B. C. Kundu & Co.
Chartered Accountants

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INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF
DARJEELING ORGANIC TEA ESTATES PVT LIMITED

REPORT ON THE STANDALONE INDIAN ACCOUNTING STANDARDS (IND AS) FINANCIAL STATEMENTS

1. We have audited the accompanying standalone Ind AS financial statements of DARJEELING ORGANIC TEA ESTATES PVT LIMITED ("the Company"), which comprises the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE IND AS FINANCIAL STATEMENTS

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements 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 accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under section 133 of the Act 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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AUDITOR'S RESPONSIBILITY

3. Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit. We have taken into account the provisions of the Act and the rules made there under, including 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.

4. We conducted our audit of the Standalone 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 Standalone Ind AS financial statements are free from material misstatement.

5. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. 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 standalone Ind AS financial statements.

6. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

OPINION

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2018, and its loss (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

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REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

8. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure 'A'** a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

9. As required by Section 143(3) of the Act, we report that:

    a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

    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, the Statement of Profit & Loss (including Other Comprehensive Income), the 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 standalone Ind AS financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

    e. On the basis of the written representations received from the directors as on March 31, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 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 with reference to standalone Ind AS financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in **Annexure 'B'** to this report.

    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 litigation as on March 31, 2018 on its financial position in its Standalone Ind AS financial statement – Refer Note no. 34A to the Standalone Ind AS financial statements;

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Chartered Accountants

ii. The Company did not have any material foreseeable losses on long-term contracts including derivative contracts;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year.

For & On Behalf of
B C KUNDU & Co.
Chartered Accountants
ICAI FRN 301007E

Place : Kolkata
Dated : 18th September , 2018

Subhransu Ganguli
Partner
Membership No. 054342

ANNEXURE-A TO THE INDEPENDENT AUDITORS' REPORT

The annexure referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date in respect to statutory audit of DARJEELING ORGANIC TEA ESTATES PVT LIMITED for the year ended March 31, 2018, we report that:

i. (a) The Company has maintained proper records to show full particulars including quantitative details and situation of the fixed assets.

(b) The fixed assets have been physically verified wherever practicable on a phased manner by the management and the reconciliation of the quantities with the book records has been done on continuous basis. Further the differences, if any, arising out of such reconciliation so far have been adjusted and no serious discrepancies between book records and physical inventory have been noticed.

(c) According to the information and explanations given to us by the Company, the original title deeds of immovable properties held in the name of the Company are kept under mortgage with the Banker and same could not be verified by us. Tea Estate Land and Factory at Jamguri & Ratanpur that have been capitalised in the books are not held in the name of the Company. Refer point A4 of Note 4 on Property Plant & Equipments.

ii. The inventories have been physically verified at reasonable intervals during the year by the management. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on verification between the physical stock and the book stock, wherever ascertained were not significant and have been properly dealt in the books of accounts.

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 the Act. Accordingly, the requirements of clauses (iii) (a), (b) & (c)of the paragraph 3 of the Order are not applicable.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans & investments made and the guarantees provided.

v. In our opinion and according to the information and explanations given to us, the Company did not receive any deposits covered under section 73 to 76 of the Act and the rules framed there under with regard to deposits accepted from the public during the year.

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vi. The Central Government has prescribed maintenance of cost records under section 148(1) of the Act, for the Company. We have broadly reviewed such accounts and records maintained by the Company pursuant to the rules and are of the opinion that prima facie, the prescribed accounts & records have been made & maintained but no detailed examination of such records and accounts have been carried out by us.

vii. According to the information and explanations given to us according to the books and records as produced and examined by us, in our opinion,

(a) the company is generally regular in depositing with appropriate authorities, undisputed statutory dues/liabilities except for Provident Fund, Professional Tax, GST (including GSTR return filing December'17 to March'18), stamp duty, service Tax, Corporate dividend tax and Income tax (Tax Deducted at Source), VAT & CST & cess.

According to the information and explanations given to us, no undisputed dues as above were outstanding as at March 31, 2018 for a period of more than six months from the date they became payable except the following:

Name of the Statute	Nature of the dues	Amount (Rs.)	Period to which amount relates
The Employees' Provident Funds And Miscellaneous Provisions Act, 1952	Provident Fund	222,360	April 2017 to Aug 2017
Income Tax Act 1961	Corporate Dividend Tax	132831	April 2016-March 2017
Finance Act 1994	Service tax	151507	April 2017-June 2017
Stamp Duty Act #	Stamp Duty	8778879	April 2016-March 2017
Goods & Service Tax Act	Goods & Service Tax	745405	July 2017- August 2017
West Bengal State Tax on Professions, Trades, callings and Employments Act 1979	Professional tax	144530	April 2016-March 2017
Income Tax Act 1961	TDS on Payment to Contractor	10952	July 2017- August 2017

as informed to us , this is a provisional liability which will be paid at the time of registration.

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Chartered Accountants

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax and cess as at March 31, 2018 which have not been deposited on account of dispute except for the following:

Name of the Statute	Nature of Dues	Amount (Rs.)	Forum where pending
Employees Provident Fund Act	Provident Fund – Happy Valley TE	78,00,000 (Rs.60,00,000) has been kept deposited with the Authorities.	PF Authorities

viii. According to the records of the Company examined by us and the information and explanations provided to us, the company has not defaulted in the repayment of loans or borrowings to the banks & financial institutions. The Company has not issued any debentures during the year nor is anything outstanding as on the balance sheet date.

ix. According to the information and explanation given to us and based on our overall examination of the books of accounts, we report that the company has availed term loan facility during the year and has been applied by the Company during the year for the purpose for which they were raised. Furthermore, the company has neither raised moneys through initial public offer nor through further public offer during the year.

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 fraud by the Company or any fraud on the company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.

xi. The information as regards whether the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act is not applicable to private limited companies

xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

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xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards.

xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has made private placement / preferential allotment of shares during the year. 8000 Class C Equity Shares of Rs. 10 each aggregating to Rs.80,000/- has been issued along with a Security Premium amount of Rs.23,40,560/-. However, return of allotment has been filed subsequently filed on 18/09/2018 with the Registrar of Companies and proceeds of the issue received as application money prior to allotment has not been kept in separate bank account as required by the Companies Act 2013.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

xvi. According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

For & On Behalf of
B C KUNDU & Co.
Chartered Accountants
ICAI FRN 301007E

B. C. KUNDU & CO. P-17, Mission Row Extn. Kolkata-700013 Chartered Accountants

Sganguli

Subhransu Ganguli
Partner
Membership No. 054342

Place : Kolkata
Dated : 18th September , 2018

ANNEXURE-B TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in paragraph 2 (f) under the heading "Report on Other Legal and Regulatory Requirements" of our Independent Auditor's Report of even date, in respect to the internal financial control under clause (i) of sub-section 3 of section 143 of the Act, of DARJEELING ORGANIC TEA ESTATES PVT LIMITED for the year ended March 31, 2018, we report that:

We have audited the internal financial controls over financial reporting of DARJEELING ORGANIC TEA ESTATES PVT LIMITED ("the Company") as of March 31, 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.

AUDITOR'S RESPONSIBILITY

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

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Chartered Accountants

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 standalone Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone Ind AS 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.

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P-17, Mission Row Extn. Kolkata-700013
Chartered Accountants

OPINION

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

For & On Behalf of
B C KUNDU & Co.
Chartered Accountants
ICAI FRN 301007E

B. C. KUNDU & CO. P-17, Mission Row Extn. Kolkata-700013 Chartered Accountants

Place : Kolkata
Dated : 18th September , 2018

Subhransu Ganguli
Partner
Membership No. 054342

DARJEELING ORGANIC TEA ESTATES PRIVATE LIMITED
BALANCE SHEET AS AT 31st MARCH, 2018

(In Rs.)

		Note No.	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
A	**ASSETS**				
1	**Non-current Assets**				
	Property, Plant and Equipment	4	**10,08,64,42,825**	10,05,70,63,424	8,87,89,07,013
	Capital Work-in-Progress	5	**62,80,52,538**	38,60,82,553	39,33,35,739
	Financial Assets				
	(i) Other Financial Assets	6	**44,71,483**	37,70,404	1,33,32,518
	Current Tax Assets	7	**32,61,365**	1,33,106	20,58,594
	Other Non-Current Assets	8	**1,89,94,914**	2,80,69,696	1,94,65,250
			10,74,12,23,125	10,47,51,19,183	9,30,70,99,114
2	**Current Assets**				
	Inventories	9	**33,41,22,745**	28,53,18,031	19,94,08,317
	Biological Assets other than Bearer Plants	10	**1,73,57,946**	1,11,76,024	1,64,96,442
	Financial Assets				
	(i) Loans	11	**40,74,038**	1,93,90,477	2,08,56,399
	(ii) Trade Receivables	11A	**11,75,22,896**	34,36,34,820	43,50,13,040
	(iii) Cash & Cash Equivalents	12	**1,16,21,549**	78,07,055	44,97,709
	(iv) Other Financial Assets	6	**3,29,77,058**	22,06,97,987	22,96,55,401
	Other Current Assets	13	**8,18,46,651**	16,67,50,522	7,32,19,599
			59,95,22,883	1,05,47,74,916	97,91,46,907
	Total		**11,34,07,46,008**	11,52,98,94,099	10,28,62,46,021
B	**EQUITY & LIABILITIES**				
1	**Equity**				
	Equity Share Capital	14	**27,04,48,910**	27,03,68,910	22,50,24,291
	Instruments Entirely Equity in Nature	14	**5,80,89,560**	5,80,89,560	-
	Other Equity	15	**7,31,35,14,224**	7,54,61,76,282	5,86,12,79,677
			7,64,20,52,694	7,87,46,34,752	6,08,63,03,968
2	**Non Current Liabilities**				
	Financial Liabilities				
	(i) Borrowings	16	**99,89,50,981**	1,07,46,36,700	1,45,92,67,327
	Provisions	17	**20,34,44,890**	16,22,87,475	13,55,08,921
	Other Non Current Liabilities	18	**6,03,55,278**	7,33,88,615	9,16,84,499
	Deferred Tax Liabilities (net)	19	**1,76,71,43,364**	1,79,37,92,720	1,52,45,10,508
			3,02,98,94,513	3,10,41,05,510	3,21,09,71,255
3	**Current Liabilities**				
	Financial Liabilities				
	(i) Borrowings	20	**27,16,05,731**	16,74,67,697	77,07,26,506
	(ii) Trade Payables	21	**8,15,13,496**	4,44,82,957	2,15,57,884
	(iii) Other Financial Liabilities	22	**16,69,48,234**	21,58,31,808	6,82,65,664
	Other Current Liabilities	23	**13,63,53,620**	10,68,75,881	10,09,93,026
	Provisions	24	**-**	-	-
	Current Tax Liabilities (net)	25	**1,23,77,720**	1,64,95,494	2,74,27,718
			66,87,98,801	55,11,53,837	98,89,70,798
	Total		**11,34,07,46,008**	11,52,98,94,099	10,28,62,46,021

Significant Accounting Policies and other information 1-3

Other notes to the financial statements 34-49

The accompanying notes form an integral part of the financial statements
This is the Balance Sheet referred to in our report of even date.

