, 2013.

Pursuant to the provisions of Sections 149, 150 & 152 read with other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), and the rules made there under (including any statutory modifications or re-enactment(s) thereof for the time being in force), subject to approval of members in the annual general meeting (AGM) and such other consents and permission as may be necessary, consent of the board of directors be and is hereby accorded for the reappointment of Mrs Priyanka Singhania (DIN : 07195629) as an Independent Director for a period of 5 (Five) Years.

The Board of Directors on the recommendation of Nomination & Remuneration Committee proposes the appointment/ re-appointment of the aforesaid Directors at the ensuing AGM. Necessary resolutions for the same have been included in the Notice convening the ensuing AGM and details of the terms and conditions including remuneration as set out in explanatory statement annexed to the Notice convening the ensuing AGM.

### DECLARATION OF INDEPENDENCE

The Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under the provisions of Companies Act, 2013 read with the Schedules and Rules issued there under as well as SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015.

### NUMBER OF MEETINGS OF THE BOARD

The Board meets at regular intervals to discuss and decide on business policy and strategy apart from other Board business. The details of the number of Board meetings of the Company are set out in the Corporate Governance Report which forms part of this Report.

### COMMITTEE OF THE BOARD

During the year, in accordance with the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015, currently the Board has four Committees to focus on specific areas and make decision within the authority delegated to each of the Committees. All decision and recommendations of the Committees are placed before the Board either for information or approval. The detail of Committee of the Board is as follows:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders' Relationship Committee
- CSR Committee

The composition, scope and powers of the aforementioned Committees together with details of meeting held during the year under review, forms part of the Corporate Governance Report.

### MANAGEMENT DISCUSSION AND ANALYSIS AND CORPORATE GOVERNANCE REPORT

In terms SEBI(LODR), Regulation, 2015 with Stock Exchange, Report on Management Discussion & Analysis Report and the Report on Corporate Governance along with the Certificate from the Practicing Company Secretary certifying the compliance of Corporate Governance have been attached and forms part of Annual Report marked as Annexure "A" and "B" respectively.

## DIRECTORS REPORT TO THE MEMBERS (Contd.)

### EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in Form MGT- 9 in accordance with Section 92(3) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 are set out herewith as Annexure "C" to this Report.

### DIRECTORS RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(5) of the Companies Act 2013, your directors confirm that:

- a) in the preparation of the annual accounts for the financial year ended 31st March, 2018, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2018 and of the profit /loss of the Company for that period;
- c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) the directors had prepared the annual accounts on a going concern basis;
- e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.
- f) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

### AUDITORS AND AUDITOR'S REPORT

#### Auditors

M/s Dhandhanja & Associates, Chartered Accountants, were appointed as the Statutory Auditor of the Company in the last Annual General Meeting held on 5th September, 2017 in terms of Sec 139 of the Companies Act 2013 till the conclusion of Annual General Meeting to be held in 2022.

The Auditors' Report for the financial year 2017-18 does not contain any qualification, reservation or adverse remark.  
Cost Auditor

In accordance to the provision of Section 148 of the Companies Act, 2013 and Companies (Audit & Auditors) Rules, 2014 the Company is not required to appoint Cost Auditor to audit the cost records of the Company.

#### Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed H M Choraria & Co, Practicing Company Secretary, for a period of 3 years from 2016 onwards for conducting the Secretarial Audit of your Company. The Secretarial Audit Report is annexed herewith as Annexure "D" to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

### DISCLOSURE RELATING TO REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND PARTICULARS OF EMPLOYEES

The prescribed particulars of employees required under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 is set out in Annexure "E" to this Report attached.

The Information as required under Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 are given in the Annexure forming part of the Report. In terms of Section 136(1) of the Act, the report and accounts are being sent to members without the aforesaid Annexure. Any member interested in obtaining a

## DIRECTORS REPORT TO THE MEMBERS (Contd.)

copy of the same, may write to the company. The aforesaid Annexure is also available for inspection by members at the Registered Office of the Company.

### LOANS GUARANTEE OR INVESTMENT

Loans, guarantees and investments covered under Section 186 of the Companies Act, 2013 form part of the notes to the financial statements provided in this Annual Report.

### RELATED PARTY TRANSACTIONS

During the financial year 2017-18, the Company has entered into transactions with related parties which were in the ordinary course of business and on arms' length basis and in accordance within the provisions of the Companies Act, 2013. Further, there were no transactions with related parties which qualify as material transactions under the Listing Agreement. Thus, disclosure in Form AOC-2 is not required.

The details of the related party transactions as required under IND AS-24 are set out in Note 29 to the financial statements forming part of this Annual Report.

### VIGIL MECHANISM

The Company is committed to ethical, moral and legal business conduct. Accordingly, the Board of Directors have formulated a Whistle Blower Policy which is in compliance with the provisions of Section 177 (10) of the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015. The detail of Whistle Blower Policy of the Company has been outlined in the Corporate Governance Report which forms part of this report.

### BOARD EVALUATION

A Board Evaluation Framework was adopted as per guidance note issued by SEBI dated 5th January, 2017 for evaluating the performance of the Board as a whole, Committees of the Board and also performance of the Individual Directors. As per the Evaluation Framework, the Directors evaluated the performance of the Board, as a whole its Committee and each other for the year 2017-2018. The Board and the Nomination and Remuneration Committee reviewed the performance of the Individual Directors, based on the criteria such as attendance and participation in the meetings, preparedness on the issues to be discussed, suggestions on how risk factors may be handled etc. In addition, the Chairman was also evaluated on the above aspects by Independent Directors. The Independent Directors also carried out the performance evaluation in terms of part VII(3)(C) of Schedule IV of the Companies Act 2013 in the meeting held on 12th February, 2018.

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo as stipulated under Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, is set out herewith as Annexure "F" to this Report.

### CORPORATE SOCIAL RESPONSIBILITY

Pursuant to Section 135 of the Companies Act, 2013, the Company has formed a CSR Committee and approved the CSR Policy. The brief outline of the Corporate Social Responsibility (CSR) Policy of the Company is available on the Company's website: [www.grobtea.com](http://www.grobtea.com). The initiatives undertaken by the Company on CSR activities during the year are set out in Annexure I.



## DIRECTORS REPORT TO THE MEMBERS (Contd.)

### TRANSFER OF AMOUNT TO THE INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to the provision of section 124 of the Companies Act, 2013, the declared dividend which remain unpaid or unclaimed for a period of seven years has to be transferred to the Investor Education and Protection Fund established by the Central Government. There is no amount due which is required to be transferred to Investor Education and Protection Fund as on 31st March 2018.

Company has uploaded the detail of unpaid and unclaimed dividend lying with the company as on 5th September, 2017 i.e. the date of last Annual General Meeting on the Companies website [www.grobtea.com](http://www.grobtea.com)

### DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

The Company is committed to provide a safe and conducive work environment to its employees. During the year under review, no case of sexual harassment was reported.

### SIGNIFICANT/MATERIAL ORDERS PASSED BY THE REGULATORS

There are no significant/material orders passed by the Regulators or Courts or Tribunals impacting the going concern status of the Company and its operations in future.

### ACKNOWLEDGEMENT

The Directors wish to place on record their appreciation of the devoted services rendered by all the employees of the Company and sincerely convey their appreciation to customers, shareholders, vendors, bankers, business associates, regulatory and government authorities for their continued support.

Place : Kolkata  
Dated: 29th May, 2018

For and on behalf of the Board  
I.B.Sharaf, Executive Director  
(DIN NO. 00047266)  
S. K. Agarwal, Director  
(DIN NO. 00189691)

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT****ANNEXURE – “A”**

(Forming part of Director's Report for the financial year ended 31st March, 2018)

**Industry Structure and Developments :** All India Black Tea production was approximately 1321 million kgs during the calendar year 2017 as compared to 1267 million kgs of 2016. The excess crop of 54 million kgs has come mainly from small Grower sector, which now produce almost 47% of All India Production. The crop of your Company was slightly lower than last year due to inclement weather condition. Rising employee cost, declining yield and erratic climate is affecting the tea industry.

**Opportunity and Threat:** The continuous promotional efforts and initiatives taken by the Government/Tea Board including Trustee Program will benefit the industry in the long term. Three of your Company's gardens are now Trustea certified.

**Weather Condition** has become an important factor for all agricultural produce including tea. Global Warming is seriously having its effect in all the tea growing region of the country with rising temperature and unpredictable erratic distribution of rainfall. Pest attack is a major threat to the industry. We practice sustainable agricultural practices, which minimizes the impact of such erratic conditions and with strong irrigation support which minimizes the negative impact.

**Productwise Performance :-** During the year under review the production of Tea was slightly lower as compared to last year. Sustained effort in improving the quality has resulted in 6.64% of higher realization compared to last year. The details of performance is given below.

Year	Production ( Lac Kgs)	Sales (Lac Kgs.)	Average Realisation (Rs. Per Kg.)
2017-18	45.00	45.07	170.16
2016-17	47.28	46.38	159.59
Change (%)	(-) 4.82%	(-)2.84%	6.64%

**Outlook:** The current season started with a mixed weather condition with prolonged dry spell at the early part of the season followed by unprecedented pest attacks impacted the May crop badly. Higher production of Kenya and Sri Lanka is likely to effect the export front, which may result in domestic sluggish demand. However, the demand for quality tea and increase in consumption thereof will have positive impact on price realization. So, we can take overall outlook for current year as steady.

**Risk and Concern:** Weather plays an important role in the success or failure of any agriculture industry including plantations. Tea is a perennial crop and hence with climate change, repeated erratic rainfall and weather conditions affects the production of tea crops. Further, Tea being the labour intensive industry, shortage of labour in peak season and substantial increase in labour costs, high social cost and other input cost remains the major cause of concern for the industry.

**Discussion on Financial Performance with respect to Operational Performance :** The company emphasis on continuous improvement of quality tea with latest technology which are resulting in high margin.

**Internal Control System and their Adequacy:** The Company's internal control system and the level of management are reviewed from time to time to implement information wherever required. The Internal Audit is carried out to a large extent by Professional firm of Chartered Accountant. The Audit Committee of the Board looks into the audit review which is deliberated upon and corrective action taken wherever required.

#### Information regarding Human Resources/Industrial Relation

The Company deeply appreciates performance and cooperation of the employees for the year and to maintain this cordial relationship for the years to come. Your Company believes in employee empowerment across the entire organization in order to achieve organizational effectiveness. The Company employs over 4125 employees at its tea estate and other establishments in the country. The Industrial relations of the Company was cordial and there were no instances of employee disputes arising during the year.

**Cautionary Statement:** Statements in this Management Discussion and Analysis Report describing the Company's objectives, projections, estimates and expectations may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed or implied due to factors beyond control.

For and on behalf of the Board

I.B.Sharaf, Executive Director  
(DIN NO. 00047266)

S. K. Agarwal, Director  
(DIN NO. 00189691)

Place : Kolkata  
Dated: 29th May, 2018

## REPORT ON CORPORATE GOVERNANCE

(forming part of Director's Report for the financial Year ended 31st March, 2018)

ANNEXURE – “B”

### CORPORATE GOVERNANCE PHILOSOPHY

The Company's philosophy on Corporate Governance is aimed at efficient conduct of its operations and meeting its obligation towards stakeholders at large. At, The Grob Tea, it is imperative that the Company affairs are managed in a fair and transparent manner. The Company is committed to good Corporate Governance and transparency in all dealings and places emphasis on business ethics, responsibilities conduct, integrity and accountability. The company being a labour intensive industry places great emphasis on values such as empowerment and integrity of its employees, safety of the workers, optimum utilization of natural resources and fair & ethical dealings with all, providing medical, educational and welfare facilities.

### 1. BOARD OF DIRECTORS

#### a) Composition

We believe that our Board needs to have an appropriate mix of executive and independent directors to maintain its independence, and separate its functions of governance and management. The Board of Directors of the Company as on 31st March, 2018, consist of Seven Directors as one non-executive promoter Director, one Managing Director, one Executive Director and four independent non-executive Director having requisite qualifications and experience in business and industry, finance and management. The composition of the Board is in conformity with the SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015. The names of the Directors and the details of other chairmanship / directorship / committee membership of each Director as on 31st March 2018 is given below:

Name of Director	Category of Director	Number of Directorships in other companies	Number of Committee Memberships in other companies	
		Member of Board	Chairman	Member
Mr. P K Agarwal	Promoter – Managing Director	10	-	-
Mr. I B Sharaf	Executive Director	-	-	-
Mr. M K Agarwal	Promoter – Non Executive Director	6	-	-
Mr. H M Parekh	Independent Director	10	5	5
Mr. P J Bhide	Independent Director	11	5	3
Mr. S K Agarwal	Independent Director	11	-	-
Mrs. P Singhania	Independent Director	-	-	-

#### Notes:

Ø Also includes directorship other than Public Limited Company.

Ø Audit Committee and Stakeholder Grievances Committee are considered.

None of the Directors on the Board is a Member of more than 10 Committees or Chairman/Chairperson of more than 5 committee as specified SEBI (LODR) Regulation, 2015, across all the Companies in which he/she is a Director have made necessary disclosures regarding Committee positions held in other public limited companies.

#### b) Number & Dates of Board Meetings/Date of last AGM held

The Board met four times during the year and the gap between two meetings did not exceed four months. The dates on which the Board Meetings were held are as follows:

29th May 2017, 30th August 2017, 7th December 2017 and 12th February 2018.

The last Annual General Meeting of the Company was held on 5th September, 2017

## c) Attendance of each Director at Board Meetings and at the previous Annual General Meeting (AGM)

Sl. No.	Name	No. of Board Meetings held	No. of Board Meetings attended	Attendance at the last AGM
1.	Mr. P K Agarwal	4	2	Present
2.	Mr. M K Agarwal	4	4	Present
3.	Mr. I B Sharaf	4	4	Present
4.	Mr. H M Parekh	4	3	Present
5.	Mr. P J Bhide	4	4	Absent
6.	Mr. S K Agarwal	4	4	Present
7.	Mrs. P Singhania	4	4	Present

## d) Information about Directors seeking appointment/ re-appointment.

A brief resume of Directors seeking appointment / re-appointment as required under Regulation 34(3) SEBI(Listing Obligation and Disclosure Requirements) Regulation 2015 is given in the Notice of Annual general Meeting dated 29th May, 2018.

## 2. AUDIT COMMITTEE

I. The audit committee assists the board in the dissemination of financial information and in overseeing the financial and accounting processes in the company. The role and term of reference of the Audit Committee are as follows:

- a) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- b) Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of statutory auditors, fixation of audit fee and also approval of payment for any other services.
- c) Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
  - Ø Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of clause.
  - Ø Changes, if any, in accounting policies and practices and reasons for the same.
  - Ø Major accounting entries involving estimates based on the exercise of judgment by the management.
  - Ø Significant adjustments made in the financial statements arising out of audit findings.
  - Ø Compliance with listing and other legal requirements relating to financial statements.
  - Ø Disclosure of any related party transactions.
  - Ø Qualifications in the draft audit report
- d) Reviewing, with the management, the quarterly/ annual financial statements before submission to the board for approval.
- e) Reviewing with the management, performance of statutory and internal auditors, the adequacy of internal control systems.
- f) Approval or any subsequent modification of transactions of the company with related parties.
- g) Scrutiny of inter-corporate loans and investments.
- h) Reviewing the adequacy of internal audit function including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.



- i) Discussion with the Internal Auditors about any significant findings and follow up thereon.
- j) Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- k) Discussion with the Statutory Auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern.
- l) Looking into the reasons for substantial defaults, if any, in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- m) Reviewing the functioning of Whistle Blower mechanism on regular basis.
- n) Approval of appointment of CFO after assessing the qualifications, experience & background, etc. of the candidate.
- o) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee

## II. Composition

The Audit Committee of the Board as on 31st March 2018 comprised of three Non-Executive Independent Director and one Executive Director namely, Mr. P J Bhide, Mr. H M Parekh, Mr. S K Agarwal and Mr. I B Sharaf. Mr. P J Bhide a Non-Executive Independent Director, having adequate financial and accounting qualification and expertise, is the Chairman of the Audit Committee. The other members are also financial literate.

## III. Meeting and attendance during the year

Name of the Director	Category	No. of Meetings Held during the year	Attended
Mr. P J Bhide, Chairman	Non-Executive & Independent Director	4	4
Mr. H M Parekh	Non-Executive & Independent Director	4	3
Mr. S K Agarwal	Non-Executive & Independent Director	4	4
Mr. I B Sharaf	Executive & Non Independent Director	4	4

Four Meetings of the Audit Committee were held during the financial year ended 31st March 2018. The dates on which the Audit Committee Meetings were held are as follows:

29th May 2017, 30th August 2017, 7th December 2017 and 12th February 2018.

The necessary quorum was present at all the meetings.

## 3. NOMINATION AND REMUNERATION COMMITTEE

### I. Brief description of terms of reference is for :

- a) appointment of the directors, and key managerial personnel of the Company; and
- b) fixation of the remuneration package of the Executive Director and Non-Executive Director and sitting fees and other expense payable to the Director for attending meetings of the Board/or Committee.
- c) to approve, in the event of loss or inadequacy of profit an any year, the minimum remuneration payable to Executive Directors within the limit and subject to the parameter prescribed in Schedule to the Companies Act, 2013.

### II. Composition

The Remuneration Committee of the Board as on 31st March 2018 comprised of Mr. H M Parekh, a Non-Executive Independent Director, as the Chairman, Mr. P J Bhide a Non-Executive Independent Director, Mr. S K Agarwal a Non-Executive Independent Director and Mr. P K Agarwal, Managing Director till 10th October 2017 and subsequently Mr. M K Agarwal, Non-Executive Director was appointed as a member of the committee w.e.f. 10th October 2017.

## III. Attendance during the year

The committee had met once in the year 2017-2018 on 29th May, 2017.