As per our Report of even date
For B.C.KUNDU & CO.
Chartered Accountants
ICAI Firm Registration No. 301007E

Subhrajit Ganguli
Partner
Membership No. 054342
Place : Kolkata
Date :

For and behalf of the Board of Directors

Sanjay P Bansal
(Director)

Reena Bansal
(Director)

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2018

(In Rs.)

	Particulars	Note No.	For the Year Ended 31st March 2018	For the Year Ended 31st March 2017
I	**INCOME**			
	Revenue from Operations	26	1,06,11,02,992	1,25,12,84,446
	Other Income	27	1,50,71,645	3,16,66,764
	Total Income		1,07,61,74,637	1,28,29,51,210
II	**EXPENSES**			
	Purchases		49,31,42,412	43,02,16,397
	Changes in Inventories of Finished Goods	28	(4,88,04,714)	(8,59,09,713)
	Stores & Spares			
	Employee Benefits Expense	29	44,46,02,298	53,81,58,903
	Finance Costs	30	14,41,55,549	26,16,18,442
	Depreciation	4	16,17,34,632	19,13,52,433
	Other Expenses	31	16,03,70,269	24,17,31,252
	Total Expenses		1,35,52,00,446	1,57,71,67,714
III	**PROFIT/ (LOSS) BEFORE TAX & EXCEPTIONAL ITEMS**		(27,90,25,810)	(29,42,16,504)
	Exceptional Items	31A	3,78,42,698	-
IV	**PROFIT/ LOSS) BEFORE TAX**		(24,11,83,111)	(29,42,16,504)
	Tax expense	32		
	Current tax		-	-
	Income Tax for earlier years			34,13,000
	Deferred tax		(2,05,67,137)	26,99,65,192
	Total Tax expense		(2,05,67,137)	27,33,78,192
V	**PROFIT/ (LOSS) FOR THE YEAR AFTER TAX**		(22,06,15,974)	(56,75,94,695)
VI	**OTHER COMPREHENSIVE INCOME**	33		
	i Items that will not be classified to profit and loss		(1,96,83,556)	(22,10,290)
	ii Income tax relating to items that will not be classified to profit and loss		60,82,219	6,82,980
	Total Other Comprehensive Income For The Year		(1,36,01,337)	(15,27,310)
VII	**TOTAL COMPREHENSIVE INCOME FOR THE YEAR**		(23,42,17,311)	(56,91,22,006)
	EARNING PER EQUITY SHARE (Face value of Rs 10/- each)	47		
	Basic (Rs.)		(7.60)	(20.44)
	Diluted (Rs.)		(6.33)	(16.90)
	Significant Accounting Policies and other information	1-3		
	Contingent liabilities and Other notes to the financial statements	34-49		

The accompanying notes form an integral part of the financial statements
This is the Statement of Profit & Loss referred to in our report of even date.

As per our Report of even date
For B. C. KUNDU & CO.
Chartered Accountants
ICAI Firm Registration No. 301007E

For and behalf of the Board of Directors

Subhranshu Ganguli
Partner
Membership No. 054342
Place : Kolkata
Date :

B C KUNDU & CO. P-17, Mission Row Extn. Kolkata-700013 Chartered Accountants

Sanjay P Bansal
(Director)

Reena Bansal
(Director)

DARJEELING ORGANIC TEA ESTATES PRIVATE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2018

(In Rs)

	For the Year Ended 31st March 2018		For the Year Ended 31st March 2017	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit before tax & after Exceptional Items		(24,11,83,111)		(29,42,16,504)
Adjustment for:				
Depreciation & amortization expense	16,17,34,632		19,13,52,433	
Finance cost	14,41,55,549		26,16,18,442	
Change in fair value of biological assets	(61,81,922)		53,20,417	
Other comprehensive income	(1,96,83,556)		(22,10,290)	
		28,00,24,704		45,60,81,002
Operating profit before Working Capital changes		3,88,41,592		16,18,64,498
Adjustments for Working Capital changes				
Decrease/(increase) in non current other financial assets	(7,01,079)		95,62,114	
Decrease/(increase) in other non current assets	90,74,782		(86,04,446)	
Decrease/(increase) in inventories	(4,88,04,714)		(8,59,09,713)	
Decrease/(increase) in Loans	1,53,16,439		14,65,922	
Decrease/(increase) in current financial assets				
Trade receivables	22,61,11,924		9,13,78,220	
Other financial assets	18,77,20,929		89,57,414	
Decrease/(increase) in other current assets	8,49,03,871		(9,35,30,923)	
Increase/(decrease) in non current provisions	4,11,57,415		2,67,78,554	
Increase/(decrease) in current financial liabilities				
Trade payables	3,70,30,539		2,29,25,073	
Other financial liabilities	(4,90,16,405)		14,75,66,144	
Increase/(decrease) in non current liabilities	(1,30,33,337)		(1,82,95,884)	
Increase/(decrease) in other current liabilities	2,94,77,739		58,82,855	
Increase/(decrease) in short term provisions	-		-	
		51,92,38,103		10,81,75,330
Cash generated from operations		55,80,79,695		27,00,39,828
(Tax paid) /refund received (net)		(72,46,033)		(1,24,19,736)
Net cash from operating activities		55,08,33,662		25,76,20,092
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Property, Plant and Equipment, CWIP	(43,30,84,019)		(1,36,02,98,464)	
Net cash generated / (used) in investing activities		(43,30,84,019)		(1,36,02,98,464)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Increase/(decrease) from long term borrowings	(7,56,85,719)		(38,46,30,627)	
Increase/(decrease) in short term borrowings	10,41,38,034		(60,32,58,809)	
Issue of Equity Share Capital	24,20,560		2,35,67,99,688	
Dividend Paid	(6,52,476)		(13,04,092)	
Finance cost	(14,41,55,549)		(26,16,18,442)	
Net cash from financing activities		(11,39,35,150)		1,10,59,87,718
Net change in Cash and Bank balances		38,14,494		33,09,346
Net Increase / (-) Decrease in Cash and Bank balances				
Balance at the end of the year		1,16,21,549		78,07,055
Balance at the beginning of the year		78,07,055		44,97,709
Net changes in Cash and Bank balances		38,14,494		33,09,346

Notes:

The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS) 7, Statement of Cash Flows.

The accompanying notes form an integral part of the financial statements
This is the Cash Flow Statement referred to in our report of even date.
As per our Report of even date

For B.C.KUNDU & CO.
Chartered Accountants
ICAI Firm Registration No. 301007E

Subhransu Ganguli
Partner
Membership No. 054342
Place : Kolkata
Date :

For and behalf of the Board of Directors

Sanjay P Bansal
(Director)

Reena Bansal
(Director)

DARJEELING ORGANIC TEA ESTATES PRIVATE LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH, 2018

(In Rs.)

A. EQUITY SHARE CAPITAL (Refer Note No. 14)

	As at 31st March, 2018	As at 31st March, 2017
Balance at the year beginning	27,03,68,910	22,50,24,291
Change in equity share capital during the year	80,000	4,53,44,619
Balance at the year end	27,04,48,910	27,03,68,910

B. INSTRUMENTS ENTIRELY EQUITY IN NATURE (Refer Note No. 14)

	As at 31st March, 2018	As at 31st March, 2017
Balance at the year beginning	5,80,89,560	-
Change in preference share capital during the year	-	5,80,89,560
Balance at the year end	5,80,89,560	5,80,89,560

C. OTHER EQUITY (Refer Note No. 15)

For the year ended 31st March, 2018

Particulars	Reserve & Surplus				Other Comprehensive Income	Total
	Capital Redemption Reserve	Securities Premium Account	Capital Reserve	Retained Earnings	Remeasurement of defined benefit plan	
Balance as at 1st April, 2017	1,59,00,000	5,04,65,32,451	3,91,51,07,407	(1,42,98,36,265)	(15,27,310)	7,54,61,76,282
Add : For the Year	-	-	-	(22,06,15,974)	(1,36,01,337)	(23,42,17,311)
Add: On conversion of CCPS into equity shares	-	-	-	-	-	-
Add: Current Year Transfer (Equity)	-	23,40,560	-	-	-	23,40,560
Add: Overcharged Depn in earlier year	-	-	-	-	-	-
Less: Dividend payable on equity shares	-	-	-	(5,36,297)	-	(5,36,297)
Less: Dividend payable on preference shares	-	-	-	(1,16,179)	-	(1,16,179)
Less: Dividend distribution tax payable	-	-	-	(1,32,831)	-	(1,32,831)
Less: Amortized during the year	-	-	-	-	-	-
Balance as at 31st March, 2018	1,59,00,000	5,04,88,73,011	3,91,51,07,407	(1,65,12,37,546)	(1,51,28,648)	7,31,35,14,224