Name of Director	Category	Attended
Mr. H M Parekh	Non-Executive & Independent Director	1
Mr. P J Bhide	Non-Executive & Independent Director	1
Mr. S K Agarwal	Non-Executive & Independent Director	1
Mr. P K Agarwal	Managing Director	0

## IV. Remuneration of Directors

## a) Pecuniary Relationship or transaction of the Non- Executive director –

The company has no pecuniary relationship or transaction with its Non- Executive Directors other than payment of sittings fees to them for attending Board and Committee meetings.

## b) Criteria of making payments to Non-Executive Director –

Criteria of making payments to Non-Executive Directors is disclosed in the Nomination and Remuneration Policy and same is available at the website of the Company [www.grobtea.com](http://www.grobtea.com).

## c) Disclosure with respect to remuneration -

The Managing Director and Executive Director are paid Salary, Bonus and allowances and perquisites as per their terms of appointment approved by the members of the Company. Non- Executive Directors and Independent Directors are paid sitting fees as determined by the Board from time to time.

The details of sitting fees/commission paid to the Non- Executive Director, Independent Directors and salary and perks paid to the Executive Director of the Company during the year 2017-2018 are given below :-

Name of Director	Salary (Rs. in Lacs)	Bonus & Allowances (Rs. in Lacs)	Monetary value of Perquisites (Rs. in Lacs)	Meeting Fees (Rs. in Lacs)	Period of Appointment	Notice Period	No. of Shares Held
Mr. P K Agarwal	24.00	3.50	-	-	Appointed for 3 years w.e.f. 01-04-2017	-	-
Mr. I B Sharaf	16.80	2.82	0.32	-	Re-appointed for 4 years w.e.f. 29-05-2017	-	400
Mr. M K Agarwal	-	-	-	0.33	-	-	-
Mr. H M Parekh	-	-	-	0.25	Re-appointed for 3 years w.e.f. 01-04-2017	-	-
Mr. P J Bhide	-	-	-	0.33	Re-appointed for 3 years w.e.f. 01-04-2017	-	-
Mr. S K Agarwal	-	-	-	0.33	Appointed for 3 Years w.e.f. 28-05-2016	-	-
Mrs. P Singhania	-	-	-	0.23	Appointed for 3 years w.e.f. 28-05-2015	-	100

**V. REMUNERATION POLICY:**

The Company has formulated the remuneration policy. The details of this policy are available on the Company's website viz. [www.grobtea.com](http://www.grobtea.com).

**4. FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTOR**

In compliance of Clause 25(7), SEBI (LODR), Regulation, 2015 the Company has laid down a familiarization program for the Independent Directors. The Familiarization Program aims at helping the Independent Director to understand the Company, its management, roles & responsibilities in the company, operation of the company etc. The detailed program has been uploaded on the website of the Company viz. [www.grobtea.com](http://www.grobtea.com).

**5. INDEPENDENT DIRECTOR MEETING**

During the year under review, the Independent Directors of the Company met on 12th February, 2018 inter alia, to:

- (a) Evaluate and review the performance of non-independent directors and the Board as a whole;
- (b) Evaluate and assess the quality, quantity and timeliness of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

Mr. H M Parekh was granted leave of absence in the meeting.

**6. STAKEHOLDERS' RELATIONSHIP COMMITTEE:**

Mr. P K Agarwal, Managing Director was the Chairman of the committee for two consecutive meetings held till 10th October, 2017 and subsequently Mr. M. K. Agarwal was appointed as the Chairman of the Committee w.e.f. 10th October, 2017. Mr. I B Sharaf is the other members of the committee.

The committee met regularly to approve share transfers, transmissions, issue of duplicate share certificates, rematerialisation of shares and all other issues pertaining to shares and also to redress investor grievances like non receipt of dividend warrants, non receipt of share certificates, etc.

All the requests and complaints received from the shareholders were attended within the stipulated time and nothing was pending for disposal at the end of the year.

**7. RISK MANAGEMENT COMMITTEE**

Periodic assessments to identify the risk areas are carried out and management is briefed on the risks in advance to enable the company to control risk through a properly defined plan. The risks are classified as financial risks, operational risks and market risks. The risks are taken into account while preparing the annual business plan for the year. The Board is also periodically informed of the business risks and the actions taken to manage them. The detail policy is disseminated in the website of the Company [www.grobtea.com](http://www.grobtea.com). However, the Risk Management Committee is not applicable to the Company as per the SEBI circular dated 17th April, 2014.

**8. CSR Committee**

The Board of Director has formed the CSR Committee comprises of one Independent and one Executive Director and one non- executive Promoter Director as on 31st March, 2018 :

- Mr. M K Agarwal
- Mr. I B Sharaf
- Mrs. P Singhania

While aiming to generate maximum profit for our shareholders through the year, we also keep an eye on our social and environmental responsibilities, to fulfill the needs and expectations of the larger society that we are part of. The CSR Committee was set up to formulate and monitor the CSR Policy of the Company. The CSR committee adopted a policy that intends to strive for economic development that positively impacts the society at large.

The CSR Policy of the Company are available on the website of the Company [www.grobtea.com](http://www.grobtea.com).

**9. GENERAL BODY MEETING**

The details of the Annual General Meetings held in the last three years are as follows:

Annual General Meetings of the Company:-

Financial Year Ended	Date	Time	Venue
31.03.2015	15th September, 2015	10.30 A.M.	Bharatiya Bhasha Parishad 36A, Shakespeare Sarani, Kolkata – 700017
31.03.2016	13th September, 2016	10.30 A.M.	Bharatiya Bhasha Parishad 36A, Shakespeare Sarani, Kolkata – 700017
31.03.2017	5th September, 2017	10.30 A.M.	Bharatiya Bhasha Parishad 36A, Shakespeare Sarani, Kolkata – 700017

Special resolutions has been passed in AGM/EGM in the last year -.

i) RE-APPOINTMENT OF MR. P J BHIDE, AS AN INDEPENDENT DIRECTOR OF THE COMPANY

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and such other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualifications of Directors) Rules, 2014, Mr. P J Bhide (DIN: 00012326) who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and being eligible is proposed to be re-appointed as an Independent Director of the Company for a period of 3(Three) years, not liable to retirement by rotation.”

ii) RE-APPOINTMENT OF MR. H M PAREKH, AS AN INDEPENDENT DIRECTOR OF THE COMPANY

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and such other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualifications of Directors) Rules, 2014 Mr. H M Parekh (DIN: 00026530), who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and being eligible is proposed to be re-appointed as an Independent Director of the Company for a period of 3(Three) years, not liable to retirement by rotation.”

No Special resolutions were required to be passed by the shareholders of the company through postal ballot during the year 2017-2018.

10. VIGIL MECHANISM

The Company has formulated a Policy of Vigil Mechanism with a view to provide a mechanism for employees to report concerns about unethical behaviour, actual or suspected fraud, or violation of the code of conduct or ethics policy. It also provides for adequate safeguards against victimization of directors/ employees who avail of the mechanism. The company affirms that no personnel has been denied access to the audit committee. The purpose of this Policy is to encourage the Company's employees who have concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment. The detail policy is disseminated in the website of the Company [www.grobtea.com](http://www.grobtea.com).

11. DISCLOSURES

- a) There have been no materially significant related party transactions which may have potential conflict with the interests of the company at large. The necessary disclosures regarding the transactions are given in the notes to accounts.

The Company has also formulated a policy for determining the Material RPT and the details of such policies for dealing with RPT and the Related Party Transactions are disseminated in the website of the Company [www.grobtea.com](http://www.grobtea.com).

- b) The company has followed Indian Accounting Standards (IndAS) while preparing Financial Statements.  
c) No money was raised by the Company through any public issue, right issue, preferential issue etc. in the last financial year.  
d) Mandatory Requirement –

The Company has complied with all the applicable mandatory requirements stipulated under Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.



## e) Non- Mandatory requirement –

- a. The Internal Auditors reported to the Audit Committee about the audit objection & observations made by them and subsequently necessary steps were taken by the management to rectify the same.
- b. There has been no adverse remarks or qualification in the Auditors Report for the Financial year 2017-18.
- f) There have been no instances of non-compliance in general by the company on any matters related to the capital markets, nor have any penalty been imposed on the company by the Stock Exchanges or SEBI or any other statutory authority on such matters.

## 12. MEANS OF COMMUNICATIONS

The quarterly results of the Company are published in leading newspapers Financial Express (all India edition) and Ek Din (Bengali – local edition) and displayed on the website of the Company namely [www.grobtea.com](http://www.grobtea.com). Quarterly Results including summary of events are presently not being sent to the Shareholders of the Company. No presentations have been made to institutional investors or to analysts.

## 13. CODE OF CONDUCT FOR THE BOARD OF DIRECTORS AND THE SENIOR MANAGEMENT

The Company has a code of conduct for all its Board members and senior management personnel which is available on the website of the Company. It has received necessary declarations affirming compliance with it from all of them and a declaration to this effect duly signed by the Executive Director is attached to this report.

## 14. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A Management Discussion And Analysis Report has been included as a part of Director's Report to the Shareholder's for the year ended 31st March, 2018.

## 15. GENERAL SHAREHOLDER INFORMATION

## a) Annual General Meeting

Date and time	28th August 2018 at 10.30 a.m.
Venue	Bharatiya Bhasha Parishad 36A, Shakespeare Sarani, Kolkata – 700017
Book Closure Date	22.08.2018 to 28.08.2018 (both days inclusive)
Financial Year	1st April, 2017 to 31st March, 2018

## b) Financial Calendar 2018-2019 (tentative)

Financial Reporting for the Quarter Ending:

June 30, 2018	By 14th August ,2018
September 30, 2018	By 14th November, 2018
December 31, 2018	By 14th February, 2019
Audited Result for the Year Ended 31st March, 2019	By 30th May, 2019

## c) Particulars of Dividend for the year ended 31.03.2018

The Dividend, if approved at AGM will be paid within 30 Days of such approval.

## d) Listing on Stock Exchange

The Company's Shares are listed at Calcutta Stock Exchange and also in National Stock Exchange. The Annual Listing Fees for the Year 2017-18 have been paid to both the Stock Exchanges.

## e) Stock Code

Name of the Stock Exchange	Stock Code
Calcutta Stock Exchange (CSE)	10017201
National Stock Exchange (NSE)	GROBTEA
ISIN Number for NSDL & CDSL	INE646C01018

## f) Stock Market Price Data :

Month & Year	High (Rs.)	Low (Rs.)	Volume (Nos.)
April 2017	380.00	294.05	3688
May 2017	369.95	285.50	6289
June 2017	326.80	220.70	6282
July 2017	309.45	243.50	15660
August 2017	348.05	260.10	11296
September 2017	394.50	271.05	13874
October 2017	728.00	340.10	25843
November 2017	666.60	505.05	24362
December 2017	1393.75	540.00	36207
January 2018	2627.60	1463.40	22494
February 2018	1679.15	1009.75	11968
March 2018	1435.95	805.10	8531

## Performance in comparison to NSE Nifty :

Particulars	28.03.2018	05.04.2017	Change (%)
Share Prices of Grobtea (Rs.)	1435.95	299.75	379.04 %
V/s NSE Nifty	10143.60	9264.40	9.50%

## g) Shareholding Pattern as on 31st March, 2018:

Sl. No.	Category	Number of Shareholders	No. of Shares Held	% of Share Holding
1.	Promoters & Promoters Group	4	8,70,858	74.92
2.	Financial Institutions, Banks & Mutual Funds	7	1,808	0.16
3.	Private Body Corporate	39	62529	5.38
4.	NRI / OCB	28	5191	0.44
5.	Individuals	2320	219273	18.86
6.	Trust	1	100	0.01
7.	Clearing Members	45	2571	0.23
	Total	2444	11,62,330	100.00

## h) Distribution of Shareholding as on 31st March 2018:

Number of Equity Shares held	Number of Share holders	Number of Shares	% of Capital
Upto 500	2381	1,53,299	13.19
501-1000	39	26,578	2.29
1001-2000	11	15,410	1.32
2001-3000	3	6,789	0.58
3001-4000	2	6,696	0.58
4001-5000	–	–	–
5001-10000	2	16,700	1.44
10001 and above	6	9,36,858	80.60
Total	2444	11,62,330	100.00

i) Registrar and Share Transfer Agents

Niche Technologies Pvt. Ltd., having its registered office at D-115, Bagree Market, 5th Floor, 71, Canning Street, Kolkata - 700001 are the Registrars for the demat segment and also the share transfer agents of the company, to whom communications regarding share transfer and dematerialization requests must be addressed. All matters connected with share transfer, transmission, dividend payment is handled by the share transfer agent.

j) Share Transfer System

The shares received for transfer in physical mode, if in order in all respects are registered and returned within two weeks from the date of lodgment.

k) Dematerialization of Shares and Liquidity

As on 31st March, 2018, 89.31% of the Company's equity shares of Rs. 10/- each representing 10,38,060 shares were in dematerialized form and the balance 10.69% representing 1,24,270 shares were in physical form.

l) Outstanding GDRs/ADRs/Warrants or any Convertible Instruments

The Company has not issued any GDRs/ADRs/Warrants or any Convertible Instruments.

m) Plant Locations

As given on the first page of the Annual Report.

n) Address for Correspondence

To contact Registrars & Share Transfer Agents for matters relating to shares

M/s. Niche Technologies Pvt. Ltd.  
D-511, Bagree Market, 5th Floor,  
71, B R B Basu Road, Kolkata – 700 001  
Phone No. : 033 22357270/7271  
Fax : 033 22156823  
E-mail: [nichetechpl@nichetechpl.com](mailto:nichetechpl@nichetechpl.com)

For any other general matters or in case of any difficulties / grievance

Mrs. Kritika Mohata  
Company Secretary  
Phone No. : 033 40031325/26  
E-mail : [grobtea@rawalwasia.co.in](mailto:grobtea@rawalwasia.co.in)

For and on behalf of the Board

I.B.Sharaf, Executive Director  
(DIN NO. 00047266)

S. K. Agarwal, Director  
(DIN NO. 00189691)

Place : Kolkata  
Dated: 29th May, 2018

## DECLARATION REGARDING CODE OF CONDUCT

This is to confirm that the Company has adopted Codes of Conduct to be followed by the Members of the Board and Senior Management Personnel of the Company respectively in compliance with Regulation 26(3) read with Part D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, with the Stock Exchanges. The said Code is available on the Company's website.

I hereby declare that all Board Members and Senior Management Personnel's have affirmed compliance with Code of Conduct of the Company during the financial year 2017-2018.

For The Grob Tea Company Limited  
I B SHARAF  
Executive Director  
DIN No. 00047266

## MD/CFO CERTIFICATE

To,  
The Board of Directors,  
The Grob Tea Company Limited

1. We have reviewed the financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
  - a. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - b. these statements together present a true and fair view of the state of affairs of the company and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
3. We accept overall responsibility for establishing and maintaining internal control for financial reporting. This is monitored by the internal audit function, which encompasses the examination and evaluation of the adequacy and effectiveness, of internal control. The internal auditor works with all levels of management and statutory auditors and reports significant issues to the audit committee of the Board. The auditors and audit committee are appraised of any corrective action taken with regard to significant deficiencies in the design or operation of internal controls.
4. We indicate to the auditors and to the audit committee:
  - a) Significant changes in internal control over financial reporting during the year;
  - b) Significant changes in accounting policies during the year; and that the same have been disclosed in the notes to the financial statements; and
  - c) Instances of significant fraud of which we have become aware of and which involve management or other employees having significant role in the company's internal control system and financial reporting. However, during the year there was no such instance.

For and on behalf of the Board  
I.B.Sharaf, Executive Director  
(DIN NO. 00047266)

B. L. Patawari  
Chief Financial Officer

Kolkata  
Dated: 29th May, 2018



## CERTIFICATE ON CORPORATE GOVERNANCE

To the members of  
The Grob Tea Company Limited

We have examined the compliance of conditions of Corporate Governance by The Grob Tea Company Limited for the year ended March 31, 2018 as stipulated in regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of schedule V of the SEBI (Listing obligations and disclosures Requirements) 2015 (Listing Regulations).

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedure and implementation thereof, adopted by the company for ensuring the compliance of the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied in general with the conditions of corporate governance as stipulated in the above mentioned Listing Agreement and Listing Regulations.