For the year ended 31st March, 2017

Particulars	Reserve & Surplus				Other Comprehensive Income	Total
	Capital Redemption Reserve	Securities Premium Account	Capital Reserve	Retained Earnings	Remeasurement of defined benefit plan	
Balance as at 1st April, 2016	1,59,00,000	2,79,31,66,942	3,91,51,07,407	(86,28,94,672)	-	5,86,12,79,677
Add : For the Year	-		-	(56,75,94,695)	(15,27,310)	(56,91,22,006)
Add : On conversion of CCPS into equity shares	-	1,46,24,04,673	-	-	-	1,46,24,04,673
Add : Current Year Transfer (Equity)	-	79,09,60,836	-	-	-	79,09,60,836
Other Comprehensive Income/ (loss) for the year net of deferred tax	-	-	-	-	-	-
Add : Overcharged Depn in earlier year	-	-	-	19,57,194	-	19,57,194
Less : Dividend payable on equity shares	-	-	-	(10,83,511)	-	(10,83,511)
Less : Dividend payable on preference shares	-	-	-	-	-	-
Less : Dividend distribution tax payable	-	-	-	(2,20,581)	-	(2,20,581)
Less : Amortized During the year	-	-	-	-	-	-
Balance as at 31st March, 2017	1,59,00,000	5,04,65,32,451	3,91,51,07,407	(1,42,98,36,265)	(15,27,310)	7,54,61,76,282

The accompanying notes form an integral part of the financial statements

As per our Report of even date
For B.C.KUNDU & CO.
Chartered Accountants
ICAI Firm Registration No. 301007E

Subhrangshu Ganguli
Partner
Membership No. 054342
Place : Kolkata
Date :

B C KUNDU & CO.
P-17, Mission Row Extn.
Kolkata-700013
Chartered Accountants

For and behalf of the Board of Directors

Sanjay P Bansal
(Director)

Reena Bansal
(Director)

DARJEELING ORGANIC TEA ESTATES PRIVATE LIMITED

Notes to the financial statements for the year ended 31st March, 2018

Schedules for the year ended 31st March 2018

04. Property Plant and Equipment

(In Rs.)

Description	Gross Block				Accumulated Depreciation				Net Block	
	As at 01-04-2017	Addition during the year	Sales/Disposals	As at 31-03-2018	As at 01-04-2017	For the Period	Sales/Disposals	As at 31-03-2018	As at 31-03-2018	As at 31-03-2017
Freehold Land	1,35,01,31,783	46,475	-	1,35,01,78,258	-	-	-	-	1,35,01,78,258	1,35,01,31,783
Plantations/ Bearer Plants	3,78,25,75,435	-	-	3,78,25,75,435	5,81,75,131	5,81,75,131	-	11,63,50,262	3,66,62,25,173	3,72,44,00,304
Leasehold Land	2,39,66,19,911	-	-	2,39,66,19,911	-	-	-	-	2,39,66,19,911	2,39,66,19,911
Buildings	1,96,62,41,896	16,29,04,454	-	2,12,91,46,350	4,20,60,257	4,63,65,621	-	8,84,25,878	2,04,07,20,472	1,92,41,81,639
Plant and Equipments	70,60,77,009	1,99,55,015	-	72,60,32,024	8,05,61,510	4,50,04,236	-	12,55,65,746	60,04,66,278	62,55,15,499
Furniture and Fixtures	1,32,59,991	55,51,187	-	1,88,11,178	26,97,518	30,61,263	-	57,58,781	1,30,52,397	1,05,62,473
Vehicles	2,76,39,819	21,87,689	-	2,98,27,508	58,58,796	69,89,899	-	1,28,48,695	1,69,78,813	2,17,81,023
Computer	58,70,013	4,69,213	-	63,39,226	19,99,221	21,38,482	-	41,37,703	22,01,523	38,70,792
Total	10,24,84,15,857	19,11,14,033	-	10,43,95,29,890	19,13,52,433	16,17,34,632	-	35,30,87,065	10,08,64,42,825	10,05,70,63,424

05. Capital Work In Progress

Description	As at 01-04-2017	Addition during the year	Capitalized during the year	As at 31-03-2018	As at 31-03-2017
Bearer Plants	14,46,88,153	25,72,95,913	-	40,19,84,066	14,46,88,153
Other Capital Work In Progress	24,13,94,400	22,60,68,472	24,13,94,400	22,60,68,472	24,13,94,400
Total	**38,60,82,553**	**48,33,64,385**	**24,13,94,400**	**62,80,52,538**	**38,60,82,553**

Schedules for the year ended 31st March 2017

04. Property Plant and Equipment

Description	Gross Block				Accumulated Depreciation				Net Block	
	Deemed Cost as on 01-04-2016 (Refer Note A3)	Addition during the year	Sales/Disposals	As at 31-03-2017	As at 01-04-2016	For the year	Sales/Disposals	As at 31-03-2017	As at 31-03-2017	As at 31-03-2016
Freehold Land	68,01,69,167	66,99,62,616	-	1,35,01,31,783	-	-	-	-	1,35,01,31,783	68,01,69,167
Plantations/ Bearer Plants	3,52,82,43,869	25,43,31,566		3,78,25,75,435		5,81,75,131		5,81,75,131	3,72,44,00,304	3,52,82,43,869
Leasehold Land	2,29,66,19,911	10,00,00,000	-	2,39,66,19,911	-	-	-	-	2,39,66,19,911	2,29,66,19,911
Buildings	1,86,62,06,326	10,00,35,570	-	1,96,62,41,896	-	4,20,60,257	-	4,20,60,257	1,92,41,81,639	1,86,62,06,326
Plant and Equipment	47,24,21,124	23,36,55,885	-	70,60,77,009	-	8,05,61,510	-	8,05,61,510	62,55,15,499	47,24,21,124
Furniture and Fixtures	1,07,79,035	24,80,956	-	1,32,59,991	-	26,97,518	-	26,97,518	1,05,62,473	1,07,79,035
Vehicles	2,02,79,211	73,60,608	-	2,76,39,819	-	58,58,796	-	58,58,796	2,17,81,023	2,02,79,211
Computer	41,88,370	16,81,643	-	58,70,013	-	19,99,221	-	19,99,221	38,70,792	41,88,370
Total	8,87,89,07,013	1,36,95,08,844	-	10,24,84,15,857	-	19,13,52,433	-	19,13,52,433	10,05,70,63,424	8,87,89,07,013

05. Capital Work In Progress

Description	As at 01-04-2016	Addition during the year	Capitalized during the year	As at 31-03-2017	As at 01-04-2016
Bearer Plants	-	14,46,88,153	-	14,46,88,153	-
Other Capital Work In Progress	39,33,35,739	3,73,50,466	18,92,91,805	24,13,94,400	39,33,35,739
Total	**39,33,35,739**	**18,20,38,619**	**18,92,91,805**	**38,60,82,553**	**39,33,35,739**

Other Notes to Note No 04 to 05

Disclosures for Property, Plant & Equipment (PPE) ,Capital Work-in-Progress (CWIP)

A1. Refer Note No 48 for information on Property, Plant and Equipment and Intangible Assets pledged as security by the Company.
A2. There has been no impairment loss on above assets during the year.
A3. The Company has elected optional exemption under Ind AS 101 to measure Property, Plant and Equipment at previous GAAP carrying value.
A4. The title deeds of the immovable properties are held in the name of the Company except forTea Estate Land and Factory at Jamguri & Ratanpur.

DARJEELING ORGANIC TEA ESTATES PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

(In Rs.)

6. FINANCIAL ASSETS - OTHERS	Non Current			Current		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Unsecured, considered good						
(a) Security Deposit	**23,64,191**	18,60,080	11,53,887	-	-	-
(b) Investment in Term Deposits (with remaining maturity of more than 12 months) *	**21,07,292**	19,10,324	1,21,78,631	-	-	-
(c) Others - Advances Recoverable from Others	-	-	-	**3,29,77,058**	22,06,97,987	22,96,55,401
Total	**44,71,483**	**37,70,404**	**1,33,32,518**	**3,29,77,058**	22,06,97,987	22,96,55,401

* Fixed Deposit amounting to Rs.21,07,292/- (PY Rs. 19,10,324/-) held as Margin Money against Bank Guarantee

7. CURRENT TAX ASSETS	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
TDS and Advance tax (Net of Provisions)	**32,61,365**	1,33,106	20,58,594
Total	**32,61,365**	1,33,106	20,58,594

8. OTHER NON CURRENT ASSETS	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Other Advances			
Others - Unsecured, considered good	**1,89,94,914**	2,80,69,696	1,94,65,250
Total	**1,89,94,914**	2,80,69,696	1,94,65,250

There are no advances to directors or other officers of the Company or any of them either severally or jointly with any other persons or advances to firms or private companies respectively in which any director is a partner or a director or a member.

9. INVENTORIES	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(As taken valued and certified by the management) At Cost or Net Realisable Value whichever is lower			
(a) **Finished Goods**	**30,91,07,714**	25,49,59,045	16,55,14,032
(b) **Stores & Spares**	**2,50,15,031**	3,03,58,986	3,38,94,285
Total	**33,41,22,745**	28,53,18,031	19,94,08,317

- During the year ended 31st March, 2018 and year ended 31st March, 2017 no amount was recognised as an expense for the inventories carried at net realisable value.
- Refer Note No 48 for details of carrying amount of Inventories pledged with banks against Working Capital loans.
- Stores and Spares does not include machinery spares which can be used only in connection with an item of Fixed Assets.

DARJEELING ORGANIC TEA ESTATES PVT. LTD. KOL-13

B C KUNDU & CO. P-17, Mission Row Extn. Kolkata-700013 Chartered Accountants

10. BIOLOGICAL ASSETS	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Opening Balance	1,11,76,024	1,64,96,442	-
Add: Unharvested green tea leaves recognised at fair value	1,73,57,946	1,11,76,024	1,64,96,442
Less: Transfer of harvested green tea leaves for production	1,11,76,024	1,64,96,442	-
Closing Balance	1,73,57,946	1,11,76,024	1,64,96,442

11 LOANS	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Loan given to Employees			
Unsecured, Considered Good	40,74,038	1,93,90,477	2,08,56,399
	40,74,038	1,93,90,477	2,08,56,399

11A TRADE RECEIVABLES			
Others- Unsecured, considered good	11,75,22,896	34,36,34,820	43,50,13,040
	-	-	-
	11,75,22,896	34,36,34,820	43,50,13,040

- There are no debts due by directors or other officers of the Company or any of them either severally or jointly with any other persons or debts due by firms or private companies respectively in which any director is a partner or a director or a member.

- The Company has done the Impairment Assesement for Trade Receivables based on Expected credit loss model (ECL) considering the credit risk as significantely low. The Company has used a simplified approach based on a 12 months ECL. Based on past trends of collection of receivables, the management do not anticipate any provision for expected credit loss in the current year.