We state that in respect of Investors' grievances received during the financial year ended on 31st March, 2018, no Investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the Shareholders/ Investors Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

14/2 Old China Bazar Street,  
KOLKATA-700001  
Dated : 29th May, 2018

For H M CHORARIA & CO.  
Practising Company Secretaries  
( H M CHORARIA )  
PROPRIETOR  
F.C.S. No. 2398, C. P. No. 1499

## Form No. MGT – 9

## ANNEXURE – “C”

## EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2018

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1)  
of the Companies (Management and Administration) Rules, 2014]

## I. REGISTRATION AND OTHER DETAILS:

i)	CIN	:	L15494WB1895PLC000963
ii)	Registration Date	:	7th January, 1895
iii)	Name of the Company	:	The Grob Tea Co. Ltd.
iv)	Category / Sub-Category of the Company	:	Public Company having Share Capital
v)	Address of the Registered office and contact details	:	86A, Topsia Road, 9th Floor, Kolkata - 700046 Phone No. 033- 40031325/26 E-mail : <a href="mailto:grobtea@rawalwasia.co.in">grobtea@rawalwasia.co.in</a> Website: <a href="http://www.grobtea.com">www.grobtea.com</a>
vi)	Whether listed company	:	Yes. Listed on Calcutta Stock Exchange & National Stock Exchange
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	Niche Technologies (P) Ltd. D-511, Bagree Market, 5th Floor, 71, Canning Street, Kolkata – 700 001 Phone No. 033-22357270/7271 Fax No. 033-22156823 Email – <a href="mailto:nichetechpl@nichetechpl.com">nichetechpl@nichetechpl.com</a>

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Cultivation, manufacture and sale of tea.	01271, 10791,46306	100.00

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN/ GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
Not Applicable					

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

## i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter(s)									
(1) Indian									
a) Individual/ HUF	79580	0	79580	6.85	79580	0	79580	6.85	0
b) Central Government	0	0	0	0	0	0	0	0	0
c) State Government	0	0	0	0	0	0	0	0	0
d) Bodies Corporate	791278	0	791278	68.077	791278	0	791278	68.077	0
e) Banks/FI	0	0	0	0	0	0	0	0	0
f) Any Other	0	0	0	0	0	0	0	0	0
Sub Total (A) (1)	870858	0	870858	74.92	870858	0	870858	74.92	0
(2) Foreign									
a) NRIs Individuals	0	0	0	0	0	0	0	0	0
b) Other Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corporate	0	0	0	0	0	0	0	0	0
d) Banks/FI	0	0	0	0	0	0	0	0	0
e) Any Other	0	0	0	0	0	0	0	0	0
Sub Total (A)(2)	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A)= (A)(1)+(A)(2)	870858	0	870858	74.92	870858	0	870858	74.92	0
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FIs	250	1558	1808	0.16	250	1558	1808	0.16	0
c) State Governments	0	0	0	0	0	0	0	0	0
d) Venture Capital Funds	0	0	0	0	0	0	0	0	0
e) Insurance Companies	0	0	0	0	0	0	0	0	0
f) Foreign Institutional Investors	0	0	0	0	0	0	0	0	0
g) Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	0
Sub-total (B)(1)	250	1558	1808	0.16	250	1558	1808	0.16	0

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non-Institutions									
a) Bodies Corporate									
i) Indian	56653	3248	59901	5.15	59281	3248	62529	5.380	0.226
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	64747	121588	186335	16.03	87992	115281	203273	17.488	1.457
ii) Individual Shareholders holding nominal share capital in excess of Rs. 1 Lakh	36000	0	36000	3.10	16000	0	16000	1.37	-1.72
c) Others (specify)	0	0	0	0	0	0	0	0	0
NRI's	870	4103	4973	0.42	1008	4103	5111	0.440	0.012
Clearing Members	2275	0	2275	0.20	2571	0	2571	0.22	0.025
Trust	100	0	100	0.01	100	0	100	0.01	0
Overseas Corporate Bodies	0	80	80	0.01	0	80	80	0.01	0
Sub Total (B)(2)	160645	129019	289664	24.92	166952	122712	289664	24.921	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	1031753	130577	1162300	100	1038060	124270	1162300	100	0

## ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1.	Rawalwasia Industries Pvt Limited	484579	41.69	0	484579	41.69	0	0.00
2.	Strip Commodeal Pvt Limited	306699	26.38	0	306699	26.38	0	0.00
3.	Mukesh Kr. Agarwal (HUF)	38920	3.35	0	38920	3.35	0	0.00
4.	Pradeep Kr. Agarwal (HUF)	40660	3.50	0	40660	3.50	0	0.00

## iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Rawalwasia Industries Private Limited				
	At the beginning of the year	484579	41.69	0	0
	Increase / Decrease in Promoters Shareholding during the year	No Changes in Shareholding			
	At the End of the year	0	0	484579	41.69
2.	Strip Commodeal Private Limited				
	At the beginning of the year	306699	26.38	0	0
	Increase / Decrease in Promoters Shareholding during the year	No Changes in Shareholding			
	At the End of the year	0	0	306699	26.38
3.	Mukesh Kumar Agarwal (HUF)				
	At the beginning of the year	38920	3.35	0	0
	Increase / Decrease in Promoters Shareholding during the year	No Changes in Shareholding			
	At the End of the year	0	0	38920	3.35
4.	Pradeep Kumar Agarwal (HUF)				
	At the beginning of the year	40660	3.50	0	0
	Increase / Decrease in Promoters Shareholding during the year	No Changes in Shareholding			
	At the End of the year	0	0	40660	3.50

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

Sl. No.	For Each Top 10 Shareholder's	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Dhanvantri Vanijya Ltd				
	a) At the Beginning of the Year	3093	0.27	0	0
	b) Changes during the year	No Changes During the Year			
	c) At the End of the Year	0	0	3093	0.27
2.	Diamond Infotech Private Limited				
	a) At the Beginning of the Year	50,500	4.34	0	0
	b) Changes during the year Transferred as on 20/10/2017	500	0.04	50,000	4.30
	c) At the End of the Year	0	0	50,000	4.30

Sl. No.	For Each Top 10 Shareholder's	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
3.	Ghanshyam Shares & Stock Brokers Pvt Ltd				
	a) At the Beginning of the Year	1613	0.14	0	0
	b) Changes during the year				
	Transferred as on 07/04/2017	-75	0.006	1538	0.132
	Transferred as on 14/04/2017	-64	0.006	1474	0.127
	Transferred as on 12/05/2017	-183	0.016	1291	0.111
	Transferred as on 19/05/2017	149	0.013	1440	0.124
	Transferred as on 26/05/2017	75	0.006	1515	0.13
	Transferred as on 02/06/2017	42	0.004	1557	0.134
	Transferred as on 09/06/2017	10	0.001	1567	0.135
	Transferred as on 23/06/2017	100	0.009	1667	0.143
	Transferred as on 30/06/2017	348	0.03	2015	0.173
	Transferred as on 07/07/2017	-32	0.003	1983	0.171
	Transferred as on 04/08/2017	-115	0.01	1868	0.161
	Transferred as on 18/08/2017	4	0	1872	0.161
	Transferred as on 25/08/2017	17	0.001	1889	0.163
	Transferred as on 08/09/2017	-3	0	1886	0.162
	Transferred as on 22/09/2017	-25	0.002	1861	0.16
	Transferred as on 30/09/2017	-30	0.003	1831	0.158
	Transferred as on 06/10/2017	-410	0.035	1421	0.122
	Transferred as on 13/10/2017	-225	0.019	1196	0.103
	Transferred as on 27/10/2017	239	0.021	1435	0.123
	Transferred as on 03/11/2017	5	0	1440	0.124
	Transferred as on 10/11/2017	74	0.006	1514	0.13
	Transferred as on 17/11/2017	80	0.007	1594	0.137
	Transferred as on 24/11/2017	-25	0.002	1569	0.135
	Transferred as on 08/12/2017	-292	0.025	1277	0.11
	Transferred as on 15/12/2017	-125	0.011	1152	0.099
	Transferred as on 22/12/2017	-20	0.002	1132	0.097
	Transferred as on 29/12/2017	-25	0.002	1107	0.095
	Transferred as on 05/01/2018	-40	0.003	1067	0.092
	Transferred as on 12/01/2018	-323	0.028	744	0.064
	Transferred as on 19/01/2018	-50	0.004	694	0.06
	Transferred as on 02/02/2018	29	0.002	723	0.061
	Transferred as on 09/02/2018	-9	0.001	714	0.061

Sl. No.	For Each Top 10 Shareholder's	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Transferred as on 16/02/2018	-40	0.003	674	0.058
	Transferred as on 23/02/2018	10	0.001	684	0.059
	Transferred as on 02/03/2018	-101	0.009	583	0.05
	Transferred as on 09/03/2018	170	0.015	753	0.065
	Transferred as on 16/03/2018	-35	0.003	718	0.062
	Transferred as on 23/03/2018	-12	0.001	706	0.061
	c) At the End of the Year	0	0	706	0.061
4.	GRD Securities Ltd.				
	a) At the Beginning of the Year	0	0	0	0
	a) Changes during the year				
	Transferred as on 21/04/2017	150	0.013	150	0.013
	Transferred as on 28/04/2017	-150	0.013	0	0
	Transferred as on 01/12/2017	3603	0.31	3603	0.31
	c) At the End of the Year	0	0	3603	0.31
5.	K. Sarla Singhi				
	a) At the Beginning of the Year	1750	0.15	0	0
	b) Changes during the year				
	Transferred as on 06/10/2017	-450	0.04	1300	0.112
	Transferred as on 13/10/2017	-300	0.03	1000	0.086
	Transferred as on 15/12/2017	-200	0.02	800	0.069
	Transferred as on 22/12/2017	-300	0.03	500	0.043
	Transferred as on 05/01/2018	-300	0.03	200	0.017
	Transferred as on 12/01/2018	-200	0.02	0	0
	c) At the End of the Year	0	0	0	0
6.	Mahendra Girdharilal				
	a) At the Beginning of the Year	3970	0.34	0	0
	b) Changes during the year				
	Transferred as on 23/02/2018	-93	0.008	3877	0.334
	Transferred as on 02/03/2018	-389	0.033	3488	0.3
	Transferred as on 23/03/2018	-969	0.083	2519	0.217
	Transferred as on 31/03/2018	-600	0.052	1919	0.165
	c) At the End of the Year	0	0	1919	0.165
7.	Manoj Kumar Jain				
	a) At the Beginning of the Year	0	0	0	0

Sl. No.	For Each Top 10 Shareholder's	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	b) Changes during the year				
	Transferred as on 06/10/2017	580	0.05	580	0.05
	Transferred as on 22/12/2017	1603	0.14	2183	0.188
	Transferred as on 26/01/2018	406	0.04	2589	0.223
	c) At the End of the Year	0	0	2589	0.223
8.	Ramswarup Deotadin Tiwari				
	a) At the Beginning of the Year	1600	0.14	0	0
	b) Changes during the year	No Changes During the Year			
	c) At the End of the Year	0	0	1600	0.138
9.	S. N. Sutodiya				
	a) At the Beginning of the Year	2100	0.18	0	0
	b) Changes during the year	No Changes During the Year			
	c) At the End of the Year	0	0	2100	0.181
10.	Sanwar Mal Gupta				
	a) At the Beginning of the Year	20000	0	0	0
	b) Changes during the year				
	Transferred as on 28/07/2017	-7000	0.602	13000	1.118
	Transferred as on 01/12/2017	-3400	0.293	9600	0.826
	c) At the End of the Year	0	0	9600	0.826
11.	Vishnu Dass Mittal				
	a) At the Beginning of the Year	16000	1.37	0	0
	b) Changes during the year	No Changes During the Year			
	c) At the End of the Year	0	0	16000	1.37
12.	Vineet Jindal				
	a) At the Beginning of the Year	100	0.01	0	0
	b) Changes during the year				
	Transferred as on 04/08/2017	4000	0.34	4100	0.353
	Transferred as on 15/09/2017	3000	0.26	7100	0.611
	c) At the End of the Year	0	0	7100	0.611
13.	Vishnu R Makhija				
	a) At the Beginning of the Year	2100	0.18	0	0
	b) Changes during the year	No Changes During the Year			
	c) At the End of the Year	0	0	2100	0.181
	TOTAL	102826	8.85	100410	8.639



## v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mr. Indu Bhusan Sharaf				
	At the beginning of the year	400	0.03	0	0
	Change during the year	No Changes during the year			
	At the end of the year (or on the date of separation, if separated during the year)	0	0	400	0.03
2.	Mr. Bajrang Lal Patawari				
	At the beginning of the year	100	0.01	100	0.01
	Change during the year	No Changes during the year			
	At the end of the year (or on the date of separation, if separated during the year)	0	0	100	0.01
3.	Mrs. Priyanka Singhania				
	At the beginning of the year	100	0.01	0	0
	Change during the year	No Changes during the year			
	At the end of the year (or on the date of separation, if separated during the year)	0	0	100	0.01

## vi) Indebtedness

Indebtedness of the Company including interest outstanding/accrued but not due for payment (Rs. in Lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	273.01	-	-	273.01
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total(i+ii+iii)	273.01	-	-	273.01
Change in Indebtedness during the financial year				
- Addition	182.68	-	-	182.68
- Reduction	9.65	-	-	9.65
Net Change	173.03	-	-	173.03
Indebtedness at the end of the financial year				
i) Principal Amount	446.04	-	-	446.04
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not	-	-	-	-
Total(i+ii+iii)	446.04	-	-	446.04

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

## A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Rs. in Lacs.)

Sl. no.	Particulars of Remuneration	Sri Pradeep Kumar Agarwal (Managing Director)	Sri Indu Bhusan Sharaf (Executive Director)	Total Amount
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	27.50	18.41	45.91
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	1.42	1.42
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
5.	Others, please specify	-	-	-
	Total (A)	27.50	19.83	47.33
	Ceiling as per the Act	10% of the net profit of the Company calculated as per Section 198 of the Companies Act, 2013.		

## B. Remuneration to other directors:

(Rs. in Lacs.)

Sl. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Sri. M.K. Agarwal	Sri. H M Parekh	Sri. P J Bhide	Sri S K Agarwal	Smt. Priyanka Singhania	
1.	Independent Directors Fee for attending board, committee meetings	-	0.25	0.33	0.33	0.23	1.14
	Total (1)	-	0.25	0.33	0.33	0.23	1.14
2.	Other Non-Executive Director Fee for attending board committee meetings	0.33	-	-		-	0.33
	Total (2)	0.33	-	-		-	0.33
	Total (B)=(1+2)	0.33	0.25	0.33	0.33	0.23	1.47
	Total Managerial Remuneration (A+B)	-	-	-		-	48.80
	Overall Ceiling as per the Act	Overall Ceiling as per Companies Act, 2013 is 1 % of the profit of the Company for the year. The Company has not paid any remuneration to the non executive and independent directors.					

## C. Remuneration To Key Managerial Personnel Other Than MD/Manager/WTD

Sl. No.	Particulars of Remuneration	Bajrang Lal Patawari (CFO)	Kritika Mohata (CS)	Total Amount
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	10.02	3.12	13.14
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-
5.	Others, please specify	-	-	-
	Total (A)	10.02	3.12	13.14

## VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority RD / NCLT Court	Appeals made if any (give details)
A. COMPANY			NIL		
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

**H. M. CHORARIA & CO.**

*Practising Company Secretaries*

14/2, Old China Bazar Street, 4th Floor  
Room No. 401, Kolkata - 700 001

ANNEXURE "D"

Form No. MR-3  
**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2018**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9  
of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

The Members,  
The Grob Tea Co. Limited  
Haute Street, 9th Floor,  
86A, Topsia Road,  
Kolkata 700 046

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by The Grob Tea Co. Limited (hereinafter called "the company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by The Grob Tea Co. Limited for the financial year ended on 31st March, 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) We further report that after considering the compliance system prevailing in the Company, and after carrying out test checks of the relevant records and documents maintained by the Company, it has complied with the following laws that are applicable specifically to the Company :
- (a) The Tea Act, 1953,
  - (b) Assam Tea Plantation Labour Act, 1951
  - (c) Food Safety Standard Act, 2006 and
  - (d) Directions given by the Office of the Textile Commission and rules made thereunder

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India,
- (ii) The Listing Agreements entered into by the Company with NSE/ CSE Limited,
- (iii) SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015.

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

We further report that:

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

Adequate notice is given to all directors to schedule the Board Meetings which were sent at least seven days in advance, agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decisions is carried through at the Meetings of the Board and Committees and the dissenting members' views, if any, are captured and recorded as part of the minutes of respective meetings.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period no specific event has happened and / or no action has been taken by the Company having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

H M CHORARIA & CO.  
Practising Company Secretaries  
( H M CHORARIA)  
Proprietor  
FCS No: 2398, C P No.: 1499

Place : Kolkata  
Date : 27th May, 2018

## ANNEXURE TO THE DIRECTORS REPORT

ANNEXURE – “E”

### PARTICULARS OF EMPLOYEES

- 1) Information required under Section 197 of the Companies Act, 2013 read with Rule 5 (1) Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- a. Ratio of remuneration of Director to the median remuneration of all the employees and percentage increase in the remuneration of Director and Chief Financial Officer & Company Secretary of the Company for the financial year 2017-18 is as follows:

Sl. No.	Name	Designation	Ratio/Times per Median of employee remuneration	Percentage increase in Remuneration
1.	P K Agarwal	Managing Director	36.58	NA*
2.	I B Sharaf	Executive Director	26.06	14.72%
3.	B L Patawari	Chief Financial Officer	N.A.	11.31%
4.	Kritika Mohata	Company Secretary	N.A.	16.20%

\* Appointed as Managing Director of the Company w.e.f. from 1st April 2017.

- b. Percentage increase in the median remuneration of all employees in the financial year 2017-18: About 2.00 %.
- c. Number of permanent employees on the rolls of the Company: 4125 Employees as on 31st March, 2018.
- d. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with that percentile increase in the managerial personnel and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration :
- Average salary increase of the employee was 7.25 % as against increase in KMP's salary 13.85 % which is not exceptional.
- e. Affirmation: Pursuant to Rule 5(1)(xii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, it is affirmed that the remuneration paid to the Directors, Key Managerial Personnel and senior management is as per the Remuneration Policy of the Company.

## ANNEXURE TO THE DIRECTORS REPORT

### ANNEXURE – “F”

Information as per Section 134(3)(m) of the Companies Act, 2013 read with the Rule 8(3) of the Companies (Accounts) Rule, 2014

**A. Conservation of Energy :**

The company has upgraded energy saving equipment of low voltage LED Lights to reduce power consumption. Coal Ratio controller and installation of high efficiency CTC Roller sharpening equipment to increase speed and reduce power cost.

**B. Technology Absorption**

- i. the efforts made towards technology absorption - Manufacturing facilities are upgraded with improved technology with the use of Hygiene Ucrete Flooring System and online new conveyerisation of Flow process.
- ii. the benefit derived like product improvement, cost reduction, product development or import substitution - the adoption of improved technologies , regular up gradation , modernization of equipment helps in overall improvement in quality of product and labour productivity.
- iii. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) – the Company did not imported any technology during the last three year.
- iv. the expenditure incurred on Research and Development – The Company is a member of Tea Research Association which is registered U/s 35(1)(ii) of the Incomes Tax Act, 1961. The Company benefits from the suggestions received from the Tea Research Association out of R & D activities. A contribution of Rs. 13,43,944/- was made during the year towards subscription of the Company.