12. CASH & CASH EQUIVALENTS	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(a) Balance with banks:			
In Current Accounts	94,17,508	68,00,214	40,38,523
(b) Cash in hand (As certified by the management)	22,04,041	10,06,841	4,59,186
	-	-	-
	1,16,21,549	78,07,055	44,97,709

DARJEELING ORGANIC TEA ESTATES PVT. LTD. KOL-13

B. C. KUNDU & CO. P-17, Mission Row Extn. Kolkata-700013 Chartered Accountants

DARJEELING ORGANIC TEA ESTATES PVT. LTD. KOL-13

DARJEELING ORGANIC TEA ESTATES PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

(In Rs.)

13. OTHER CURRENT ASSETS

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(a) Other Advances			
(i) Unsecured, considered good			
- Balances with government departments			
- Green Leaf Cess	3,41,43,590	-	-
(b) Prepaid Expenses	60,633	49,685	41,404
(c) MAT credit Entitlement	41,17,275	24,47,306	26,81,511
(d) Advance paid to suppliers	44,83,862	44,83,862	44,83,862
(e) Subsidy Receivable	1,50,66,225	13,74,62,656	5,90,40,957
(f) Advance paid for Services	22,73,195	28,44,190	69,71,865
	2,17,01,871	1,94,62,823	
	8,18,46,651	16,67,50,522	7,32,19,599

There are no advances to directors or other officers of the Company or any of them either severally or jointly with any other persons or advances to firms or private companies respectively in which any director is a partner or a director or a member.

B. C. KUNDU & CO. P-17, Mission Row Extn. Kolkata-700013 Chartered Accountants

DARJEELING ORGANIC TEA ESTATES PVT. LTD. KOL-13

DARJEELING ORGANIC TEA ESTATES PVT. LTD. KOL-13

DARJEELING ORGANIC TEA ESTATES PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

(In Rs.)

14. EQUITY SHARE CAPITAL (Refer Statement of Changes in Equity)	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Authorised Equity Shares			
130,00,000 (31.03.17: 130,00,000, 01.04.16: 121,00,000) Ordinary Equity Shares of Rs. 10 each	13,00,00,000	13,00,00,000	12,10,00,000
60,000 (31.03.17: 60,000, 01.04.16: 60,000) Class A Equity Shares of Rs. 10 each	6,00,000	6,00,000	6,00,000
99,999 (31.03.17: 99,999, 01.04.16: 69,99,999) Class B Equity Shares of Rs. 10 each	9,99,990	9,99,990	6,99,99,990
54,00,000 (31.03.17: 54,00,000, 01.04.16: 54,00,000) Class C Equity Shares of Rs. 10/- each	5,40,00,000	5,40,00,000	5,40,00,000
77,00,000 (31.03.17: 77,00,000, 01.04.16: 77,00,000) Investor Equity Shares of Rs. 10/- each	7,70,00,000	7,70,00,000	7,70,00,000
27,00,000 (31.03.17: 27,00,000, 01.04.16: 27,00,000) Class D Equity Shares of Rs. 10 each	2,70,00,000	2,70,00,000	2,70,00,000
25,00,000 (31.03.17: 25,00,000, 01.04.16: 27,00,000) Class E Equity Shares of Rs. 10 each	2,50,00,000	2,50,00,000	2,70,00,000
Instruments Entirely Equity in Nature			
62,00,000 (31.03.17: 62,00,000, 01.04.16: NIL) 2% Compulsory Convertible Preference Shares of Rs. 10 each	6,20,00,000	6,20,00,000	-
Total	37,65,99,990	37,65,99,990	37,65,99,990
Issued, Subscribed and Fully Paid Up Equity Shares			
91,98,759 (31.03.17: 91,98,759, 01.04.16: 91,98,759) Ordinary Equity Shares of Rs. 10 each	9,19,87,590	9,19,87,590	9,19,87,590
76,65,633 (31.03.17: 76,65,633, 01.04.16: 76,65,633) Investor Equity Shares of Rs. 10 each	7,66,56,330	7,66,56,330	7,66,56,330
54,887 (31.03.17: 54,887, 01.04.16: 54887) Class B Equity Shares of Rs. 10 each	5,48,870	5,48,870	5,48,870
51,457 (31.03.17: 51,457, 01.04.16: 51457) Class A Equity Shares of Rs. 10 each	5,14,570	5,14,570	5,14,570
48,13,819 (31.03.17: 48,05,819, 01.04.16: 48,05,819) Class C Equity Shares of Rs. 10 each	4,81,38,190	4,80,58,190	4,80,58,190
25,29,659 (31.03.17: 25,29,659, 01.04.16: NIL) Ordinary Equity Shares of Rs. 10 each*	2,52,96,590	2,52,96,590	-
23,842 (31.03.17: 23,842, 01.04.16:NIL) Class B Equity Shares of Rs. 10 each*	2,38,420	2,38,420	-
23,52,620 (31.03.17: 23,52,620, 01.04.16:NIL) Class E Equity Shares of Rs. 10 each*	2,35,26,200	2,35,26,200	-
1,32,170 (31.03.17: 1,32,170, 01.04.16:NIL) Class D Equity Shares of Rs. 10 each*	13,21,700	13,21,700	-
*Share capital is increased due to partly paid up to fully paid up is for consideration received other than cash amounting to Rs.8440 Lakhs in Financial year 2016-17			
Issued, Subscribed and Partly Paid up Equity Shares			
NIL (31.03.17: NIL, 01.04.16: 2529659) Ordinary Equity Shares of Rs. 10 each, paid up Re 1 each	-	-	25,29,659
NIL (31.03.17: NIL, 01.04.16: 23842) Class B Equity Shares of Rs. 10 each, paid up Re 1 each	-	-	23,842
22,20,450 (31.03.17: 22,20,450, 01.04.16: 2352620) Class D Equity Shares of Rs. 10 each, paid up Re 1 each	22,20,450	22,20,450	23,52,620
NIL (31.03.17: NIL, 01.04.16:235620) Class E Equity Shares of Rs. 10 each, paid up Re 1 each	-	-	23,52,620
Total (A)	27,04,48,910	27,03,68,910	22,50,24,291
Issued, Subscribed and Fully Paid Up Instruments entirely Equity in Nature			
58,08,956 (31.03.17: 58,08,956, 01.04.16: NIL) 2% Compulsory Convertible Preference Shares of Rs. 10 each	5,80,89,560	5,80,89,560	-
Total (B)	5,80,89,560	5,80,89,560	-
Grand Total (A+B)	32,85,38,470	32,84,58,470	22,50,24,291

DARJEELING ORGANIC TEA ESTATES PVT. LTD. ★ KOL-13

B. C. KUNDU & CO. P-17, Mission Row Extn. Kolkata-700013 ★ Chartered Accountants ★

DARJEELING ORGANIC TEA ESTATES PVT. LTD. ★ KOL-13

DARJEELING ORGANIC TEA ESTATES PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

(In Rs.)

(a) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31st March 2018		As at 31st March 2017		As at 1st April 2016	
	No. of Shares	Amount (Rs.)	No. of Shares	Amount (Rs.)	No. of Shares	Amount (Rs.)
Equity Shares outstanding at the beginning of the year (includingOrdinary, Investor and Class A, B, C, D,E)	2,90,35,296	27,03,68,910	2,90,35,296	22,50,24,291	2,90,35,296	22,50,24,291
Equity Shares issued during the year	8,000	80,000	-	-	-	-
Equity Shares bought back during the year	-	-	-	-	-	-
Equity Shares converted from partly paid to fully paid up shares	-	-	-	4,53,44,619	-	-
Equity Shares outstanding at the end of the year	2,90,43,296	27,04,48,910	2,90,35,296	27,03,68,910	2,90,35,296	22,50,24,291

(b) Reconciliation of the number of compulsorily convertible preference shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31st March 2018		As at 31st March 2017		As at 1st April 2016	
	No. of Shares	Amount (Rs.)	No. of Shares	Amount (Rs.)	No. of Shares	Amount (Rs.)
Compulsorily convertible preference shares outstanding at the beginning of the year	58,08,956	5,80,89,560	-	-	-	-
Compulsorily convertible preference shares issued during the year (CCPS)	-	-	58,08,956	5,80,89,560	-	-
Compulsorily convertible preference shares converted from partly paid to fully paid	-	-	-	-	-	-
Compulsorily convertible preference shares outstanding at the end of the year	58,08,956	5,80,89,560	58,08,956	5,80,89,560	-	-

(c) Terms/ Rights attached to Equity Shares

The Company has issued the following classes of equity shares having a par value of Rs. 10 per share, namely:

(i) Class A Shares shall mean the fully paid equity shares issued by the Company to ABP and Duxton pursuant to the First Investment Agreement which shall on and from the Closing Date, rank paripassu with the Ordinary Shares in respect of all rights and benefits, including, but not limited to, economic rights, voting rights, dividends, stock splits, bonus and/or rights issuances.

(ii) Class B Shares shall mean the equity shares of the Company issued by the Company to the Promoters pursuant to the First Investment Agreement which are fully paid up on the Effective Date and shall on and from the Closing Date rank paripassu with the Ordinary Shares in respect of all rights and benefits, including, but not limited to, economic rights, voting rights, dividends, stock splits, bonus and/or rights issuances.

(iii) Class C Shares shall mean the equity shares of the Company issued to the Existing Investors pursuant to the Second Investment Agreement and shall include the Peacock Investors Conversion Shares, Oikocredit Conversion Shares and Bostaurus Conversion Shares to be issued upon conversion of the Peacock Investors CCPS, Oikocredit CCPS and Bostaurus CCPS on the Conversion Date and the Peacock Investors Class C Shares, if any, constituting a separate class of Shares and rank paripassu with the Ordinary Shares in respect of all rights and benefits, including, but not limited to, economic rights, voting rights, dividends, stock splits, bonus and/or rights issuances.

(iv) Class D Shares shall mean a separate class of partly paid equity shares issued to the Promoters pursuant to the Second Investment Agreement at a premium of Rs. 207.91(Rupees Two Hundred Seven and Ninety One Paise) per share, compounded at the rate of 8% per annum from the closing date under the Second Investment Agreement, and ranking paripassu with the Ordinary Shares in respect of all rights and benefits, including, but not limited to, economic rights, voting rights, dividends, stock splits, bonus and/or rights issuances. 132,170 (One Hundred Thirty Two Thousand One Hundred and Seventy) Class D Shares are fully paid up as on the Effective Date.

(v) Class E Shares shall mean a separate class of partly paid equity shares issued to the Promoters pursuant to the Second Investment Agreement at a price of Rs. 217.91(Rupees Two Hundred Seventeen and Ninety One Paise) per share which are fully paid up as on the Effective Date and rank paripassu with the Ordinary Shares in respect of all rights and benefits, including, but not limited to, economic rights, voting rights, dividends, stock splits, bonus and/or rights issuances.

(vi) Investor Shares shall mean separate class of equity shares issued by the Company to Duxton and ABP pursuant to the First Investment Agreement which shall on and from the Closing Date rank paripassu with the Ordinary Shares in respect of all rights and benefits, including, but not limited to, economic rights, voting rights, dividends, stock splits, bonus and/or rights issuances without any additional rights and benefits.

(vii) Ordinary Shares shall mean the ordinary equity shares of the Company having a face value of Rs. 10 (Rupees ten only).

(viii) The Company declares and pay dividend in Indian Rupees. The dividend proposed by the board of directors is subject to the approval of shareholders in the ensuing Annual General Meeting.

B. C. KUNDU & CO.
P-17, Mission Row Extn. Kolkata-700013
Chartered Accountants

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(In Rs.)

(d) Terms/ Rights attached to Compulsorily Convertible Preference Shares

(i) During the Financial Year 2016-17, the Company issued 2% Compulsorily Convertible Preference Shares (CCPS) having a face value of Rs. 10 (Rupees Ten) per CCPS, at a premium of Rs. 251.75 (Rupees Two Hundred and Fifty One and Seventy Five Paise) per CCPS. The total value of each CCPS is Rs. 261.75 (Rupees Two Hundred and Sixty One and Seventy Five Paise).

(ii) This investment was enacted on the basis of the Investment Agreement dated 6th December 2016 and the details of the Investors, Investment Amount and the Number of CCPS issued is as per the table below:

S. No	Name of the Investors	Number of Investors CCPS	Investors Investment Amount (in Rs. Lakhs)
1	Oikocredit Ecumenical Development Cooperative Society U.A.	14,13,562	3,700
2	Duxton Agricultural Land Fund	2,28,722	599
3	Concolor AG	14,11,199	3,693
4	Artava AG	14,11,199	3,694
5	AUWA Holding GmbH	5,63,061	1,474
6	GLS Treuhande.V	4,21,705	1,104
7	Stiftung Evidenz	2,80,349	734
8	Bostaurus Nominees Pty Ltd	79,159	207
	Total	58,08,956	15,205

(iii) The Subscription CCPS shall carry a preferential right to receive dividend at the rate of 2 % (two per cent) per annum on the face value of such Subscription CCPS. The said right to dividend shall be cumulative and shall accrue from year to year whether or not paid, and accrued dividends shall be paid in full (together with dividends accrued from prior years) prior to and in preference to any dividend or distribution payable upon Shares of any other class or series in the same financial year. In addition to the fixed dividend as mentioned aforesaid, the Subscription CCPS shall also be entitled to dividend at the same rate as is declared by the Board (and approved by the Shareholders of the Company) in respect of the equity shares, on the face value of such Subscription CCPS.

(iv) On the Conversion Date, being a date falling 2 (two) years after the Closing Date, the Subscription CCPS shall compulsorily convert into Class C Shares in the ratio of 1:1, the conversion due date being 2nd February, 2019.

(v) The Company has filed the necessary supporting documents and forms to the Registrar of Companies and the relevant authorities to execute and give effect to the issue of CCPS as per the table above.

(vi) Utilization of Funds raised through issue of 2% Compulsorily Convertible Preference Shares (CCPS):

The Company received a total of Rs. 15205 Lakhs (Rupees One Hundred Fifty Two Crores and Five Lakhs) through issue of 5,808,956 (Fifty Eight Lakhs Eight Thousand Nine Hundred and Fifty Six) CCPS to the investors. The proceeds thus received by the Company were utilized to repay the Indian Bank Debts of Rs. 12608 Lakhs (Rupees One Hundred and Twenty Six Crores and Eight Lakhs Only). The remaining funds were utilized to pay the accumulated Bank Interest and other operating and capital business purposes.

(e) Details of Equity shareholders holding more than 5% shares in the Company

Sl. No.	Name of the Shareholders	As at 31st March 2018		As at 31st March, 2017		As at 1st April, 2016	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
1	Motilal Makhanlal Holdings Pvt. Ltd.	29,73,009	10.24	29,73,009	10.24	39,73,009	13.68
2	Sampad Vikas Limited	36,43,250	12.55	36,43,250	12.55	46,43,250	15.99
3	Ambootia Tea Exports Private Limited (Erstwhile IDA Organic Pvt. Ltd. Refer to Note No.	17,66,087	6.08	17,66,087	6.08	43,19,588	14.88
3	Stitchting Pensioenfonds Abp	1,05,97,452	36.50	1,05,97,452	36.50	1,05,97,452	36.50
4	Bhumya Tea Company Private Limited	41,79,480	14.39	41,79,480	14.39	-	-

(f) **Details of CCPS holders holding more than 5% shares in the Company**

Sl. No.	Name of the CCPS Shareholders	As at 31st March 2018		As at 31st March, 2017		As at 1st April, 2016	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
1	Oikocredit Ecumenical Development Cooperative Society U.A.	14,13,562	24.33	14,13,562	24.33	-	-
2	Concolor Ag	14,11,199	24.29	14,11,199	24.29	-	-
3	Artava Ag	14,11,199	24.29	14,11,199	24.29	-	-
4	Auwa Holding Gmbh	5,63,061	9.69	5,63,061	9.69	-	-
4	Gls Treuhand Ev	4,21,705	7.26	4,21,705	7.26	-	-

(g) Aggregate number of bonus shares issued and shares bought back during the period of five years immediately preceding the reporting date: Nil

15. **OTHER EQUITY (Refer Statement of Changes in Equity)**

(a) **Security Premium Account**

This reserves are used to record the premium on issue of shares. The reserve would be utilized in accordance with the provisons of the Act.

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
As per Last Financial Statement	5,04,65,32,451	2,79,31,66,942	2,79,31,66,942
Add: On conversion of CCPS into equity shares	-	1,46,24,04,673	-
Add: Current Year Transfer (Equity)	23,40,560	79,09,60,836	-
Total (a)	5,04,88,73,011	5,04,65,32,451	2,79,31,66,942

(b) **Capital Redemption Reserve**

This reserves represents the amount transferred on conversion of compulsorily convertible preference shares into class C shares of the company

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
As per Last Financial Statement	1,59,00,000	1,59,00,000	1,59,00,000
Total (b)	1,59,00,000	1,59,00,000	1,59,00,000

(c) **Capital Reserve**

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
As per Last Financial Statement	3,91,51,07,407	3,91,51,07,407	3,91,51,07,407
Total (c)	3,91,51,07,407	3,91,51,07,407	3,91,51,07,407

(d) **Retained Earnings**

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

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
As per Last Financial Statement	(1,42,98,36,265)	(86,28,94,672)	58,33,59,331
Add: Profit/(loss) for the year	(22,06,15,974)	(56,75,94,695)	(1,44,82,11,563)
Add: Overcharged Depn in earlier year	-	19,57,194	19,57,560
Less: Dividend payable on equity shares	(5,36,297)	(10,83,511)	-
Less: Dividend payable on preference shares	(1,16,179)	-	-
Less: Dividend distribution tax payable	(1,32,831)	(2,20,581)	-
Total (d)	(1,65,12,37,546)	(1,42,98,36,265)	(86,28,94,672)

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(In Rs.)

(e) Other Comprehensive Income

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
As per Last Financial Statement	(15,27,310)	-	-
Add: During the year	(1,36,01,337)	(15,27,310)	-
Total (e)	(1,51,28,648)	(15,27,310)	-
	-	-	-
	-	-	-
Total Reserves (a+b+c+d+e)	7,31,35,14,224	7,54,61,76,282	5,86,12,79,677

16. LONG TERM BORROWINGS

Secured

	Non Current			Current		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(a) Term Loans						
From Banks						
Rupee Loan	99,62,82,775	1,06,97,31,520	1,45,18,50,214	14,70,48,430	14,19,45,430	6,27,50,430
(b) Vehicle Loans	-	-	-	-	-	-
From Banks	26,68,206	49,05,180	72,08,479	22,32,453	30,85,918	50,40,188
From Others	-	-	2,08,634	-	2,08,814	4,75,046
Total (a+b)	99,89,50,981	1,07,46,36,700	1,45,92,67,327	14,92,80,883	14,52,40,162	6,82,65,664

Details of terms of repayment of long term borrowings

Long term borrowings Secured	Terms of Repayment	Maturity Date	Interest Rate
a) Term Loans			
- From Bank			
UCO Bank Term Loan -I	10 Yearly Instalments	31-03-2019	10.60%
UCO Bank Term Loan -V	7 Yearly Instalments	31-03-2021	10.60%
UCO Bank Term Loan -VI	7 Yearly Instalments	31-03-2022	10.60%
UCO Bank Term Loan -VII	7 Yearly Instalments	31-03-2023	10.60%
UCO Bank Term Loan -VIII	7 Yearly Instalments	31-03-2023	10.60%
UCO Bank Term Loan -IX	7 Yearly Instalments	31-03-2023	10.60%
UCO Bank Term Loan -X	7 Yearly Instalments	31-03-2024	10.60%
UCO Bank Term Loan -XI	8 Yearly Instalments	31-03-2024	10.60%
Allahabad Bank Term Loan	24 Quarterly Instalments	30-04-2023	BR +2 %
Allahabad Bank Term Loan	Note-1	31-05-2025	BR +2 %
State Bank Of India	20 Quarterly Instalmenst after 6 months from the date of first disbursements	31-12-2021	12%