**C. Foreign Exchange Earnings and Outgo**

- |    |                          |         |
|----|--------------------------|---------|
| a) | Foreign Exchange Earning | Rs. Nil |
| b) | Foreign Exchange outgo   | Rs. Nil |

For and on behalf of the Board

I.B.Sharaf, Executive Director  
(DIN NO. 00047266)

S. K. Agarwal, Director  
(DIN NO. 00189691)

Place : Kolkata  
Dated: 29th May, 2018

## ANNEXURE TO THE DIRECTORS REPORT

ANNEXURE – “G”

### REPORT ON CSR ACTIVITIES/INITIATIVES

[Pursuant to Section 135 of the Act read with Companies (CSR Policy) Rules, 2014]

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	The Company has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013 and the same is placed on the Company's website and the web link for the same is <a href="http://www.grobtea.com">http://www.grobtea.com</a>
2. The Composition of the CSR Committee.	i) Mr. M K Agarwal ii) Mr. I B Sharaf iii) Mrs. P Singhania
3. Average net profit of the company for last three financial years.	Rs. 2,92,28,050
4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)	Rs. 5,84,561
5. Details of CSR activities/projects undertaken during the year : a) total amount to be spent for the financial year b) amount un-spent, if any c) manner in which the amount spent during financial year,	Rs. 5,84,561 N.A. The manner in which the amount spent is detailed in the Annexure A below.

### ANNEXURE - A

1.	2.	3.	4.	5.	6.	7.	8.
Sl. No	CSR project/ activity identified	Sector in which the Project is covered	Projects/ Programmes 1. Local area/ others- 2. specify the state /district (Name of the District/s, State/s where project/programme was undertaken	Amount outlay (budget) project/ programme wise Rs.	Amount spent on the project/ programme Rs.	Cumulative spend upto to the reporting period Rs.	Amount spent: Direct/ through implementing agency
1.	Literacy Project of running 21050 One Teacher Schools for informal education of Tribals Children	Promoting education among children, women, elderly and the differently abled and livelihood enhancement projects	Local Area: Talap, Doomdooma, Kakopathar, Makum, Tinsukia, Nilambazar, Chabua, Dikam, Balijan, Bordoruh, Khowang, Tingkhong, Naharkatia, Namrup District: Tinsukia, Karimganj, Dibrugarh State : Assam	5,84,561	25,00,000	25,00,000	Through Friends of Tribal Society



## INDEPENDENT AUDITORS' REPORT

To The Members of The Grob Tea Company Limited

### Report on the Indian Standard (Ind AS) Financial Statements

We have audited the accompanying Ind AS financial statements of THE GROB TEA COMPANY LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under and the Order issued under section 143(11) of the Act.

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at

March 31, 2018, and its total comprehensive income (comprising of Profit and Other Comprehensive Income), its cash flows and the changes in equity for the year ended on that date.

#### Other Matter

The financial information of the Company for the year ended March 31, 2017 and the transition date opening balance sheet as at April 1, 2016 included in these Ind AS financial statements, are based on the previously issued statutory financial statements for the years ended March 31, 2017 and March 31, 2016 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were not audited by us. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us. Our opinion is not qualified in respect of this matter.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013. We enclose in the Annexure A, statement on the matters specified in paragraphs 3 and 4 of the said Order.
2. As required by section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
  - c) The balance sheet, statement of profit and loss (including Other Comprehensive Income) and cash flow statement and the Statement of Changes in Equity dealt with by this report are in agreement with the books of account;
  - d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 27 to the financial statements.
    - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
    - iii. The Company is not required to transfer unclaimed dividend to Investor Education and Protection Fund during current Financial Year.

UMESH BARASIA, FCA, PARTNER  
(Membership No: 53158)  
*For & On behalf of*  
DHANDHANIA & ASSOCIATES  
*Chartered Accountants*  
Registration No. 316052E

Place : Kolkata  
Date : 29th May 2018

## "ANNEXURE A" TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in our report to the members of the Company for the year ended on 31st March 2018. We report that.

- i. (a) The company maintains the proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As per the information and explanation given to us and as verified by us, management has physically verified fixed assets during the year and no material discrepancy was noticed on such verification.
- (c) The title deeds of immovable properties are held in the name of the company except for one building property of gross block of Rs. 13,07,49,000/- and net block of Rs. 10,13,03,200/- .
- ii. As per the information and explanation given to us and as verified by us, the management is verifying inventory at regular intervals, the frequency of verification of which, in our opinion, is reasonable and no material discrepancies were noticed. In respect of inventory lying with third parties, these have been verified with reference to subsequent sale.
- iii. The Company has not granted loans, secured or unsecured, to companies, firms, or other parties covered in the register maintained under section 189 of Companies Act, 2013. Accordingly, the provisions of clause (iii) (a), (b) & (c) of the order are not applicable to the company.
- iv. In our opinion and according to the information and explanation given to us, there are no guaranties, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act, 2013 are applicable. Based on our audit procedures performed and according to information and explanations given by the management, the company has complied with provisions of 186 of the Act in respect of loans granted and investments made during the year.
- v. The company has not accepted deposits within the meaning of provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under.
- vi. We have broadly reviewed the books of account maintained by the company in respect of products where pursuant to the rules made by the Central Government, the maintenance of cost records has been prescribed u/s 148(1) of the Act and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We, however, as not required, have not made a detailed examination of such records.
- vii. a) On the basis of our examination, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, Goods and Service Tax, duty of customs, duty of excise, value added tax, cess and other statutory dues, to the extent applicable, with appropriate authorities.
- b) Details of disputed Statutory dues which has not been deposited as on 31st March, 2018 on account of matters pending before appropriate authorities are given below:

Sl. No.	Name of the Statute	Nature of dues	Period to which pertain	Amount (Rs.)	Forum where the dispute is pending
1	Income Tax Act, 1961	Income Tax	2012-13	8,364,052	Commissioner of Income Tax (Appeals)
2	Central Sales Tax (Assam) Rules, 1967	Central Sales Tax	2012-13 2013-14	76,394 264,142	Superintendent of Taxes Superintendent of Taxes
3	Assam Value Added Tax, 2005	Penalty	2012-13 2013-14	2,000 2,000	Superintendent of Taxes Superintendent of Taxes
	TOTAL			8,708,588	

- viii. The company has not defaulted in repayment of loans or borrowings to banks. The Company has not taken any loans and borrowings from financial institutions or Government and has not issued any debentures.
- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. Managerial remuneration has been paid or provided in accordance with the provisions of section 197 read with Schedule V to the Companies Act.
- xii. The company under review is not a Nidhi Company and accordingly the provisions of clause (xii) of the order are not applicable to the company.
- xiii. All transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
- xiv. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and accordingly the provisions of clause (xiv) of the order are not applicable to the company.
- xv. The company has not entered into any non-cash transactions with directors or persons connected with them and accordingly the provisions of clause (xv) of the order are not applicable to the company.
- xvi. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

UMESH BARASIA, FCA, PARTNER  
(Membership No: 53158)  
*For & On behalf of*  
DHANDHANIA & ASSOCIATES  
*Chartered Accountants*  
Registration No. 316052E

Place : Kolkata  
Date : 29th May 2018

## **"ANNEXURE B" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF THE GROB TEA COMPANY LIMITED**

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of The Grob Tea Company Limited ("the Company") as at 31st March 2018 in conjunction with our audit of the financial statements of the company for the year ended on that date.

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

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

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

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

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that : (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (iii) provide reasonable

assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

UMESH BARASIA, FCA, PARTNER  
(Membership No: 53158)  
*For & On behalf of*  
DHANDHANIA & ASSOCIATES  
*Chartered Accountants*  
Registration No. 316052E

Place : Kolkata  
Date : 29th May 2018

**BALANCE SHEET AS AT 31ST MARCH, 2018**

	Note No.	As at 31st March, 2018 Rs.	As at 31st March, 2017 Rs.	As at 1st April, 2016 Rs.
<b>A ASSETS</b>				
1 Non-Current Assets				
a) Property Plant & Equipment	2	372,467,864	403,257,218	419,169,581
b) Capital Work in Progress		31,680,039	16,017,362	-
c) Financial Assets				
i) Investments	3	13,270,778	9,746,036	8,989,673
ii) Other Financial Assets	4	8,786,027	8,329,613	7,488,772
d) Deferred Tax Assets (net)	5	2,707,585	4,526,630	-
e) Other Non-Current Assets	6	65,695	61,243	-
Total Non-Current Assets		428,977,988	441,938,102	435,648,026
2 Current Assets				
a) Inventories	7	55,554,446	68,872,157	83,821,668
b) Biological Assets other than Bearer Plants	8	3,762,141	2,095,823	3,176,923
c) Financial Assets				
i) Investments	9	57,410,108	-	20,552,176
ii) Trade receivables	10	14,309,820	6,909,001	7,844,720
iii) Cash and bank balances	11	2,803,742	4,444,302	6,004,227
iv) Bank balances other than (iii) above	11	11,169,498	5,980,715	5,793,423
v) Loans	12	20,586,753	619,550	14,027,239
vi) Other Financial Assets	4	6,278,709	15,130,264	10,681,337
d) Other current assets	6	6,469,326	2,862,260	2,022,705
Total Current Assets		178,344,543	106,914,072	153,924,418
<b>TOTAL ASSETS</b>		<b>607,322,531</b>	<b>548,852,174</b>	<b>589,572,444</b>
<b>B EQUITY AND LIABILITIES</b>				
1 Equity				
a) Equity Share Capital	13	11,623,300	11,623,300	11,623,300
b) Other Equity	14	404,031,896	381,520,986	372,229,569
Total Equity		415,655,196	393,144,286	383,852,869
2 Liabilities				
Non-Current Liabilities				
a) Financial Liabilities				
i) Borrowings	15	376,667	1,439,716	-
b) Other non current liabilities	16	8,917,762	7,891,733	1,260,705
c) Provisions	17	28,455,978	26,937,977	23,648,669
Total Non Current Liabilities		37,750,407	36,269,426	24,909,374
3 Current Liabilities				
a) Financial Liabilities				
i) Borrowings	15	44,227,343	25,861,652	75,029,053
ii) Trade payables	18	28,037,367	21,709,120	24,925,618
iii) Other Financial Liabilities	19	65,507,204	54,050,579	54,231,878
b) Other current liabilities	16	12,579,174	14,837,986	15,336,940
c) Provisions	17	796,319	706,713	554,638
d) Current Tax Liabilities (net)	20	2,769,521	2,272,412	10,732,074
Total Current Liabilities		153,916,928	119,438,462	180,810,201
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>607,322,531</b>	<b>548,852,174</b>	<b>589,572,444</b>

The accompanying notes 1 to 46 are an integral part of the financial statement.

For DHANDHANIA & ASSOCIATES

Chartered Accountants

F.R No: 316052E

(FCA UMESH BARASIA)

Partner

Membership No. 053158

Place : Kolkata – 700 001

Dated : 29th May, 2018

B.L. PATAWARI  
(Chief Financial Officer)

Mrs. KRITIKA MOHATA  
(Company Secretary)

I.B. SHARAF  
(Executive Director)

S.K. AGARWAL  
(Director)

## Statement of Profit and Loss for the year ended 31st March, 2018

	Note No.	Year Ended 31st March, 2018 Rs.	Year ended 31st March, 2017 Rs.
I Revenue from Operations	21	769,630,774	743,737,348
II Other Income	22	8,586,469	5,683,142
III Total Income ( I + II )		778,217,243	749,420,491
IV Expense:			
a) Cost of materials consumed - Green leaf		3,516,241	7,392,122
b) Changes in inventories of finished goods	23	15,707,254	5,183,514
c) Employee benefits expense	24	419,135,676	386,849,945
d) Finance costs	25	3,939,168	8,371,882
e) Depreciation and amortisation expense	2	33,436,351	37,903,185
f) Other expenses	26	276,573,866	284,981,592
Total Expenses		752,308,557	730,682,240
V Profit Before tax ( III - IV )		25,908,685	18,738,251
VI Tax Expenses			
Current Tax		7,000,000	4,000,000
Deffered Tax		455,664	(2,125,511)
Total Tax Expense		7,455,664	1,874,489
VII Profit for the year ( V - VI )		18,453,021	16,863,762
VIII Other Comprehensive Income Item that will not reclassified to Profit & Loss			
a) Remeasurment of Employee benefit Plan		4,694,443	(7,931,914)
b) Change in Fair Value of FVOCI Equity Instrument		3,524,741	756,364
c) Income Tax related to these items		(1,363,381)	2,401,120
Total Other Comprehensive Income ( net of taxes )		6,855,803	(4,774,430)
IX Total Comprehensive Income for the year ( VII + VIII )		25,308,824	12,089,331
Earning per equity share (Face value 10/-):			
1) Basic		15.88	14.51
2) Diluted		15.88	14.51

The accompanying notes 1 to 46 are an integral part of the financial statement.

For DHANDHANIA & ASSOCIATES

Chartered Accountants  
F.R No: 316052E  
(FCA UMESH BARASIA)  
Partner  
Membership No. 053158

B.L. PATAWARI  
(Chief Financial Officer)

Mrs. KRITIKA MOHATA  
(Company Secretary)

I.B. SHARAF  
(Executive Director)

S.K. AGARWAL  
(Director)

Place : Kolkata – 700 001  
Dated : 29th May, 2018



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

	Year Ended 31st March, 2018 Rs.	Year Ended 31st March, 2017 Rs.
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	25,908,685	18,738,251
Adjustment for :		
Depreciation	33,436,351	37,903,185
Amortisation of Government Grant	(94,178)	(70,402)
Change in Fair Value of Biological Assets	(1,666,318)	1,081,100
Finance costs	3,939,168	8,371,882
Interest Received	(1,912,999)	(2,203,230)
Dividend on Long Term Investments	(124,328)	(117,808)
Rent Received	(920,355)	(828,000)
Liabilities no longer required written back	(638,414)	(1,596,820)
Profit on disposal of Property, Plant and Equipment	(17,369)	(396,178)
Profit on Sale of Current Investments	-	(72,449)
Sundry Balances Written Off	979,340	38,095
Remeasurement of post employment Defined Benefit Obligation	4,694,443	(7,931,914)
Change in Fair Value of Investment measured at FVTPL	2,589,892	-
Change in operating Assets/Liabilities		
Increase/(Decrease) in Trade Payable	6,966,661	(1,619,678)
Increase/(Decrease) in Other Financial Liability	11,267,842	(368,592)
Increase/(Decrease) in Other Current Liabilities	(2,258,812)	(498,954)
Increase/(Decrease) in Provisions	1,607,607	3,441,383
(Increase)/Decrease in Trade Receivables	(8,380,159)	897,624
(Increase)/Decrease in Inventory	13,317,711	14,949,511
(Increase)/Decrease in Other Financial Assets	8,880,064	(5,330,264)
(Increase)/Decrease in Other Current Assets	(3,611,518)	(900,798)
Cash generated from Operations before Tax	93,963,314	63,485,944
Income Taxes Paid	(6,502,891)	(12,459,662)
Net Cash Flow from Operating Activities (A)	87,460,424	51,026,282
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Addition to Property, Plant and Equipment	(18,313,257)	(38,224,662)
Sale of Property, Plant and Equipment	20,951	612,658
Loans & Advances to Employee & Related party	32,797	3,407,689
Loans to Body Corporate	(20,000,000)	10,000,000
Investment Made	(60,000,000)	-
Sale of Investment	-	20,624,625
Dividend Received	124,328	117,808
Investment in Fixed deposits	(10,000,000)	(5,000,000)
Maturity of Fixed deposits	5,000,000	5,000,000
Subsidy received from Government	1,120,207	6,701,430
Interest Received	1,428,075	2,243,726
Rent Received	920,355	828,000
Net Cash used in Investing Activities (B)	(99,666,544)	6,311,274
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceed from / (Repayment) of Short Term Borrowings	18,268,274	(49,881,468)
Proceeds from/(Repayment of) Long Term Borrowings	(965,631)	2,153,783
Interest paid	(3,405,270)	(7,643,494)
Other borrowing costs	(533,898)	(728,388)
Dividend Paid (including tax thereon)	(2,797,914)	(2,797,914)
Net Cash generated from/(used in) Financing Activities (C)	10,565,559	(58,897,482)
Net Increase in Cash and Cash Equivalents (A+B+C)	(1,640,560)	(1,559,925)
Cash and Cash Equivalents (Note 11)		
Opening Balance	4,444,302	6,004,227
Closing Balance	2,803,742	4,444,302

- Notes : 1. The above Cash Flow Statement has been prepared under the Indirect Method as set out in the IND AS - 7 on Cash Flow Statement.  
2. Cash and cash equivalents do not include any amount which is not available to the Company for its use.  
3. Figure in brackets represent cash outflow from respective activities.  
4. Cash and cash equivalents as at the Balance Sheet date consists of :

	As at 31-03-2018 (RS.)	As at 31-03-2017 (RS.)
Balances with banks on Current Accounts	2,497,332	1,503,964
Cash - in - hand	306,410	2,940,338
	<u>2,803,742</u>	<u>4,444,302</u>

This is the Cash Flow Statement referred to in our report of even date.  
The accompanying notes 1 to 46 are an integral part of the Financial Statement.