Note-1 The repayment will start after 2 years after the date of first disbursements as follows: First Quarter Rs. 70 Lakhs each, Subsequent Quarter Rs. 94 Lakhs each, Subsequent Quarter Rs. 141 Lakhs each, Subsequent Quarter Rs. 164 Lakhs Each.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

b) **Vehicle Loan**

HDFC Bank Ltd	60 EMI	05-07-2020	13.25%
HDFC Bank Ltd	60 EMI	07-05-2017	13.25%
HDFC Bank Ltd	60 EMI	05-07-2020	10.10%
UBI	36 EMI	22-09-2018	9.90%
Kotak Mahindra Prime Ltd	60 EMI	05-07-2020	10.51%
Andhara Bank	60 EMI	31-03-2021	10.25%

Details of terms of security for long term borrowings

(i)	UCO BANK TERM LOAN- I ,II,III,IV,V,VI,VII,VIII,IX,X,& XI	Primary Security- Secured by Hypothecationof Tea crop, Plant & Machinery , Stores, Book Debt & Mortgage of Ambootia TE, Monteviot TE, Mullotar TE, Moondakotee TE, Nurbong TE, Sivitar TE, Nagri TE, Happy Valley TE, Chongtong TE, Sepoydhoorah TE. Collateral Security- EMTD on above 10TEs. Personal & Corporate Gurantee.
(ii)	ALLAHABAD BANK TERM LOAN	Primary Security- Secured by Hypothecationof Tea crop, Plant & Machinery , Stores, Book Debt & Mortgage of Rungmook/Cedar , Rungaroon & pandam TE. Collateral Security- EMTD on above 4TEs. Personal & Corporate Gurantee.
(iii)	STATE BANK OF INDIA	Primary Security- Secured by Hypothecationof Tea crop, Plant & Machinery , Stores, Book Debt & Mortgage of Ratanpur Tea Factory. Collateral Security- EMTD on above 1TEs. Personal Gurantee.
(iv)	STATE BANK OF INDIA	Primary Security- Secured by Hypothecationof Tea crop, Plant & Machinery , Stores, Book Debt & Mortgage of Ratanpur Tea Estate. Collateral Security- EMTD on above 1TEs. Personal Gurantee.
(v)	ANDHARA BANK	Primary Security- Secured by Hypothecationof Tea Stock, Plant & Machinery , Stores, Book Debt & Mortgage of Aloobari Tea Estate. Collateral Security- EMTD on above 1TEs. Personal Gurantee.
(vi)	HDFC BANK , KOTAK MAHINDRA PRIME LTD. ANDHARA BANK VEHICLE LOAN TOYATA FINANCIAL SERVICES INDIA LIMITED	Hypothecated against Motor Car.

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(In Rs)

17. LONG TERM PROVISIONS

	31st March, 2018	31st March, 2017	1st April, 2016
(a) **Employee benefits**			
(i) Gratutiy	20,34,44,890	16,22,87,475	13,55,08,921
	-	-	-
Total	20,34,44,890	16,22,87,475	13,55,08,921

18. OTHER NON CURRENT LIABILITIES

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(a) Stamp Duty Payable	87,78,879	87,78,879	1,24,57,943
(b) Deferred Statutory Payment	5,15,76,399	6,46,09,736	7,92,26,556
Total	6,03,55,278	7,33,88,615	9,16,84,499

19. DEFERRED TAX LIABILITIES (NET)

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(a) **Liabilities :**			
Depreciation and amortization expenses	1,76,91,03,336	1,78,67,70,225	1,52,34,51,164
Items under financial assets and financial liabilities giving temporary differences	9,82,762	15,83,250	15,49,527
Others	1,78,70,850	2,24,56,741	1,35,92,144
Total (a)	1,78,79,56,948	1,81,08,10,216	1,53,85,92,835
(b) **Assets :**			
Items under financial assets and financial liabilities giving temporary differences	-	-	
Others	90,10,619	87,42,921	85,62,545
Provision for gratuity	1,18,02,965	82,74,575	55,19,782
Total (b)	2,08,13,584	1,70,17,496	1,40,82,327
	-	-	-
Net Liability (a-b)	1,76,71,43,364	1,79,37,92,720	1,52,45,10,508

Reconciliation of deferred tax assets/ liabilites (net):

	As at 31st March, 2018	As at 31st March, 2017
Opening balance as at year beginning	1,79,37,92,720	1,52,45,10,508
Tax (benefit) / expense during the period recognised in profit or loss	(2,05,67,137)	26,99,65,192
Tax impact on items of Other Comprehensive income that will not be classified to profit & loss	(60,82,219)	(6,82,980)
Closing balance as at year end	1,76,71,43,364	1,79,37,92,720

DARJEELING ORGANIC TEA ESTATES PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

(In Rs.)

20. SHORT TERM BORROWINGS

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(a) Loans repayable on demand (Secured)			
Cash credits from bank *			
- From Banks			
UCO Bank -Short Term	15,99,91,790	16,74,67,697	55,85,72,053
Allahabad Bank Cash Credit	11,09,13,941	-	9,96,68,187
State bank of Patiala Cash Credit	-	-	2,99,73,877
Andhra Bank Cash Credit	-	-	8,25,12,388
(b) From Others (Unsecured)	7,00,000	-	-
Total	27,16,05,731	16,74,67,697	77,07,26,506

* 1. These Loans are repayable on demand and carries interest as applicable from time to time.

2. Terms of security- Primary Security - Secured by Hypothecation of Tea crop, Plant & Machinery, Stores, Book Debts and Mortgage of Tea Estates

21. TRADE PAYABLES

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(a) Micro & Small Enterprises	-	-	-
(b) Others			
Sundry Creditors for goods	8,15,13,496	4,44,82,957	2,15,57,884
Total	8,15,13,496	4,44,82,957	2,15,57,884

The Company has not received any intimation from the suppliers regarding their status under Micro, Small and Medium Enterprises Act 2006 and hence disclosures, if any relating to amounts unpaid as at the year end together with interest paid/ payable as required under the said act has not been given.

22. CURRENT FINANCIAL LIABILITIES-OTHER

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(a) Current maturities of long-term debts (Refer Note No. 16)	14,92,80,883	14,52,40,162	6,82,65,664
(b) Interest payable on borrowings	1,76,67,351	7,05,91,646	-
Total	16,69,48,234	21,58,31,808	6,82,65,664

23. OTHER CURRENT LIABILITIES

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(a) Advance payments from customers	44,35,106	18,810	18,810
(b) Other payables			
(i) Statutory dues	2,79,75,981	3,87,05,655	3,49,96,209
(ii) Salary, Wages, Bonus, PF, & Others	5,21,47,704	5,94,54,018	6,53,87,164
(iii) Liabilities for Services & Others	5,17,94,829	86,97,398	5,90,843
Total	13,63,53,620	10,68,75,881	10,09,93,026

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(In Rs.)

24. SHORT TERM PROVISIONS

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(a) Employee benefits			
(i) Gratuity	-	-	-
Total	-	-	-

25. CURRENT TAX LIABILITIES

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Income Tax (Net of Payments)	1,23,77,720	1,64,95,494	2,74,27,718
Total	1,23,77,720	1,64,95,494	2,74,27,718

26. REVENUE FROM OPERATIONS

	For The Year Ended 31st March 2018	For The Year Ended 31st March 2017
(a) Sale of Products		
(i) Sale of Products		
Finished Goods		
- Tea	1,01,52,59,068	1,24,61,21,289
(b) Other Operating revenue		
Liabilities written back	4,52,50,520	2,50,750
Others	5,93,404	49,12,407
Total	1,06,11,02,992	1,25,12,84,446

27. OTHER INCOME

	For The Year Ended 31st March 2018	For The Year Ended 31st March 2017
(a) Interest income		
- Interest on Fixed Deposits	1,60,414	7,57,463
- Others	15,457	77,05,637
(b) Compensation Received	64,95,072	2,29,80,288
(c) Miscellaneous Income	22,18,780	2,23,376
(d) Changes in fair value of biological assets	61,81,922	-
Total	1,50,71,645	3,16,66,764

28. CHANGES IN INVENTORIES OF FINISHED GOODS & STORES & SPARES

	For The Year Ended 31st March 2018	For The Year Ended 31st March 2017
(a) Stocks at the beginning of the year		
Finished goods	25,49,59,045	16,55,14,032
Stock of Stores	3,03,58,986	3,38,94,285
(b) Less: Stocks at the end of the year		
Finished goods	30,91,07,714	25,49,59,045
Stock of Stores	2,50,15,031	3,03,58,986
Total	(4,88,04,714)	(8,59,09,713)

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(In Rs.)

29. EMPLOYEE BENEFITS EXPENSE

	For The Year Ended 31st March 2018	For The Year Ended 31st March 2017
a) Salaries and wages		
- Salaries, Wages & Bonus	35,72,68,326	43,46,07,103
- Gratuity	2,41,69,293	2,62,33,553
b) Contribution to provident and other funds		
- Contribution to Provident Fund	4,25,53,781	5,50,18,232
c) Staff welfare expenses	2,06,10,898	2,23,00,015
Total	44,46,02,298	53,81,58,903

30. FINANCE COSTS

	For The Year Ended 31st March 2018	For The Year Ended 31st March 2017
(a) Interest expense		
- Term Loans	11,32,08,611	17,25,98,562
- Cash Credit	11,26,79,861	8,90,19,880
(b) - Others	3,57,447	-
Less: Interest Income	(8,20,90,370)	-
Total	14,41,55,549	26,16,18,442

31. OTHER EXPENSES

	For The Year Ended 31st March 2018	For The Year Ended 31st March 2017
A. MANUFACTURING & SERVICE EXPENSES		
(i) Power and fuel	3,73,47,807	4,92,15,581
(ii) Repairs to Buildings	51,39,034	61,96,306
(iii) Repairs to Machinery	49,30,693	74,43,213
(iv) Repairs to Other Assets	40,83,638	24,25,973
(v) Changes in fair value of biological assets	-	53,20,417
(vi) Other Manufacturing & Service Expenses	2,24,52,049	5,91,58,871
Sub Total (a)	7,39,53,221	12,97,60,361
B. SELLING & DISTRIBUTION EXPENSES		
(i) Cess on Made Tea and Green Leaf	65,280	6,21,460
(ii) Freight, Shipping, Delivery and Selling Expenses	32,07,669	1,10,76,236
(iii) Brokerage on sale	4,97,897	68,66,481
(iv) Sales Promotion Expenses	48,78,177	67,56,306
(v) Other Selling & Distribution Expenses	82,09,179	49,42,758
Sub Total (b)	1,68,58,202	3,02,63,241
C. PAYMENT TO AUDITOR		
(i) Statutory Auditor	4,31,250	4,31,250
(ii) For Tax Audit	86,250	86,250
Sub Total (c)	5,17,500	5,17,500

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

(In Rs.)