For DHANDHANIA & ASSOCIATES

Chartered Accountants

F.R No: 316052E

(FCA UMESH BARASIA)

Partner

Membership No. 053158

Place : Kolkata – 700 001

Dated : 29th May, 2018

I.B. SHARAF

S.K. AGARWAL

B.L. PATAWARI

Mrs. KRITIKA MOHATA

(Executive Director)

(Director)

(Chief Financial Officer)

(Company Secretary)

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2018

Particulars	Equity Share Capital	Other Equity					Total Other Equity	Total Equity
		Reserve and Surplus			Other Comprehensive Income			
		Security Premium	General Reserve	Retained Earning	Capital Reserve	Equity Instrument through FVOCI		
Balance at 1st April 2016	11,623,300	17,929,690	110,000,000	198,346,684	39,145,067	6,808,128	372,229,569	383,852,869
Profit for the Year	--	--	--	16,863,762	--	--	16,863,762	16,863,762
Other Comprehensive Income	--	--	--	(5,455,158)	--	680,728	(4,774,430)	(4,774,430)
Total Comprehensive Income for the Year	--	--	--	11,408,604	--	680,728	12,089,332	12,089,332
Payment of Dividend	--	--	--	(2,324,660)	--	--	--	--
Payment of Dividend Distribution Tax	--	--	--	(473,254)	--	--	--	--
Balance as at 31st March 2017	11,623,300	17,929,690	110,000,000	206,957,373	39,145,067	7,488,856	381,520,986	393,144,286
Profit for the Year	--	--	--	18,453,021	--	--	18,453,021	18,453,021
Other Comprehensive Income	--	--	--	3,683,536	--	3,172,267	6,855,803	6,855,803
Total Comprehensive Income for the Year	--	--	--	22,136,557	--	3,172,267	25,308,824	25,308,824
Payment of Dividend	--	--	--	(2,324,660)	--	--	--	--
Payment of Dividend Distribution Tax	--	--	--	(473,254)	--	--	--	--
Balance as at 31st March 2018	11,623,300	17,929,690	110,000,000	226,296,017	39,145,067	10,661,123	404,031,896	415,655,196

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

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

For DHANDHANIA & ASSOCIATES  
Chartered Accountants  
F.R.No: 316052E  
(FCA UMESH BARASIA )  
Partner  
Membership No. 053158  
Place : Kolkata – 700 001  
Dated : 29th May, 2018

B.L. PATAWARI  
(Chief Financial Officer)  
I.B. SHARAF  
(Executive Director)  
Mrs. KRITIKA MOHATA  
(Company Secretary)  
S.K. AGARWAL  
(Director)

## **NOTES TO FINANCIAL STATEMENTS**

### **NOTE NO. 1 : SIGNIFICANT ACCOUNTING POLICIES**

#### **1.1 Basis of Preparation**

- a) The financial statements are prepared on accrual basis of accounting and in accordance with the historical cost convention except the following :-
  - i) Financial Asset & Liabilities which are measured at Fair Value
  - ii) Defined Benefit Plans which are measure at Fair Value
  - iii) Biological Asset which are measured at Fair Value less cost to sell the accounting polices applied by the Company are consistent with those applied in the previous year except as otherwise stated elsewhere.
- b) The financial statements upto March, 2017 have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendmends Rules, 2016, other pronouncements of the Institute of Chartered Accountants of India and relevant applicable provisions of the Companies Act, 2013 to the extent applicable notified.
- c) The preparation of financial statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities including Contingent Liabilities as of the date of the financial statements and the reported income and expenses for the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates.
- d) These Financial Statements are first Financial Statements of the Company under Ind As, refer to Note 45 for an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.
- e) 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 Ind AS 1 Presentation of Financial Statements and Schedule III to the Companies Act, 2013. Based on the nature of products and time between the acquisition of assets for growing and manufacturing tea and their realization in cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

#### **1.2 Property, Plant and Equipment And Depreciation/Amortisation**

- a) Property, Plant and Equipment are stated at cost less accumulated depreciation. Cost includes taxes, duties, freight and incidental expenses related to the acquisition and installation of the assets.
- b) Depreciation on Property, Plant and Equipment is provided to the extent of depreciable amount on the Written Down Value (WDV) Method based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013 which reflects the management's estimate of the useful lives of the respective Property, Plant and Equipment except for bearer plants, which are depreciated over estimated useful life of 50 years.  
  
The estimated useful lives are detremined based on assessment made by technical experts, in order to reflect the actual usage of the assets. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.
- c) The cost of plantation expenditures on new planting and replanting of bearer plants has been recognised as capital work in progress or capitalised to Bearer plants, as the case may be. Depreciation commences when the bearer plants mature or when the assets are ready for use.
- d) Leasehold land and development are not depreciated with effect from 30th June, 1986 in view of long term nature of lease.
- e) Capital Work-in-Progress comprises the cost of property, plant and equipments that are not yet ready for their intended use at the reporting date.
- f) Transition of Ind As: On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognised as at 1st April, 2016 measured as per the previous GAAP and use that carrying value as the demand cost of property, plant and equipment.

#### **1.3 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.

**Notes to Financial Statements (Contd.)****1.4 Investments and other Financial Assets****Classification**

The Company classifies its financial assets in the following measurement categories:

- a) those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- b) those measured at amortised cost

The classification depends on the Company's business model for managing the financial assets and the contractual terms of cash flow.

**Financial Assets at amortised cost**

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business 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 at fair value through other comprehensive income (FVTOCI)**

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows that give rise on specified dates to solely payments of principal and interest on the principal amount outstanding and by selling financial assets.

The Company has made an irrevocable election to present subsequent changes in fair value of equity investments not held for trading in Other Comprehensive Income.

**Financial Assets at fair value through profit or loss (FVTPL)**

Financial assets are measured at fair value through profit and loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

**Equity instruments**

An equity instrument is a contract that evidences residual interest in the assets of the Company after deducting all its liabilities. Equity instruments recognised by the Company are measured at the proceeds received net off direct issue cost.

**1.5 Impairment****Financial assets (other than at fair value)**

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVTOCI debt instruments. The impairment methodology applied depends on whether there has been significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind As 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

**1.6 Derecognition of financial assets**

A financial asset is derecognised only when

- a) The Company has transferred the rights to receive cash flows from the financial assets, or
- b) Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has not transferred substantially all risk and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risk and rewards of ownership of the financial asset is derecognised if the Company has not retained control of the financial asset.

**1.7 Financial liabilities**

All Financial liabilities are measured at amortised cost using the effective interest method except the financial liabilities that are held for trading and the financial liabilities designated upon initial recognition to be measured at fair value through profit or loss.

## Notes to Financial Statements (Contd.)

### 1.8 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in financial statements if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### 1.9 Derivates financial instruments

The Company enters into certain derivatives contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through profit or loss and are included in other gains/ (losses).

### 1.10 Impairment of Non - Financial Assets

Wherever events or changes in circumstances indicate that the carrying value of fixed assets may be impaired, the company subjects such assets to test of recoverability, based on discounted cash flows expected from use or disposal of such assets. If the assets are impaired, the Company recognizes an impairment loss as difference between the carrying value and recoverable value.

After impairment, depreciation or amortisation on assets is provided on the revised carrying amount of the respective asset over its remaining useful life.

### 1.11 Inventories

- a) Inventories (other than tea waste) are valued at lower of cost or net realizable value after providing for obsolescence, if any. Cost of inventory comprises of purchase price, cost of conversion and other cost incurred in bringing the inventories to their respective present location and condition. The cost of inventories is computed on weighted average basis.
- b) Tea wastes are valued at net realizable value.

### 1.12 Biological Assets other than Bearer Plant (Tea Leaves)

Tea Leaves growing on tea bushes are measured at fair value less cost to sell with changes in fair value recognised in Statement of Profit & Loss.

### 1.13 Revenue Recognition

Revenue is measured at the fair value of consideration received or receivable. Amounts disclosed as revenue are inclusive of tea claim and are net of sales return, sales tax/ value added tax, trade allowances and amount collected on behalf of third parties.

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.

### 1.14 Expenses

All the expenses are accounted for on accrual basis.

### 1.15 Employee Benefits

- a) Short-term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the related service is rendered.
- b) Post employment and other long-term employee benefits are recognized as an expense in the Statement of Profit and Loss for the year in which the employee has rendered services. The expense is recognized at the present value of the amount payable determined using actuarial valuations. Actuarial gains and losses are recognised in full in the Other Comprehensive Income for the period in which they occur.

### 1.16 Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such asset. A qualifying asset is one that necessarily takes a substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

### 1.17 Insurance Claims

Insurance claims are recognized when the amount thereof can be reasonably ascertained and the claim is likely to be received.

### 1.18 Grants and Subsidies

- a) Grants and subsidies from the Government are recognised when there is reasonable assurance that the Company would comply with the conditions attached with them and the grant/subsidy would be received.

**Notes to Financial Statements (Contd.)**

- b) Grants and subsidies related to specific Property, Plant & Equipment are treated as Deferred Subsidy Income and transferred to Profit and Loss on Straight Line Basis over the useful life of the Property, Plant and Equipment.
- c) Grants and subsidies related to revenue items are adjusted with the related expenditure. If not related to a specific expenditure, it is taken as income.

**1.19 Foreign Currency Transactions**

- a) Transactions in foreign currency are initially recorded at the exchange rate at which the transaction is carried out.
- b) Monetary assets and liabilities related to foreign currency transactions remaining outstanding at the year-end are translated at the year-end exchange.
- c) Any income or expense on account of exchange difference either on settlement or on translation at the year end is recognized in the Statement of Profit and Loss.

**1.20 Research & Development**

Revenue expenditure is charged off in the year it is incurred and expenditure of capital nature is capitalized.

**1.21 Taxes on Income**

Current tax is determined as the amount of tax payable in respect of taxable income for the year. Deferred tax is recognized subject to the consideration of prudence in respect of deferred tax assets, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in or more subsequent periods. Deferred tax asset is recognized and carried forward only to the extent that there is a virtual certainty that the asset will be realized in future.

**1.22 Provisions, Contingent Liabilities and Contingent Assets**

- a) Provisions are recognised in respect of obligations where, based on the evidence available, their existence at the Balance Sheet date is considered probable. Provisions are determined by the best estimate of the outflow of economic benefits required to settle the obligation at the balance sheet date.
- b) Contingent liabilities are shown by way of Notes to the Accounts in respect of obligations where, based on the evidence available, their existence at the Balance Sheet date is considered not probable.
- c) Contingent assets are not recognized in the Accounts.

**1.23 Earnings Per share**

Basic earnings per share is computed by dividing the profit after tax (including the post tax effect of extra ordinary items, if any) by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the profit after tax (including the post tax effect of any extra ordinary items, if any) by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares which could be issued on the conversion of all dilutive potential equity shares.

**1.24 Cash flow statement**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing flows. The cash flows from operating, investing and financing activities of the Company are segregated.

**1.25 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 know 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.

## 2. PROPERTY, PLANT AND EQUIPMENT

(Amount In Rupees)

	Cost as at 1st April, 2017	Addition during the year	Sold/ Discarded during the year	Cost as at 31st March 2018	Depreciation upto 31st March 2017	Depreciation for the year	Disposal/ Adjustment	Depreciation upto 31st March 2018	Net Balance as at 31st March 2018	Net Balance as at 31st March 2017
Land and Land Development	70,473,020	-	-	70,473,020	-	-	-	-	70,473,020	70,473,020
Bearer Plant	90,289,370	-	-	90,289,370	14,126,214	5,553,658	-	19,679,872	70,609,499	76,163,156
Building	266,983,998	51,750	-	267,035,748	90,313,314	8,875,442	-	99,188,756	167,846,992	176,670,683
Machinery	136,294,422	1,686,278	71,660	137,909,040	99,989,985	8,532,392	68,077	108,454,300	29,454,740	36,304,437
Motor Vehicle	43,782,031	261,157	-	44,043,188	33,118,183	3,387,136	-	36,505,319	7,537,869	10,663,847
Electric Installations	23,052,129	191,799	-	23,243,928	19,571,885	737,628	-	20,309,513	2,934,414	3,480,244
Water Supply Scheme	44,034,246	-	-	44,034,246	25,729,399	3,176,283	-	28,905,682	15,128,564	18,304,847
Refrigerator	499,257	-	-	499,257	369,482	23,852	-	393,334	105,923	129,774
Office Equipment	2,029,448	-	-	2,029,448	1,803,265	71,875	-	1,875,140	154,308	226,183
Furniture	23,874,124	-	-	23,874,124	15,756,458	2,201,631	-	17,958,089	5,916,035	8,117,666
Fencing	6,467,668	-	-	6,467,668	6,144,284	-	-	6,144,284	323,384	323,384
Tubewell	1,853,914	384,597	-	2,238,511	1,155,936	306,863	-	1,462,799	775,712	697,978
Air Conditioner	2,206,855	-	-	2,206,855	1,423,724	146,295	-	1,570,019	636,836	783,131
Computer	7,691,451	75,000	-	7,766,451	6,772,586	423,298	-	7,195,884	570,567	918,865
Total	719,531,934	2,650,580	71,660	722,110,853	316,274,715	33,436,351	68,077	349,642,989	372,467,864	403,257,218
Previous Year	700,595,065	22,207,300	3,270,432	719,531,933	281,425,484	37,903,185	3,053,953	316,274,716	403,257,217	416,150,202

Notes:

1) Building include 13,07,49,000 /- (Previous Year 13,07,49,000/-) in respect of which the deed of conveyance is yet to be executed

## PROPERTY, PLANT AND EQUIPMENT

(Amount In Rupees)

	Cost as at 1st April, 2016	Addition during the year	Sold/ Discarded during the year	Cost as at 31st March 2017	Depreciation upto 31st March 2016	Depreciation for the year	Disposal/ Adjustment	Depreciation upto 31st March 2017	Net Balance as at 31st March 2017	Net Balance as at 31st March 2016
Land and Land Development	65,763,010	4,710,010	-	70,473,020	-	-	-	-	70,473,020	-
Bearer Plant	90,289,370	-	-	90,289,370	8,013,161	6,113,053	-	14,126,214	76,163,156	145,019,841
Building	265,582,483	1,401,515	-	266,983,998	81,152,833	9,160,482	-	90,313,314	176,670,683	184,429,650
Machinery	132,800,621	5,123,116	1,629,315	136,294,422	91,692,039	9,844,333	1,546,387	99,989,985	36,304,437	41,108,582
Motor Vehicle	40,923,652	4,499,496	1,641,117	43,782,031	30,136,451	4,489,298	1,507,566	33,118,183	10,663,847	10,787,201
Electric Installations	21,840,544	1,211,585	-	23,052,129	18,627,396	944,489	-	19,571,885	3,480,244	3,213,148
Water Supply Scheme	39,676,332	4,357,914	-	44,034,246	22,793,400	2,935,999	-	25,729,399	18,304,847	16,882,932
Refrigerator	454,867	44,390	-	499,257	342,923	26,560	-	369,482	129,774	111,944
Office Equipment	2,029,448	-	-	2,029,448	1,634,519	168,746	-	1,803,265	226,183	394,929
Furniture	23,828,124	46,000	-	23,874,124	12,725,379	3,031,079	-	15,756,458	8,117,666	11,102,745
Fencing	6,467,668	-	-	6,467,668	6,144,284	-	-	6,144,284	323,384	323,384
Tubewell	1,226,030	627,884	-	1,853,914	1,136,629	19,306	-	1,155,936	697,978	89,401
Air Conditioner	2,206,855	-	-	2,206,855	1,240,858	182,866	-	1,423,724	783,131	965,997
Computer	7,506,061	185,390	-	7,691,451	5,785,613	986,974	-	6,772,586	918,865	1,720,449
Total	700,595,065	22,207,300	3,270,432	719,531,933	281,425,484	37,903,185	3,053,953	316,274,716	403,257,217	416,150,202
Previous Year	691,560,167	9,592,554	3,577,034	697,575,687	245,423,836	39,246,496	3,244,847	281,425,485	416,150,202	446,136,331

## Notes:

- 1) Building include Rs. 13,07,49,000 /- (Previous Year Rs. 13,07,49,000/-) in respect of which the deed of conveyance is yet to be executed.
- 2) This represents the Replanting Subsidy received during the year in respect of expenditure on uprooting and replanting of tea bushes that qualifies for capitalisation as Bearer Plant in accordance with Accounting Standard 10 on Property, plant and equipment (AS - 10) as amended w.e.f. 1st April, 2016.



**Notes to Financial Statements (Contd.)****3. NON -CURRENT INVESTMENT:**

Particulars	As at 31st March, 2018			As at 31st March, 2017			As at 1st April 2016		
	Face Value (Rs.)	No.	Rs.	Face Value (Rs.)	No.	Rs.	Face Value (Rs.)	No.	Rs.
<u>Equity Instrument Designated at FVOCI</u>									
Investment in Equity Instruments - others									
Quoted In equity shares of companies:									
The Methoni Tea Co. Ltd.	10	1,000	4,375	10	1,000	4,375	10	1,000	4,375
Castrol India Ltd.	5	784	160,642	5	392	169,501	5	392	146,667
Bata India Ltd.	5	8,800	6,423,560	5	8,800	4,997,960	5	8,800	4,475,680
Hindustan Unilever Ltd.	1	5,000	6,666,750	1	5,000	4,558,750	1	5,000	4,347,500
Unquoted In equity shares of companies:									
The Orissa Tea Plantation Ltd.	10	100	1,000		100	1,000		100	1,000
ABC Tea Workers Welfare Services	10	625	6,250		625	6,250		625	6,250
Jadavpur Entrepreneurship Development Pvt.Ltd. (in Liquidation)	100	20	1		20	1		20	1
<u>Other Investment through FVTPL</u>									
Unquoted Investment in Debentures									
In 5% Non-Redeemable Debenture Stock :									
Woodlands Hospital & Medical Research Centre Ltd.		-	6,000		-	6,000		-	6,000
5% Debenture Stock in Shillong Club Ltd.		-	2,200		-	2,200		-	2,200
Total Non- Current Investment			13,270,778			9,746,036			8,989,673
Aggregate amount of Quoted Investments and market value thereof			13,255,327			9,730,586			8,974,222
Aggregate amount of Unquoted Investments			15,451			15,451			15,451
Aggregate amount of impairments in value of investments									

**4. OTHER FINANCIAL ASSETS**

(Unsecured, Considered Good)

(Amount in Rs.)