D. OTHERS		
(i) Rent	1,01,13,070	31,96,798
(ii) Lease Rent	6,78,223	14,75,476
(iii) Rates and Taxes, excluding taxes on income	76,63,221	38,03,873
(iv) Insurance	15,17,907	43,65,302
(v) Bank Charges	30,64,087	62,73,028
(vi) Consultation and Advisory Charges	1,07,35,245	91,79,939
Sub Total (d)	3,37,71,754	2,82,94,416
E. MISCELLANEOUS EXPENSES :		
(i) Motor Vehicle Expense	90,16,551	89,56,038
(ii) Travelling and Conveyance Expenses	85,96,609	1,98,67,272
(iii) Stamps, Postage and Telegrams	2,83,209	2,15,273
(iv) Printing & Stationary	10,47,457	12,64,985
(v) Subscription	29,94,331	19,24,162
(vi) Telephone and Telex	17,20,246	25,83,062
(vii) Other Miscellaneous expenses	86,11,190	1,13,99,811
(viii) Director Fees	10,00,000	20,00,000
(viii) Chairman Fees	20,00,000	20,00,000
(ix) Sponsership Fees	-	26,85,131
Sub Total (e)	3,52,69,593	5,28,95,734
Total (a+b+c+d+e)	16,03,70,269	24,17,31,252

31A EXCEPTIONAL ITEMS

	For The Year Ended 31st March 2018	For The Year Ended 31st March 2017
Insurance Claim Received	3,78,42,698	-
	3,78,42,698	-

32. Income Tax

	For The Year Ended 31st March 2018	For The Year Ended 31st March 2017
I Income tax related to items charged or credited directly to profit or loss during the year:		
(a) Statement of profit and loss		
(i) Current Income Tax	-	-
(ii) Income Tax for Earlier Years	-	34,13,000
(iii) Deferred Tax expense/ (benefit)	(2,05,67,137)	26,99,65,192
	(2,05,67,137)	27,33,78,192
(b) Other Comprehensive Income		
(i) Deferred Tax related to items recognised in OCI during the year:		
- Net expense/(benefit) on remeasurements of defined benefit plans	(60,82,219)	(6,82,980)
	(60,82,219)	(6,82,980)
Total (a+b)	(2,66,49,356)	27,26,95,212

(In Rs.)

	For The Year Ended 31st March 2018	For The Year Ended 31st March 2017
33. Other Comprehensive Income		
i Items that will not be classified to profit and loss		
- Remeasurement gain/ (losses) on defined benefit plans Created during the year	(1,96,83,556)	(22,10,290)
ii Income tax relating to items that will not be classified to profit and loss		
- Remeasurement gain/ (losses) on defined benefit plans Created during the year	60,82,219	6,82,980
	-	-
Total	(1,36,01,337)	(15,27,310)

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34 OTHER NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Cont....)

Contingent liabilities & Commitments

(Rs. In Lakhs)

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
A Not Provided for:			
(a) Claims against the Company not acknowledged as debts			
- Demand raised by following authorities in dispute:			
(i) Settlement of Provident Fund dues arising out of PF related litigation (Happy Valley Tea Estate)	78.00	78.00	-
B Bank Gurantee	26.36	26.36	25.18

35 **Details of loans given, Investments made and Guarantee given covered u/s 186(4) of the Companies Act, 2013**

A. Loan Given

There are no Loans made by the company.

B. Investment Made

There are no investments by the company.

C. Securities Given

There is no security given during the year.

36 **Disclosure on Corporate Social Responsibility Expenses**

(a) **Brief**

Corporate Social Responsibility (CSR) is a large part of our overall sustainability policy encompassing social, economic and environmental actions. Along with philanthropy, we help build institutions and use technology to safeguard natural resources against climate change risks.

Focus Areas

This is to state that the Company has undertaken various CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014
The various projects are as given below here:
Promoting education
Scholarship
School
Vocational training centre
Art and culture
Environmental sustainability
Destiture care
Drinking water project
Computer centre
Income Augmentation Programme
Infant Nutrition Programme
All projects carried out comply with the requirements of the CSR Rules of the Companies Act, 2013.

(b) Gross amount required to be spent by the Company during the year in pursuance to the provisions of Section 135 of the Companies Act, 2013 and rules made thereunder : Rs. 5.55 Lakhs (PY Rs. 40.06 Lakhs).

(c) Amount spent during the year 2017-18 and shown under Other Expenses in the Statement of Profit and Loss (Refer Note No. 31):

(Rs. In Lakhs)

Sl. No.	Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
(i)	Spent in Cash	5.79	46.21	52.19
(ii)	Yet to Spend	-	-	-
	Total	5.79	46.21	52.19

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37 **Scheme of Arrangements**

37.1 As a condition precedent to the investment in 2% Compulsorily Convertible Preference Shares by the Investors, basis the Investment Agreement dated 6th December 2016, the Company has acquired two Tea Estates and one bought leaf factory viz. Hrithik Tea Estate situated in Darjeeling, Jamguri Tea Estate situated in Golaghat, Assam, and Jamguri Bought Leaf Factory, situated in Jamguri Tea Estate situated in Golaghat, Assam during the financial year 2016-17, as detailed below.

S No	Name of the Tea Estate & Address	Value as per Approved Valuer (Rs. Lakhs)
1	Jamguri Tea Estate,P.O. Oating, Dist. Golaghat, Assam.	7,500.00
2	Jamguri Bought Leaf Factory,P.O. Oating, Dist. Golaghat, Assam.	1,500.00
3	Hrithik Tea Estate,Dist. Darjeeling, West Bengal	1,000.00
	Total	10,000.00

The consideration towards the acquisition of the above mentioned 2 Tea Estates and 1 Bought Leaf Factory was paid in kind through conversion of partly paid up shares to fully paid up shares (including Interest in the case of Class D Shares) of Rs. 8440 Lakhs and the balance amount was through liabilities taken over of Rs. 1560 Lakhs.

The following partly paid Shares of the Company held by the Promoters have been made fully paid up during Financial Year 2016-17, pursuant to the contribution in kind by the Promoters of the tea estates as detailed in above:

S. No	Particulars	Number of Shares	Price Per Share (Rs.)	Amount (Rs. Lakhs)
1	Ordinary Shares	25,29,659	116.44	2,945.53
2	Class B Shares	23,842	116.44	27.80
3	Class D Shares	1,32,170	275.1	363.60
4	Class E Shares	23,52,620	216.91	5,103.07
	Total	50,38,291		8,440.00

[Explanation: As per the Rules of The Companies Act, 1956, any material acquisition or disposal of assets by the Company has to be disclosed and reported in the Notes to the Accounts for 8 Financial Years subsequent to the Year of the transaction and hence, the details provided in Point 37.2 to 37.7 relates to the acquisition of the Tea Estates acquired by the Company since its formation in Financial Year 2009-10]

37.2 The Company has acquired the movable properties including but not limited to, plant and machinery not constituting immovable property, inventories and other tangible movable assets pertaining to the following tea estates pursuant to separate asset purchase agreements dated 30th December 2009 with the following companies at considerations as furnished below. All costs, charges, expenses including stamp duty and registration charges in relation to execution of this agreement and transfer of the Movable properties shall be borne and paid by the Company

Sl. No.	Name	Amount (Rs. in Lakhs)
a)	Sampad Vikas Ltd	146.90
b)	Monteviot Tea Pvt. Ltd	4.51
c)	Mullootar Tea Pvt. Ltd	36.47
d)	Sivitar Tea Estate Pvt. Ltd	30.92
e)	Moondakotee Tea Co. Pvt. Ltd	59.26
f)	Nurbong Tea Pvt. Ltd	74.70
g)	Prabhuji Plantations Pvt. Ltd.	188.17
h)	Hrithik Investment Pvt. Ltd	145.34
i)	Sepoydhoorah Tea Co. Pvt. Ltd	35.88
j)	IDA Organic Pvt. Ltd.	211.32

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37.3 The Company has entered into separate agreements on 30th December 2009 with the following companies at considerations as given, in relation to the surrender and relinquishment of their rights, interest and possession over the agricultural land and hereditaments pertaining to the respective tea estates to the Government of West Bengal ("GoWB") so that the Company may obtain a fresh lease in respect of the Agricultural Land and the hereditaments appurtenant thereto from the GoWB. All costs, charges, expense including stamp duty and registration charges in relation to execution of this agreement shall be borne and paid by DOTEPL.

Sl. No.	Name	Amount (Rs. in Lakhs)
a)	Sampad Vikas Ltd	4,032.45
b)	Monteviot Tea Pvt. Ltd	488.79
c)	Mullootar Tea Pvt. Ltd	1,338.79
d)	Sivitar Tea Estate Pvt. Ltd	897.69
e)	Moondakotee Tea Co. Pvt. Ltd	1,840.40
f)	Nurbong Tea Pvt. Ltd	1,663.33
g)	Prabhuji Plantations Pvt. Ltd.	1,908.76
h)	Hrithik Investment Pvt. Ltd	2,543.56
i)	Sepoydhoorah Tea Co. Pvt. Ltd	1,043.81
j)	IDA Organic Pvt. Ltd.	3,429.94

37.4 Pursuant to the surrender and relinquishment of the right, interest and possession over the agricultural land and hereditaments pertaining to the respective tea estates to GoWB, the Company had entered into 10(ten) separate employee transfer agreements on 30th December 2009, pertaining to the transfer of all employees of the respective tea estates, with the following companies.

Sl. No.	Name
a)	Sampad Vikas Ltd
b)	Monteviot Tea Pvt. Ltd
c)	Mullootar Tea Pvt. Ltd
d)	Sivitar Tea Estate Pvt. Ltd
e)	Moondakotee Tea Co. Pvt. Ltd
f)	Nurbong Tea Pvt. Ltd
g)	Prabhuji Plantations Pvt. Ltd.
h)	Hrithik Investment Pvt. Ltd
i)	Sepoydhoorah Tea Co. Pvt. Ltd
j)	IDA Organic Pvt. Ltd.