Particulars	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	Current	Non Current	Current	Non Current	Current	Non Current
Interest Accrued on Loans & Deposits	666,409	—	181,486	—	221,982	—
Security and other Deposits	—	8,786,027	—	8,329,613	—	7,488,772
Deposit with National Bank for Agriculture & Rural Development	5,612,300	—	14,948,778	—	10,459,355	—
Total	6,278,709	8,786,027	15,130,264	8,329,613	10,681,337	7,488,772

## 5. DEFERRED TAX ASSETS (NET)

(Amount in Rs.)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Deferred tax Assets	4,070,966	6,023,278	—
Deferred tax Liabilities	(1,363,381)	(1,496,648)	—
Net Deferred Tax Assets	2,707,585	4,526,630	—

Movement in deferred tax (Liabilities) / Assets balances	Property, Plant & Equipment	Employee Benefits Obligation	Financial Assets at OCI
As At April 01, 2016	—	—	—
Statement of Profit and Loss (charge)/ credit	1,837,101	288,410	—
(Charge)/ credit relating to Other Comprehensive Income	—	2,476,756	(75,637)
As At April 01, 2017	1,837,101	2,765,166	(75,637)
Statement of Profit and Loss (charge)/ credit	(402,978)	2,348,433	—
(Charge)/ credit relating to Other Comprehensive Income	-	(3,487,663)	(276,838)
As At 31st March 2018	1,434,123	1,625,936	(352,475)

## 6. OTHER ASSETS

(Amount in Rs.)

Particulars	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	Current	Non Current	Current	Non Current	Current	Non Current
Capital Advance	—	—	—	—	—	—
Advance other than Capital Advance	—	—	150,000	—	190,000	—
Advance to Supplier & Service Provider	40,014	—	239,947	—	55,426	—
Balance with Excise Authorities or other Government Authorities	5,157,096	—	908,186	—	530,766	—
Prepaid Expense	1,272,216	65,695	1,564,127	61,243	1,246,513	—
Total	6,469,326	65,695	2,862,260	61,243	2,022,705	—

## 7. INVENTORIES

(Amount in Rs.)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
At lower of cost and net realisable value			
Raw Material ( Green Leaf )	—	—	—
Finished Goods -Stock of Tea	28,548,329	44,255,583	49,439,097
Stores and Spare Parts	27,006,117	24,616,574	34,382,571
Total	55,554,446	68,872,157	83,821,668

## 8. BIOLOGICAL ASSETS OTHER THAN BEARER PLANT

(Amount in Rs.)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Fair value of Biological Assets other than Bearer Plant ( Unharvested Tea Leaves )	3,762,141	2,095,823	3,176,923

**Notes to Financial Statements (Contd.)****9. CURRENT INVESTMENT:**

Particulars	Face Value	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
		Units	Rs.	Units	Rs.	Units	Rs.
Investments in Units of Mutual Funds unquoted							
Investments carried at fair value through profit and loss (FVTPL)							
Franklin India							
Ultra Short Bond Fund - Super Institutional							
Buyer - Growth	10	-	-	-	-	503,927	10,244,832
Franklin India Low							
Duration Fund - Growth	10	-	-	-	-	302,484	5,066,607
Kotak Low Duration Fund							
Standard Growth	1000	-	-	-	-	2,877	5,240,738
Aditya Birla Sun Life							
Balanced 95 Fund -							
Dividend Regular Plan		65,308	9,104,624	-	-	-	-
Aditya Birla Sun Life Equity							
Savings Fund - Div. Regular		854,343	9,517,385	-	-	-	-
ICICI Prudential Balance Fund -							
Monthly Dividend		394,948	9,498,493	-	-	-	-
Reliance Equity Savings -							
Monthly Dividend Plan		433,388	4,808,832	-	-	-	-
Reliance Regular Savings Fund -							
Balance Plan Monthly		1,090,027	11,906,479	-	-	-	-
UTI - Dynamic Bond Fund Growth		627,153	12,574,294	-	-	-	-
Total Current Investment			57,410,108		-		20,552,176
Aggregate amount of unquoted Investments			57,410,108	-	-	-	20,552,176
Aggregate amount of impairments in value of investments			2,589,892	-	-	-	-

**10. TRADE RECEIVABLES**

(Amount in Rs.)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Trade receivables - Unsecured, considered good)	14,309,820	6,909,001	7,844,720

**11. CASH AND BANK BALANCES**

(Amount in Rs.)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Cash and cash equivalents			
Balances with banks			
On Current Accounts	2,497,332	1,503,964	1,881,914
Cash - in - hand	306,410	2,940,338	4,122,313
Cash and cash equivalents	2,803,742	4,444,302	6,004,227
Other Bank Balances:			
Unpaid dividend accounts (Earmarked balances)	1,169,498	980,715	793,423
Fixed deposit pledged as security against borrowings (Current portion of original maturity period of more than 12 months)	10,000,000	5,000,000	5,000,000
	11,169,498	5,980,715	5,793,423
Total	13,973,240	10,425,017	11,797,650

## Notes to Financial Statements (Contd.)

## 12. FINANCIAL ASSETS - LOANS (Unsecured, considered good)

(Amount in Rs.)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Employee Loans & Advances	586,753	619,550	4,027,239
Inter Corporate Deposit to Related Parties	-	-	-
Inter Corporate Deposit to Body Corporate	20,000,000	-	10,000,000
Total	20,586,753	619,550	14,027,239

## 13. EQUITY

(Amount in Rs.)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
a) Authorised 30,00,000 (Previous Year 30,00,000) Equity Shares of Rs. 10/- each	30,000,000	30,000,000	30,000,000
b) Issued, Subscribed and Paid Up 11,62,330 (Previous Year 11,62,330) Equity Shares of Rs. 10/- each fully paid up	11,623,300	11,623,300	11,623,300

## c) Rights, preferences and restrictions attached to shares

The company has only one class of equity shares having par value of Rs. 10/-. The holders of equity shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts, in proportion to their shareholding.

## d) Shareholders holding more than 5 % of the equity shares in the Company :

Name of the Shareholders	31st March, 2018		31st March, 2017		1st April 2016	
	No. of Shares	% of held	No. of Shares	% of held	No. of Shares	% of held
M/s. Rawalwasia Industries Pvt. Ltd.	484,579	41.69	484,579	41.69	478,179	41.14
M/s. Strip Commodore Pvt. Ltd.	306,699	26.39	306,699	26.39	317,899	27.35

## 14. OTHER EQUITY

(Amount in Rs.)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
A. Summary of Other Equity Balances			
1. Security Premium Account	17,929,690	17,929,690	17,929,690
2. Capital Reserve	39,145,067	39,145,067	39,145,067
3. General Reserve	110,000,000	110,000,000	110,000,000
4. Other Comprehensive Income- Remeasurement of Defined Benefit Obligation	3,683,536	(5,455,158)	-
5. Retained Earning	222,612,481	212,412,531	198,346,684
6. FVOCI Equity Instrument	10,661,123	7,488,856	6,808,128
Total	404,031,896	381,520,986	372,229,569

Refer Statement of Changes in Equity for detailed movement in Equity balance.

## B. Nature and Purpose of Reserve :

1. Security Premium Reserve : Securities Premium Reserve is used to record the premium on issue of shares. The reserve is available for utilisation in accordance with the provisions of the Act.
2. Capital Reserve
3. General Reserve : The Company has transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.
4. Retained Earning : Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.
5. FVOCI Equity Instrument Reserve : The Company has elected to recognise changes in the fair value of certain investments in equity instruments through other comprehensive income. These changes are accumulated within the FVOCI equity investments reserve. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

**Notes to Financial Statements (Contd.)****15. BORROWINGS**

(Amount in Rs.)

Particulars	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	Current	Non Current	Current	Non Current	Current	Non Current
Term loans -Secured						
From HDFC Bank (Car Loan)	1,063,049	376,667	965,631	1,439,716	251,564	-
Loans repayable on demand						
From banks -Secured						
Working capital borrowings						
United Bank of India (UBI)						
Cash Credit	38,189,863	-	22,594,131	-	71,460,406	-
HDFC Bank - Overdraft	4,974,431	-	2,301,890	-	3,317,083	-
<b>Total</b>	<b>44,227,343</b>	<b>376,667</b>	<b>25,861,652</b>	<b>1,439,716</b>	<b>75,029,053</b>	<b>-</b>

**Nature of securities**

- Term loans from HDFC bank is secured by way of hypothecation of car purchased. The loan carries interest @ 9.65% p.a.
- Cash Credit with UBI is secured by hypothecation of tea, prompts, receivables, other current assets both present and future and equitable mortgage of the company's Kanu, Teen Ali, Doyang and Dessoie Tea Estate and also secured against personal guarantee of two Directors of the Company.
- Overdraft Facility with HDFC Bank is secured by pledged of Fixed Deposit of Rs. 100,00,000 with HDFC Bank .

**Terms of repayments**

- The outstanding amount of Car Loan 1 of Rs. 20,00,000 from HDFC Bank is repayable in remaining 15 monthly installments, the last installment is due in the month of June, 2019. Out of this 15 monthly installments, 12 installments are payable within 31st March, 2019, therefore, the same has been included in "Current Borrowing" and Balance amount in "Non Current Borrowing".
- The outstanding amount of car loan 2 of Rs. 10,00,000 from HDFC Bank is repayable in remaining 18 monthly installments, the last installment is due in the month of September, 2019. Out of the 18 monthly installments, 12 installments are payable within 31st March, 2019, therefore, the same has been included in "Current Borrowing" and Balance amount in "Non Current Borrowing".

**16. OTHER LIABILITIES**

(Amount in Rs.)

Particulars	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	Current	Non Current	Current	Non Current	Current	Non Current
Government Grant						
Opening Balance	-	7,831,732.84	-	1,200,705	-	-
Grant during the Year	-	1,120,207	-	6,701,430	-	1,200,705
Less : Released to PL	-	94,178	-	70,402	-	-
Closing Balance	-	8,857,762	-	7,831,733	-	1,200,705
Security Deposit	-	60,000	-	60,000	-	60,000
Advances from Customer	14,105	-	5,291,951	-	4,314,315	-
Statutory Dues	6,524,525	-	3,711,155	-	5,179,981	-
Accrued expenses	4,417,025	-	4,015,215	-	5,086,663	-
Others	1,623,519	-	1,819,665	-	755,981	-
<b>Total</b>	<b>12,579,174</b>	<b>8,917,762</b>	<b>14,837,986</b>	<b>7,891,733</b>	<b>15,336,940</b>	<b>1,260,705</b>

**Notes to Financial Statements (Contd.)****17. PROVISIONS**

(Amount in Rs.)

Particulars	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	Current	Non Current	Current	Non Current	Current	Non Current
Provision for Employee Benefit	796,319	28,455,978	706,713	26,937,977	554,638	23,648,669
Others	-	-	-	-	-	-
<b>Total</b>	<b>796,319</b>	<b>28,455,978</b>	<b>706,713</b>	<b>26,937,977</b>	<b>554,638</b>	<b>23,648,669</b>

**18. TRADE PAYABLES**

(Amount in Rs.)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Total outstanding dues of micro enterprises and small enterprises	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	28,037,367	21,709,120	24,925,618
<b>Total</b>	<b>28,037,367</b>	<b>21,709,120</b>	<b>24,925,618</b>

**19. OTHER FINANCIAL LIABILITIES**

(Amount in Rs.)

Particulars	Current		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Unpaid Dividend*	1,169,498	980,715	793,423
Employee Benefits Payable	64,337,706	53,069,864	53,438,455
<b>Total</b>	<b>65,507,204</b>	<b>54,050,579</b>	<b>54,231,878</b>

\*There are no amounts due and outstanding to be credited to Investor Education & Protection Fund.

**20. CURRENT TAX LIABILITIES ( NET )**

(Amount in Rs.)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Provision for Income Tax ( Net of advance tax )	2,769,521	2,272,412	10,732,074
<b>Total</b>	<b>2,769,521</b>	<b>2,272,412</b>	<b>10,732,074</b>

**Notes to Financial Statements (Contd.)****21. REVENUE FROM OPERATIONS**

(Amount in Rs.)

Particulars	Year Ended 31st March, 2018		Year Ended 31st March, 2017	
Sale of goods				
Finished goods - Tea		766,895,387		740,177,330
Other operating revenues				
Tea subsidy	234,062		2,372,304	
Sale of tea seeds	18,000		-	
Sale of tea waste	2,483,325	2,735,387	1,187,715	3,560,019
<b>Total</b>		<b>769,630,774</b>		<b>743,737,348</b>

**22. OTHER INCOME**

(Amount in Rs.)

Particulars	Year Ended 31st March, 2018		Year Ended 31st March, 2017	
Interest Income from financial assets at amortised cost				
– On Deposits		1,357,382		1,420,764
– On Advances		555,617		782,466
Dividend income from instrument designated at fair value through OCI		124,328		117,808
Dividend income from instrument designated at fair value through Profit and Loss		1,847,375		-
Profit on Sale of Current Investments		-		72,449
Profit on Disposal of Property, Plant & Equipment		17,369		396,178
Rent Received		920,355		828,000
Liabilities no longer required Written Back		638,414		1,596,820
Insurance Claim		1,267,206		127,611
Miscellaneous Receipts		192,104		341,046
Changes in Fair Value of Biological Asset		1,666,318		-
<b>Total</b>		<b>8,586,469</b>		<b>5,683,142</b>

**23. CHANGES IN INVENTORIES OF FINISHED GOODS**

(Amount in Rs.)

Particulars	Year Ended 31st March, 2018		Year Ended 31st March, 2017	
Opening Stock of Finished Goods -Tea		44,255,583		49,439,097
Less: Closing Stock of Finished Goods -Tea		28,548,329		44,255,583
<b>Total</b>		<b>15,707,254</b>		<b>5,183,514</b>

**24. EMPLOYEE BENEFITS EXPENSE**

(Amount in Rs.)

Particulars	Year Ended 31st March, 2018		Year Ended 31st March, 2017	
Salaries & Wages		359,621,398		336,218,178
Contribution to Provident & Other Funds		49,098,936		40,997,853
Staff Welfare		10,415,342		9,633,914
<b>Total</b>		<b>419,135,676</b>		<b>386,849,945</b>

**25. FINANCE COSTS**

(Amount in Rs.)

Particulars	Year Ended 31st March, 2018		Year Ended 31st March, 2017	
Interest cost on financial liabilities carried at amortised cost				
– Short term borrowings		3,405,270		7,643,494
– Others		-		-
Other borrowing Cost		533,898		728,388
<b>Total</b>		<b>3,939,168</b>		<b>8,371,882</b>

**Notes to Financial Statements (Contd.)****26. OTHER EXPENSES**

(Amount in Rs.)

Particulars	Year Ended 31st March, 2018		Year Ended 31st March, 2017	
Power and Fuel		74,553,777		72,616,306
Consumption of Stores & Spare Parts		117,334,340		117,193,955
Packing Materials		4,295,694		4,837,953
Cess on Tea		485,975		2,347,861
Transport and Maintenance		3,181,572		3,462,078
Repairs - Building	8,263,856		6,696,811	
- Machinery	1,551,141	9,814,997	2,635,775	9,332,586
Rent		345,000		345,000
Donation		670,000		1,471,000
Corporate Social Responsibility expense		2,500,000		2,000,000
Rates and Taxes		8,958,667		10,770,019
Miscellaneous expenses		14,198,490		15,654,784
Insurance		2,023,890		1,885,509
Travelling & Conveyance		4,039,993		3,678,446
Directors Fees		145,000		172,500
Auditors' Remuneration - Statutory Audit	250,000		250,000	
Tax Audit	40,000		40,000	
Reimbursement of Expenses	5,591		6,500	
Other services	95,000	390,591	63,000	359,500
Internal Auditors' Fees		260,000		175,000
Selling and Distribution Expenses		15,431,442		17,696,243
Freight Charges		14,375,205		19,863,659
Sundry Balances Written Off		979,340		38,095
Changes in Fair Value of Biological Asset		-		1,081,100
Impairment in Fair Value of Investment measured at FVTPL		2,589,892		-
<b>Total</b>		<b>276,573,866</b>		<b>284,981,592</b>

**27. CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)**

(Amount in Rs.)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(a) Contingent liability not provided for in respect of : Claims against the company not acknowledged as debts -			
- Service Tax demand- under appeal	-	72,840	72,840
- Income Tax Demand - under appeal	8,364,052	12,487,442	14,484,120
- C.S.T / VAT Demand under Appeal	344,536	344,536	344,536

The amounts shown above represent the best possible estimates arrived at on the basis of available information. The uncertainties and timing of the cash flows are dependent on the outcome of the different legal processes which have been invoked by the Company or the claimants as the case may be and therefore cannot be estimated accurately. The Company does not expect any reimbursements in respect of the above contingent liabilities.

In the opinion of the management, no provision is considered necessary for the disputes mentioned above on the grounds that there are fair chances of successful outcome of appeals.

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(b) Commitments			
Estimated amount of contracts remaining to be executed on capital account and not provided for	-	241,000	517,613
Advances paid against above	-	150,000	190,000



**Notes to Financial Statements (Contd.)****28 Disclosure pursuant to Indian Accounting Standard - 19 'Employee Benefits' as notified u/s 133 of the Companies Act, 2013****(a) Defined Contribution Plan:**

Contributions under Defined Contribution Plan as recognised in the Statement of Profit and Loss by the Company are as follows :- (Amount in Rs.)

Particulars	Year Ended 31st March, 2018	Year Ended 31st March, 2017
Employers Contribution towards:		
– Provident Fund	26,338,782	25,793,988
– Employee State Insurance	52,566	27,006

**(b) Defined Benefit Plan :**

The Company provides for gratuity as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement / termination is the employees last drawn basic salary per month computed on retirement / termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

The Employees Gratuity Fund Scheme, which is a defined benefit plan, is managed by a trust maintained with Life Insurance Corporation of India (LIC). The Employees Leave Encashment Scheme, which is a defined benefit plan is unfunded.

The present value of the obligation is determined based on actuarial valuation using Projected Units Credit Method, which recognised each period of service as giving rise to additional units of employees benefit entitlement and measures each unit separately to build up the final obligations.

The following table sets out the details of amount recognised in the financial statements in respect of employee benefit schemes.

**(i) The amounts recognised in the Balance Sheet are as under:****(Amount in Rs.)**

Particulars	Gratuity as at 31st March 2018	Gratuity as at 31st March 2017	Gratuity as at 1st April 2016	Leave Encashment As at 31st March 2018	Leave Encashment As at 31st March 2017	Leave Encashment As at 1st April 2016
Present value of obligation	134,788,186	125,250,791	104,404,438	1,496,063	1,311,829	1,008,392
Fair value of plan assets	115,280,738	98,917,930	81,209,523	—	—	—
Net (Assets) / Liabilities recognised in Balance Sheet	19,507,448	26,332,861	23,194,915	(1,496,063)	(1,311,829)	(1,008,392)
Non Current	19,507,448	26,332,861	23,194,915	(699,744)	(605,116)	(453,754)
Current	—	—	—	(796,319)	(706,713)	(554,638)

**(ii) Changes in Present Value of Obligation:****(Amount in Rs.)**

Particulars	Gratuity 2017-18	Gratuity 2016-17	Gratuity 2015-16	Leave Encashment As at 2017-18	Leave Encashment As at 2016-17	Leave Encashment As at 2015-16
Present value of obligation at the beginning of the year	125,250,791	104,404,438	99,293,033	1,311,829	1,008,392	1,428,674
Interest Cost	10,020,063	8,352,355	7,943,443	95,501	78,554	112,151
Current service cost	6,539,925	5,452,023	4,986,082	211,412	222,280	210,847
Benefits Paid	(2,248,165)	(722,361)	(373,054)	(202,664)	(164,975)	(747,379)
Actuarial (gain) / loss on obligation	(4,774,428)	7,764,336	(7,445,066)	79,985	167,578	4,099
Present value of obligation as at the end of the year	134,788,186	125,250,791	104,404,438	1,496,063	1,311,829	1,008,392

## (iii) Changes in Plan Assets:

(Amount in Rs.)

Particulars	Gratuity As at 31st March 2018	Gratuity As at 31st March 2017	Gratuity As at 1st April 2016	Leave Encashment As at 31st March 2018	Leave Encashment As at 31st March 2017	Leave Encashment As at 1st April 2016
Fair value of plan assets as at the beginning of the year	98,917,930	81,209,523	69,253,810	--	--	--
Return on plan assets	7,857,823	7,095,894	5,954,842	--	--	--
Contributions	10,753,150	11,334,874	6,373,925	202,664	164,975	747,379
Benefits Paid	(2,248,165)	(722,361)	(373,054)	(202,664)	(164,975)	(747,379)
Actuarial (gain) / loss on assets	--	--	--	--	--	--
Fair value of plan assets as at the end of the year	115,280,738	98,917,930	81,209,523	--	--	--

## (iv) Recognised in Profit and Loss:

(Amount in Rs.)

Particulars	Gratuity Year ended 31st March 2018	Gratuity Year ended 31st March 2017	Leave Encashment Year ended 31st March 2018	Leave Encashment Year ended 31st March 2017
Current Service Cost	6,539,925	5,452,023	211,412	222,280
Interest Cost	10,020,063	8,352,355	95,501	78,554
Return on Plan Assets	(7,857,823)	(7,095,894)	--	--
Total	8,702,165	6,708,484	306,913	300,834

## (v) Recognised in other comprehensive Income:

(Amount in Rs.)

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Remeasurement Actuarial Loss / (Gain) on Defined Benefit Obligation	(4,694,443)	7,931,914

## (vi) Principle Actuarial Assumptions at the Balance Sheet date are as follows :

Particulars	Gratuity as at 31st March 2018	Gratuity as at 31st March 2017	Gratuity as at 1st April 2016	Leave Encashment As at 31st March 2018	Leave Encashment As at 31st March 2017	Leave Encashment As at 1st April 2016
Discounted rate per annum compounded	8%	8%	8%	7.60%	7.28%	7.79%
Rate of Increase in Salaries	6% & 5%	6.25% & 5%	5%	5%	5%	5%
Rate of return on Plan Assets	Not Available	Not Available	Not Available	NA	NA	NA
Retirement Age	58	58	58	58	58	58
Withdrawal rate	1% to 3% depending on age			2%	2%	2%
Mortality Table	LIC (2006-08) Ultimate			IALM (2006-08) Ultimate		

(vii) The following payments are expected contributions to the defined benefit plan in future years: (Amount in Rs.)

Expected contributions	Gratuity	Leave Encashment
Within next 12 months (next annual reporting period)	19,507,448	N.A.
Between 2 and 5 years	---	---
Between 5 and 10 years	---	---
Beyond 10 years	---	---

(viii) The Amount for Current and Previous four years are as follows: (Amount in Rs.)

Particulars	Gratuity 2017-18	Gratuity 2016-17	Gratuity 2015-16	Gratuity 2014-15	Gratuity 2013-14
Defined benefit Obligation	134,788,186	125,250,791	104,404,438	99,891,794	83,057,637
Plan assets	115,280,738	98,917,930	81,209,523	69,253,810	62,915,349
Surplus / (Deficit)	(19,507,448)	(26,332,861)	(23,194,915)	(30,637,984)	(20,142,288)
Experience adjustment on plan liabilities	---	---	---	---	---
Experience adjustment on plan assets	---	---	---	---	---

Note : In the absence of detailed information regarding plan assets which is funded with Life Insurance Corporation of India, the composition of plan assets, the percentage and amount for each category of the fair value of plan assets has not been disclosed.

(Amount in Rs.)

Particulars	Leave Encashment 2017-18	Leave Encashment 2016-17	Leave Encashment 2015-16	Leave Encashment 2014-15	Leave Encashment 2013-14
Defined benefit Obligation	1,496,063	1,311,829	1,008,392	1,428,674	1,143,389
Plan assets	---	---	---	---	---
Surplus / (Deficit)	(1,496,063)	(1,311,829)	(1,008,392)	(1,428,674)	(1,143,389)
Experience adjustment on plan liabilities	---	---	---	---	---
Experience adjustment on plan assets	---	---	---	---	---

(ix) Risk exposure

These plans are exposed to the actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk.

Investment risk:

The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount rate which is determined by reference to market yields on government bonds at the end of the reporting period. For other defined benefits plans, the discount rate is determined by reference to market yields at the end of the reporting period on high quality corporate bonds when there is a deep market for such bonds. If the return on plan asset is below this rate, it will create a plan deficit.

Interest risk:

A decrease in the bond interest rate will increase the plan liability, however, this will be partially offset by an increase in the return on the plan assets.

Longevity risk:

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk:

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

## (x) Sensitivity Analysis

Sensitivity analysis on effect on Defined Benefit Obligations on changes in significant assumptions as per Note 43(b) (vi) are as follows :- (Rs. In crore)

Particulars		Change in assumption	Effect on Gratuity obligation	Effect on Leave Encashment
For the year ended 31st March 2018				
Discount rate	Decrease	5.27%	Not available	1574880
	Increase	-4.52%	Not available	1428460
Salary rate	Decrease	-4.98%	Not available	1421617
	Increase	5.74%	Not available	1581901
Attrition rate	Decrease	-1.32%	Not available	1476373
	Increase	1.17%	Not available	1513537

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (projected unit credit method) has been applied as when calculating the defined benefits, obligation recognised within the Balance Sheet. The methods and type of assumptions used in preparing the sensitivity analysis did not change compared to prior period.

Presentation in the Statement of Profit & Loss, Other Comprehensive Income & Balance Sheet :

Gratuity and leave encashment benefits are in the nature of defined benefits plans and re-measurement gains/(losses) on defined benefit plans are shown under OCI as 'items that will not be reclassified to profit or loss', including the income tax effect on the same.

Expense for service cost, net interest on net defined benefit liability/(asset) is recognised in the Statement of Profit & Loss.

Ind AS 19 does not require segregation of net defined liability/(asset) into current and non-current, however net defined liability/(asset) is bifurcated into current and non-current portions in the balance sheet, as per Ind AS1 on "Presentation of Financial Statements".

## 29. RELATED PARTY DISCLOSURES AS PER INDIAN ACCOUNTING STANDARD - 24 ARE GIVEN BELOW :

## a) Name of the related parties and description of relationship :

- i) Key Managerial Personnel (KMP):
- Mr. P K Agarwal , Managing Director
  - Mr. M K Agarwal, Director
  - Mr. I.B.Sharaf, Executive Director
  - Mr. B L Patrawari, Chief Financial Officer

## ii) Enterprises over which KMP and their relatives have significant influence :

- a) Shroff Chemicals Pvt. Ltd.
- b) Banka Enterprises Pvt. Ltd.
- c) Rawalwasia Manufacture Company Pvt. Ltd.
- d) Transmission Projects Pvt. Ltd.
- e) K L Mechanical Works Pvt. Ltd.
- f) Teletronics Products Pvt. Ltd.
- g) Strip Commodeal Pvt. Ltd.
- h) SRTR Realtors Pvt. Ltd.
- i) Rawalwasia Industries Pvt. Ltd.
- j) Platinum Dealers Pvt. Ltd.
- k) Altius Distributors Pvt. Ltd.
- l) Syndicate Reality Infra Pvt. Ltd.
- m) Welkin Telecom Infra Pvt. Ltd.
- n) Dressing Trendz Pvt. Ltd.
- o) Pagoda Constructions Pvt. Ltd.
- p) Lifefresh Security Services LLP
- q) Welkin Security Services LLP
- r) Karukrit Richmond Projects LLP

(Amount in Rs.)

b) Transactions with Related parties :	Enterprise over which KMP and their relatives have significant influence	
Nature of Transaction	31st March, 2018	31st March, 2017
Purchase of Goods/Services		
K L Mechanical Works Pvt. Ltd.	-	344,709
Rent Received :-		
Shroff Chemicals Pvt. Ltd.	110,260	96,530
Banka Enterprises Pvt. Ltd.	110,260	96,530
Rawalwasia Manufacture Company Pvt. Ltd.	82,120	68,950
Transmission Projects Pvt. Ltd.	82,120	68,950
K L Mechanical Works Pvt. Ltd.	110,260	96,530
Teletronics Products Pvt. Ltd.	110,260	96,530
SRTR Realtors Pvt. Ltd.	110,260	96,530
Rawalwasia Industries Pvt. Ltd.	110,260	96,530
Platinum Dealers Pvt. Ltd.	110,260	96,530

Key Management Personnel Compensation:	31st March, 2018	31st March, 2017
Short-term employment benefits	6,026,399	2,985,242
Post-employment Benefits	-	-
Long - term employment Benefits	-	-

- c) There is no provision for doubtful debt and no amount has been written off/ written back during the year in respect of amount due from or due to related parties.
- d) The transactions with related parties have been entered at an amount which are not materially different from those on normal commercial terms.

### 30 FAIR VALUE MEASUREMENT

#### A. Accounting classification and fair values

Carrying amounts and fair values of financial assets and liabilities, including their levels in fair value hierarchy, are as follows

31st March 2018	CARRYING AMOUNT			FAIR VALUE		
	FVTPL	FVTOCI	Amortised Cost	Level 1	Level 2	Level 3
Financial Assets						
Investments						
- Equity Instrument	-	13,270,778	-	13,270,778	-	-
- Mutual Funds	57,410,108	-	-	57,410,108	-	-
Trade Receivables	-	-	14,309,820	-	-	-
Loans and Advances	-	-	20,586,753	-	-	-
Cash and cash Equivalent	-	-	13,973,240	-	-	-
Interest accrued on Loans & Deposit	-	-	666,409	-	-	-
Deposit with National Bank for Agriculture and Rural Development	-	-	5,612,300	-	-	-
Security Deposit	-	-	8,786,027	-	-	-
<b>Total of Financial Assets</b>	<b>57,410,108</b>	<b>13,270,778</b>	<b>63,934,548</b>	<b>70,680,885</b>	<b>-</b>	<b>-</b>
Financial Liabilities						
Borrowings	-	-	44,604,010	-	-	-
Unpaid Dividend	-	-	1,169,498	-	-	-
Employee Benefit payable	-	-	64,337,706	-	-	-
Trade Payable	-	-	28,037,367	-	-	-
<b>Total Financial Liabilities</b>	<b>-</b>	<b>-</b>	<b>138,148,580</b>	<b>-</b>	<b>-</b>	<b>-</b>

31st March 2017	CARRYING AMOUNT			FAIR VALUE		
	FVTPL	FVTOCI	Amortised Cost	Level 1	Level 2	Level 3
Financial Assets						
Investments						
- Equity Instrument	-	9,746,036	-	9,746,036	-	-
- Mutual Funds	-	-	-	-	-	-
Trade Receivables	-	-	6,909,001	-	-	-
Loans and Advances	-	-	619,550	-	-	-
Cash and cash Equivalent	-	-	10,425,017	-	-	-
Interest accrued on Loans & Deposit	-	-	181,486	-	-	-
Deposit with National Bank for Agriculture and Rural Development	-	-	14,948,778	-	-	-
Security Deposit	-	-	8,329,613	-	-	-
<b>Total of Financial Assets</b>	-	<b>9,746,036</b>	<b>41,413,444</b>	-	-	-
Financial Liabilities						
Borrowings	-	-	27,301,368	-	-	-
Unpaid Dividend	-	-	980,715	-	-	-
Employee Benefit payable	-	-	53,069,864	-	-	-
Trade Payable	-	-	21,709,120	-	-	-
<b>Total Financial Liabilities</b>	-	-	<b>103,061,066</b>	-	-	-

1st April 2016	CARRYING AMOUNT			FAIR VALUE		
	FVTPL	FVTOCI	Amortised Cost	Level 1	Level 2	Level 3
Financial Assets						
Investments						
- Equity Instrument	-	8,989,673	-	8,989,673	-	-
- Mutual Funds	20,552,176	-	-	20,552,176	-	-
Trade Receivables	-	-	7,844,720	-	-	-
Loans and Advances	-	-	14,027,239	-	-	-
Cash and cash Equivalent	-	-	11,797,650	-	-	-
Interest accrued on Loans & Deposit	-	-	221,982	-	-	-
Deposit with National Bank for Agriculture and Rural Development	-	-	10,459,355	-	-	-
Security Deposit	-	-	7,488,772	-	-	-
<b>Total of Financial Assets</b>	<b>20,552,176</b>	<b>8,989,673</b>	<b>51,839,717</b>	<b>29,541,849</b>	-	-
Financial Liabilities						
Borrowings	-	-	75,029,053	-	-	-
Unpaid Dividend	-	-	793,423	-	-	-
Employee Benefit payable	-	-	53,438,455	-	-	-
Trade Payable	-	-	24,925,618	-	-	-
<b>Total Financial Liabilities</b>	-	-	<b>154,186,548</b>	-	-	-

The fair value of unquoted equity investments cannot be reliably estimated. The Company has currently measured them at their book value.

In respect of financial instruments, measured at amortised cost, the fair value approximated their carrying value largely due to short term maturities of these instruments.

Biological Assets other than Bearer Plants :

This section explains the judgement and estimates made in determining the fair value of the biological assets other than bearer plants that are recognised at fair value in the financial statement. The Company has classified its biological assets other than bearer plants into Level 2 in the fair value hierarchy, since there is no active market, the fair value is arrived based on the observable market prices of Green Leaf adjusted for plucking cost.

Biological Assets other than bearer plants for which fair value are disclosed at 31st March 2018,	Notes	Level 1	Level 2	Level 3	Total
Unharvested Tea Leaves	3,762,141	-	3,762,141	-	3,762,141
<b>Total</b>	<b>3,762,141</b>	<b>-</b>	<b>3,762,141</b>	<b>-</b>	<b>3,762,141</b>
Biological Assets other than bearer plants for which fair value are disclosed at 31st March 2017,	Notes	Level 1	Level 2	Level 3	Total
Unharvested Tea Leaves	2,095,823	-	2,095,823	-	2,095,823
<b>Total</b>	<b>2,095,823</b>	<b>-</b>	<b>2,095,823</b>	<b>-</b>	<b>2,095,823</b>
Biological Assets other than bearer plants for which fair value are disclosed at 1st April, 2016	Notes	Level 1	Level 2	Level 3	Total
Unharvested Tea Leaves	3,176,923	-	3,176,923	-	3,176,923
<b>Total</b>	<b>3,176,923</b>	<b>-</b>	<b>3,176,923</b>	<b>-</b>	<b>3,176,923</b>

#### B. Measurement of fair values

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique :

Level 1: Financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting date.

Level 2: Biological Assets other than Bearer Plant is measured at fair value which is arrived at based on observable market price of Green Leaf adjusted for estimated plucking cost.

Level 3: If one or more of the significant inputs is not based on observable market data, the instruments is included in level 3.

#### C. Valuation technique used to determine fair value of Financial Instrument

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments.
- If one or more of the significant inputs is not based on observable market data, the fair value is determined using generally accepted pricing models based on a discounted cash flow analysis, with the most significant input being the discount rate that reflects the credit risk of counterparty. This is the case with listed instruments where market is not liquid and for unlisted instruments.

### 31. FINANCIAL RISK MANAGEMENT

The Company's activities expose it to market risk, liquidity risk and credit risk. In order to minimise any adverse effects on the financial performance of the Company, the company has risk management policies as described below :-

#### (a) Credit Risk

Credit risk refers to the risk of financial loss arising from default / failure by the counterparty to meet financial obligations as per the terms of contract. The Company is exposed to credit risk for receivables, cash and cash equivalents, none of the financial instruments of the Company result in material concentration of credit risks.

Credit risk on receivables is minimum since sales through different mode (eg. auction, consignment, private ) are made after judging credit worthiness of the customers, advance payment etc.-

Credit risk from balances with banks and financial institutions is managed by the Company's in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

#### (b) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Management monitors rolling forecasts of the Company's liquidity position on the basis of expected cash flows. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

**Maturity profile of financial liabilities :**

The following are the remaining contractual maturities of financial liabilities as at the Balance Sheet dates - (Amount in Rs.)

Particulars	Less than 1 Year	1-5 Year	5+ Year	Total	Carrying Amount
<b>As at 31st March 2018</b>					
Borrowing	44,227,343	376,667	-	44,604,010	44,604,010
Trade payable	28,037,367			28,037,367	28,037,367
Other financial liability	65,507,204			65,507,204	65,507,204
	137,771,913	376,667	-	138,148,580	138,148,580
<b>As at 31st March 2017</b>					
Borrowing	25,861,652	1,439,716	-	27,301,368	27,301,368
Trade payable	21,709,120	-	-	21,709,120	21,709,120
Other financial liability	54,050,579	-	-	54,050,579	54,050,579
	101,621,350	1,439,716	-	103,061,066	103,061,066
<b>As at 1st April 2016</b>					
Borrowing	75,029,053	-	-	75,029,053	75,029,053
Trade payable	24,925,618	-	-	24,925,618	24,925,618
Other financial liability	54,231,878	-	-	54,231,878	54,231,878
	154,186,549	-	-	154,186,549	154,186,549

**(c) Market Risk**

- (i) Interest rate risk : Interest rate 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 does not have significant exposure to Long Term Borrowing and also does not have a significant cash flow interest rate risk. Similarly Short term borrowing do not have any significant fair value or interest rate risk due to short term tenure.

- (ii) Price risk : The Company invest its surplus fund primarily in debt mutual funds measured at FVTPL, accordingly these do not pose any price risk. The aggregate value of such investment as on 31st March, 2018 Rs 574.10 Lakhs ( 2017- Rs Nil and 2016 Rs.205.52) .Further, Equity price risk is related to change in market reference price of investment in quoted shares. The exposure to equity price risk arises from Investment held and classified in Balance Sheet as FVTOCI. In general the investments are strategic investment and do not held for trading purpose so there is no material equity risk relating to Company's equity investment which are detailed in note no 3 of financial statement.

**(d) Agriculture risk :**

Cultivation of tea being an agriculture activity, there are certain specific financial risk. These financial risk arise mainly due to adverse weather condition, fluctuation of selling price of finished goods and increase in input cost.

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

- Adequate level of inventory of chemicals, fertilisers and other inputs are maintained so that timely corrective action can be taken in case of adverse weather condition.
- Sufficient level of consumables stores like packing material, coal HSD etc are maintained in order to mitigate financial risk.
- Sufficient working capital facility is obtained from banks so that cultivation and manufacturing and sale of tea is not adversely affected in times of adverse condition.

**32. CAPITAL MANAGEMENT**

The Company manages its capital to ensure that the Company will be able to continue as going concern while maximising the return to all stakeholders through optimisation of debt and equity balances. The capital structure of the Company consist of net debt and total equity of the Company.

Net debt implies total borrowing of the Company as reduced by Cash and Cash equivalent and Equity comprises all component attributable to the owners of the Company.



The gearing ratio at end of the reporting period was as follows :

(Amount in Rs.)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Debt (i)	44,604,010	27,301,368	75,029,053
Cash and Bank Balances	2,803,742	4,444,302	6,004,227
Net Debt	41,800,268	22,857,065	69,024,826
Total Equity	415,655,196	393,144,286	383,852,869
Net debt to equity ratio	0.10	0.06	0.18

(i) Debt is defined as long-term borrowings, short-term borrowings and current maturities of long term borrowings (excluding financial guarantee contracts and contingent consideration), as described in Note 15.]

### 33. ASSETS PLEDGED AS SECURITY

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

(Amount in Rs.)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
<b>Non-current Assets</b>			
Property, Plant and Equipment	105,246,927	117,623,799	132,296,759
Capital Work-In-Progress	24,786,588	12,312,949	—
Other Financial Assets	5,978,658	5,526,695	4,685,854
<b>Total non-currents assets pledged as security</b>	<b>136,012,172</b>	<b>135,463,444</b>	<b>136,982,613</b>
<b>Current Assets</b>			
Inventories	44,631,012	50,391,591	60,674,906
Biological Assets other than bearer plants	2,451,578	1,603,648	2,383,594
Trade Receivables	4,401,896	4,039,938	3,467,908
Cash and bank Balances	1,747,308	3,644,771	4,817,009
Loans	314,550	458,995	12,916,610
Other Current Assets	765,636	215,032	255,032
<b>Total current assets pledged as security</b>	<b>54,311,980</b>	<b>60,353,974</b>	<b>84,515,059</b>
<b>Total assets pledged as security</b>	<b>190,324,152</b>	<b>195,817,418</b>	<b>221,497,672</b>

### 34. EARNING PER SHARE - THE NUMERATORS AND DENOMINATORS USED TO CALCULATE BASIC/DILUTED EARNINGS PER SHARE

Particulars	Year Ended 31st March, 2018	Year Ended 31st March, 2017
a) Amount used as the numerator (Rs.) Profit after Tax attributable to Shareholders	18,453,021	16,863,762
b) Basic/weighted average number of Equity Share used as the denominator (B)	1,162,330	1,162,330
c) Nominal Value of Equity Shares (Rs.)	10	10
d) Basic/Diluted Earnings Per Share - (A/B) (Rs.)	15.88	14.51

### 35. SEGMENT REPORTING

Consequent to the adoption of Ind AS, the Company has identified one operating segment viz, "Tea" which is consistent with the internal reporting provided to the chief executive officer, who is the chief operating decision maker. The Company deals in only one product i.e., Tea. The products and their applications are homogenous in nature.

### 36. DISCLOSURE UNDER SCHEDULE V TO THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

There are no transaction (other than transactions with related parties as given in Note 29) which are required to be disclosed under Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### 37. The Company has not received any memorandum as required to be filed by the suppliers with the notified authority under Micro, Small and Medium Enterprises Development Act, 2006 for claiming their status as micro, small or medium enterprises. Therefore, there is no due outstanding to Micro and Small Enterprises (Previous year Nil).

**38. CORPORATE SOCIAL RESPONSIBILITY**

Gross amount required to be spent by the company the year towards Corporate Social Responsibility (CSR) as per the provision of section 135 of the Companies Act, 2013 amounts to Rs. 5,84,561 (Previous Year Rs. 8,00,221 ).

Amount Spent during the year :

(Amount in Rs.)

Particulars	In Cash	Yet to be paid	Total
On construction/ acquisition of any asset	-	-	-
On purpose other than above	2,500,000	-	2,500,000

39. Salaries and Wages excludes Rs. 50,27,181/- (Previous year Rs. 37,79,983/-) and Stores and Spares consumed excludes Rs. 58,31,141/- (Previous year Rs. 35,83,028/-) debited to other accounts.

**40. CONSUMPTION OF SPARE PARTS AND COMPONENTS \***

Particulars	Year ended 31st March, 2018		Year ended 31st March, 2017	
	Rs.	%	Rs.	%
Imported	---	---	---	---
Indigenous	117,334,340	100	117,193,955	100
Total	117,334,340	100	117,193,955	100

\* Spare parts includes store items also.

41. EARNINGS IN FOREIGN EXCHANGE

Nil

Nil

42. EXPENDITURE INCURRED IN FOREIGN CURRENCY

Nil

Nil

43. DETAILS OF LOAN GIVEN, INVESTMENTS MADE, GUARANTEE GIVEN OR SECURITY PROVIDED COVERED UNDER SECTION 186 (4) OF THE COMPANIES ACT, 2013.

- (i) The particulars of loans given are stated under "Financial Assets - Loans" in Note No. 12. All these loans are repayable on demand and all the loans have been utilised for general corporate purpose by the receiptants.
- (ii) The relevant details of investments are given in Note Nos. 3 and 9.
- (iii) The Company has not given any guarantee or provided any security.

**44. INCOME TAX EXPENSE**

This note provides an analysis of the Company's income tax expense, how the tax expense is affected by non-assessable and non-deductible expense

**a Income Tax Expense**

Rs. in lakhs

Particulars	31st March 2018	31st March 2017
Current tax on profits for the year	70.00	40.00
Deferred tax	4.56	(21.26)
Income tax expense	74.56	18.74

**b Reconciliation of tax expense and the accounting profit**

Particulars	31st March 2018	31st March 2017
Profit from Operation before income tax expense	259.09	187.38
Tax at an average rate	66.38	48.01
Effect of :		
– expenses that are not deductible in determining taxable profit	1,069.47	1,013.25
– additional deduction under Income tax act	(1,008.17)	(856.43)
– Income that is exempt from tax	(50.00)	(100.00)
– other item	(3.12)	(86.09)
Income Tax Expense	74.56	18.74

**45. FIRST TIME ADOPTION OF INDIAN ACCOUNTING STANDARD (IND - AS)**

The accounting policies set out in Note 1 have been applied in preparing the financial statements for the year ended 31st March 2018, the comparative information presented in these financial statements for the year ended 31st March 2017 and in preparation of an opening Ind AS balance sheet at 1st April 2016 (the Company's date of transaction). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

**A. Exemptions and Exceptions available**

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

**A1 Ind AS optional exemptions****A.1.1. Deemed Cost**

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Asset. Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value. The Company does not have any de-commissioning liabilities as on the date of transition and accordingly no adjustment have been made for the same.

**A.1.2. Designation of previously recognised financial instruments.**

Ind AS 101 allows an entity to designate investments in equity instruments at FVOCI on the basis of the facts and circumstances at the date of transition to Ind AS. The Company has elected to apply this exemption for its investment in equity instruments.

**A.2. Ind AS mandatory exceptions****A.2.1. Estimates**

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at 1st April 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP.

- Investment in equity instruments carried at FVOCI;
- Valuation of the closing Stock (Made Tea) has done as per IND AS - 41 i.e. on the initial recognition, agricultural produce is required to be measured at fair value less estimated point of sale costs.
- Valuation of Bearer Plant Other than Tea Bushes has been done as per IND AS 41.

**A.2.2. Classification and measurement of financial assets**

Ind AS requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

**B. Reconciliation of total equity as at 31st March 2017 and 1st April 2016**

(Rs. in lakhs)

Particulars	Notes to first-time adoption	31st March 2017	1st April 2016
Total equity (shareholder's funds) as per previous GAAP		3,810.53	3,709.28
Adjustments:			
Effect of change in Fair Value of Investments measured through FVTPL	1	-	3.65
Effect of change in Fair Value of Investments measured through FVOCI	1	75.65	68.08
Effect of reclassification of Subsidy as deferred subsidy income	2	(17.76)	(12.01)
Effect of Changes in value of Finished Goods (Tea Stock)	3	(22.03)	(20.42)
Effect of Changes in value of Green Leaf	4	20.96	31.77
Effect of reversal of Proposed Dividend and Tax on Proposed Dividend	6	-	27.98
Deferred Tax	8	45.26	-
Other adjustment	5	18.83	30.19
Total Adjustments		120.91	129.24
Total Equity as per Ind AS		3,931.44	3,838.52

## Reconciliation of total comprehensive income for the year ended 31st March 2017 (Rs. Lakhs)

Particulars	Notes to first-time adoption	31st March 2017
Net Profit as reported under previous GAAP	—	89.88
Adjustments:		
Effect of Reclassification of Changes in Fair Value of investment measured at FVTPL	1	(3.64)
Effect of Changes in value of Finished Goods ( Tea Stock)	3	(1.61)
Effect of Changes in value of Green Leaf	4	(10.81)
Re-classification of subsidy as deferred income	2	(5.76)
Effect of reclassification of Actuarial Gain on defined benefit plan to Other comprehensive Income	7	79.32
Tax Expense		21.26
Total Adjustments		78.76
Profit after tax as per Ind AS		168.64
Other Comprehensive Income	10	(47.74)
Total comprehensive Income as per Ind AS		120.90

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

Particulars	GAAP	Adjustments	Ind AS
Net cash flow from operating activities	644.34	(134.08)	510.26
Net cash flow from investing activities	(70.96)	134.08	63.11
Net cash flow from financing activities	(588.97)	—	(588.97)
Net increase/(decrease) in cash & cash equivalents	(15.60)	—	(15.60)
Cash & cash equivalents as at 1st April 2016	60.04	—	60.04
Cash & Cash Equivalents as at 31st March 2017	44.44	—	44.44

## C Notes to reconciliation :

## Note 1 : Fair valuation of Investments:

- (i) Under the previous GAAP, investments in equity instruments were classified as long- term investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Under Ind AS, these investments are required to be measured at fair value. Fair value changes with respect to investments in equity instruments designated as at FVOCI have been recognised in FVOCI - Equity Investments (net of tax) as at the date of transition and subsequently in the other comprehensive income for the year ended 31st March 2017. This has increased FVOCI Equity Investments by Rs.75.64 lakhs as at 31st March 2017 (1st April 2016 Rs. 68.08 lakhs) Consequent to the above, the total equity as at 31st March 2017 increased by Rs. 75.64 lakhs (1st April 2016 - Rs. 68.08 lakhs) and other comprehensive income for the year ended 31st March 2017 increased by Rs. 7.56 lakhs, respectively.
- (ii) Under Indian GAAP, investments in mutual funds were measured at lower of cost or market value while under Ind AS, such investments are required to be measured at fair value with the resultant gain or loss being recognised in profit or loss. This has increased the value of investment Rs. 3.65 Lakh with corresponding increase in equity.

## Note 2: Subsidies Receivable from Government

Under the previous GAAP, replanting subsidy received from Tea board was recognised in the Statement of Profit and Loss as and when accrued till FY 2015-16 and in subsequent financial year adjusted the cost of bearer plant. Under Ind AS, the same is recognised as Deferred Subsidy Income in the Balance Sheet and transferred to Profit and Loss account on straight line basis over the useful life of the bearer plants. Consequent to this change, the Cost of Bearer Plant has increased by Rs. 17.76 lakhs as at 31st March 2017 and total equity decreased by Rs. 12.01 lakhs as at 1st April 2016 and Rs. 17.76 as at 31st March 2017.

## Note 3: Inventories

Finished Goods: Under previous GAAP, tea stock has been valued at the lower of cost and net realizable value. Cost of inventories comprise all cost 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 comprises 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. Consequent to this change, inventory of finished goods as on 1st April 2016 has decreased by Rs. 20.42 lakhs with corresponding decrease in equity. However, Inventories as on 31st March 2017 had decreased by Rs. 22.03 lakhs with corresponding decrease in equity.

**Note 4: Biological Assets (i.e. unplucked leaf on tea bushes)**

Under previous GAAP, biological assets, i.e. unplucked leaf on tea bushes has neither been valued nor recognised in the accounts. Under Ind AS, unplucked leaf on tea bushes has been measured at its fair value less cost to sell and change in fair value has been recognised in Profit or Loss. Consequent to this change, inventory of biological assets as on 1st April 2016 and as on 31st March 2017 has increased by Rs. 31.77 lakhs and by Rs 20.96 lakhs with corresponding increase in equity.

**Note 5: Other Adjustment**

Other Adjustment includes some cost on replanting expenditure which were charged to Profit and Loss under Indian GAAP now considered as Property Plant & Equipment as Bearer Plant with corresponding increase in value of equity.

**Note 6: Proposed Dividend and Tax on Proposed Dividend**

Under the previous GAAP, dividends proposed by the Board of Directors after the balance sheet date but before the approval of the financial statements and applicable dividend tax thereon, were considered as adjusting events. Accordingly, provision for proposed dividend and dividend tax thereon was recognised as a liability. Under Ind AS, such dividend and tax thereon are recognised when the dividend is approved by the shareholders in the general meeting. Accordingly the liability for proposed dividend and dividend tax thereon aggregating Rs. 27.98 lakhs as at 1st April 2016 included under provisions has been reversed with corresponding adjustment to retained earnings. Consequently, the total equity increased by an equivalent amount.

**Note 7: Remeasurements of post-employment benefit obligations:-**

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. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year. As result of this change the profit for the year ended 31st March, 2017 has increased by Rs.79.32 lakhs (net of tax Rs. 54.55 lakhs). There is no impact on the total equity as at 31st March 2017.

**Note 8: 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 the balance sheet approach has resulted in recognition of deferred tax asset on temporary differences which was not recognised under Indian GAAP. Also all Ind AS adjustments may have corresponding Deferred Tax Impact.

**Note 9: Retained Earnings**

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

**Note 10: Other Comprehensive Income**

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans and fair value gains or (losses) on FVOCI equity instruments. The concept of other comprehensive income did not exist under previous GAAP.

46. The previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary. Amounts and other disclosures for the preceding year are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures to the current year.

The accompanying notes 1 to 46 are an integral part of the financial statement.

For DHANDHANIA & ASSOCIATES

Chartered Accountants

F.R No: 316052E

(FCA UMESH BARASIA)

Partner

Membership No. 053158

Place : Kolkata – 700 001

Dated : 29th May, 2018

B.L. PATAWARI  
(Chief Financial Officer)

Mrs. KRITIKA MOHATA  
(Company Secretary)

I.B. SHARAF  
(Executive Director)

S.K. AGARWAL  
(Director)

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