37.5 The Company had acquired the movable assets owned and operated by Tea Group Exports, (TGE) (Unit of Ambootia Tea Exports Private Limited) including plant and machinery and furniture and fixtures, on 30th December 2009 at a total consideration of Rs. 1,55,64,528/- In addition to the aforesaid consideration, in the event a lease is executed in favour of the Company by the Kolkata Port Trust, granting the Company leasehold/own interest over the land and warehouse that is currently being used by TGE, the Company shall pay such amount at such date and time as may be mutually agreed between the Parties to TGE.

37.6 The Company has acquired three new Tea Estates on 20.03.2015, as detailed below, all situated in the District of Darjeeling, West Bengal from West Bengal Tea Development Corporation Ltd. including but not limited to, plant and machinery not constituting immovable property, and other tangible movable assets on Tender Proposal and valued by the approved valuer.

Sl.No.	Name of the Tea Estate & Address	Value
a)	Pandam Tea Estate, P.O. Uday Gram, Dist. Darjeeling 734 101	Rs. 1076 Lakhs
b)	Rangaroon Tea Estate, P.O. Ghoom, Dist. Darjeeling, 734102	Rs. 817 Lakhs
c)	Rungmook / Cedar Tea Estate, P.O. Sonada, Dist. Darjeeling, 734209	Rs. 3788 Lakhs

37.7 The Company has acquired two new Tea Estates during the financial year 2015-16, as detailed below, all situated in the State of Assam The General Fibres Dealers Pvt. Ltd. And Ratanpur Tea Estates Pvt. Ltd. respectively including but not limited to, plant and machinery not constituting immovable property, and other tangible movable assets valued by the approved valuer .

Sl.No.	Name of the Tea Estate & Address	Value
a)	Cherideo Purbat Tea Estate, Dist. Sibsagar, Assam.	Rs. 4500 Lakhs
b)	Ratanpur Tea Estate, Dist. Sibsagar, Assam.	Rs. 2000 Lakhs

38 **EXPENDITURE IN FOREIGN CURRENCY**

Particulars	As on 31.03.2018	As on 31.03.2017	As on 31.03.2016
Account Head	Amount (Rs. in Lakhs)	Amount (Rs. in Lakhs)	Amount (Rs. in Lakhs)
Certification Fees and Sustainability Report Fees	12.15	15.96	59.87
Travelling/Board Meeting Expenses	7.36	1.02	5.99
Purchase Of Stores	0.19	14.14	-
Purchase Of Plant & Machinery (CIF Value)	-	-	220.18
Sponsorship Fees	-	26.85	52.83
Membership Fees	3.94	-	-
Sales Promotion Expenses	2.76	-	-
Professional Fees	99.42	108.49	-
Total	**125.81**	**166.46**	**338.87**

EARNING IN FOREIGN CURRENCY

Particulars	As on 31.03.2018	As on 31.03.2017	As on 31.03.2016
Account Head	Amount (Rs. in Lakhs)	Amount (Rs. in Lakhs)	Amount (Rs. in Lakhs)
Export Sales	30.27	-	-
Total	**30.27**	-	-

Value of Imports calculated on C.I.F Basis to be disclosed

Particulars	As on 31.03.2018	As on 31.03.2017	As on 31.03.2016
Account Head	Amount (Rs. in Lakhs)	Amount (Rs. in Lakhs)	Amount (Rs. in Lakhs)
Raw Materials	-	-	-
Component & Spare Parts	0.19	14.14	-
Capital Goods	-	-	220.18

40 **Disclosures as required by Ind AS 19, Employee Benefits**

(a) **Defined contribution plans:**

		2017-18	2016-17
			(Rs. In Lakhs)
	Contribution to defined contribution plan, recognised as expense for the year as under:		
(i)	Employer's contribution to Government Provident Fund	425.54	550.18
	Total	425.54	550.18

(b) **Defined benefit plan:**

Gratuity

The Employee's Gratuity Fund Scheme, which is defined benefit plan, is managed by Trust maintained with Life Insurance Corporation of India for 3 Gardens. The liabilities with respect to Gratuity Plan are determined by actuarial valuation on projected unit credit method on the balance sheet date, based upon which the Company contributes to the Group Gratuity Scheme. The difference, if any, between the actuarial valuation of the gratuity of employees at the year end and the balance of funds with Life Insurance Corporation of India, is provided for as assets/ (liability) in the books. Actuarial gains/ (losses) for defined benefit plans are recognised in full and are immediately taken to the statement of profit and loss and Other Comprehensive Income accordingly as per Acturial Valuation Report.The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount as per Gratuity Act . Vesting occurs upon completion of five continuous years of service in accordance with Indian law.

I **Following information are based on report of actuary for employee benefit expenses**

		Gratuity (Funded) 2017-18	Gratuity (Funded) 2016-17
			(Rs. In Lakhs)
(A)	Change in present value of the obligation during the year		
(1)	Present value of obligation at year beginning	1,622.87	1,355.09
(2)	Current service cost	114.80	89.77
(3)	Past service cost	-	61.65
(4)	Interest cost	125.53	107.90
(5)	Benefits paid	(6.30)	(13.64)
(6)	Actuarial (gain) / loss arising from changes in demographic assumptions	-	-
(7)	Actuarial (gain) / loss arising from changes in financial assumptions	(30.89)	53.89
(8)	Actuarial (gain) / loss arising from changes in experience adjustments	227.73	(31.79)
(9)	Present value of obligation at year end	2,053.74	1,622.87
(B)	Change in fair value of plan assets during the year		
(1)	Fair value of plan assets at year beginning		
(2)	Interest income on plan assets		
(3)	Expected return on plan assets other than interest income		
(4)	Contribution made by the Employer	6.30	14.91
(5)	Benefits paid	(6.30)	(14.91)
(6)	Fair value of plan assets at year end	-	-
(C)	Reconciliation of obligation and fair value of assets		
(1)	Present value of the obligation at year end	2,053.74	1,522.31
(2)	Fair value of plan assets at year end	-	-
(3)	Funded status [surplus / (deficit)]	2,053.74	1,522.31

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

(D)	Expense recognised in the Statement of Profit and Loss		
(1)	Current service cost	114.80	89.77
(2)	Interest cost	125.53	169.55
(3)	Interest income on plan assets	-	-
	Net cost recognised in Profit or Loss	240.33	259.33
(E)	Recognised in Other Comprehensive Income		
(1)	Expected return on plan assets other than interest income		
(2)	Actuarial (gain) / loss arising from changes in demographic assumptions		
(3)	Actuarial (gain) / loss arising from changes in financial assumptions	(30.89)	53.89
(4)	Actuarial (gain) / loss arising from changes in experience adjustments	227.73	(31.79)
	Net (gain)/ loss recognised in Other Comprehensive Income	196.84	22.10
(F)	Net Defined benefit liability/(Asset) Reconciliation		
(1)	Net Defined benefit liability/(Asset) at the beginning of the year	1,622.87	1,355.09
(2)	Defined benefit cost included in P/L	240.33	259.33
(3)	Total remeasurement included in OCI	196.84	22.10
(4)	Employers contribution	(6.30)	(13.64)
	Net Defined benefit liability/(Asset) at the end of the year	2,053.74	1,622.87

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II Maturity profile of defined benefit obligations:

	2017-18	2016-17
Year 1	456.13	340.34
Year 2	126.98	108.32
Year 3	113.06	114.34
Year 4	137.46	97.70
Year 5	159.63	120.51
Year 6	154.13	147.71
Year 7	191.54	141.61
Year 8	201.70	167.71
Year 9	217.29	176.02
Year 10	232.87	186.53
Above 10 year	10,644.11	8,462.55
Total expected payments	12,636.92	10,063.35

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 69.37 Years (31st March,2017: 72.90 years).

The best estimate contribution for the company during the next year would be Rs 710.88 Lakhs (31st March,2017: Rs. 494.83 Lakhs).

Amount payable upon discontinouance of all employment is Rs. 2248.77 Lakhs (31st March,2017: Rs. 1662.56 Lakhs).

III Experience Adjustments on Present Value of DBO and Plan Assets

	2017-18	2016-17
(Gain)/Loss on Plan Liabilities	17.52	(0.66)
% of Opening Plan Liabilities	16.20%	-1.64%
(Gain)/Loss on Plan Assets	-	-
% of Opening Plan Assets		

IV Quantitative sensitivity analysis for significant assumptions considered for defined benefit obligation (Gratuity):

Sensitivity analysis presented below represents expected change in present value of defined benefit obligation based on reasonably possible changes in the assumptions occurring at the year end.

	2017-18	2016-17
Defined Benefit Obligation (Base)		
(1) One percentage increase in discount rate	148.56	116.32
(2) One percentage decrease in discount rate	168.61	134.51
(3) One percentage increase in rate of salary escalation	140.56	134.56
(4) One percentage decrease in rate of salary escalation	148.18	116.13
(5) One percentage increase in rate of withdrawl rate	159.06	126.21

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V Actuarial Assumptions

		Gratuity (Funded)	
		2017-18	2016-17
(1)	Discount rate	7.75%	7.50%
(2)	Mortality Rate		
(3)	Salary Esclation - First 5 years	6%	6%
(4)	Salary Esclation - After 5 years	6%	6%
(5)	Expected Rate of Return on Plan Assets	NA	NA
(6)	Disability Rate	5% of Mortality Reate	5% of Mortality Reate
(7)	Retirement Age	58 Years	58 Years
(8)	Average Future Service	15.95 years	16.11 years
(9)	Withdrawal rates , based on age: (per annum)		
	Up to 25 years	8.00%	8.00%
	26 - 30 years	7.00%	7.00%
	31 - 35 years	6.00%	6.00%
	36 - 40 years	5.00%	5.00%
	41 - 45 years	4.00%	4.00%
	46 - 50 years	3.00%	3.00%
	51 - 55 years	2.00%	2.00%
	Above 56 years	1.00%	1.00%

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41 **Disclosures as required by Ind AS 108, Operating Segments**

(a) **Identification of Operating Segments:**
The Compnay Operate in a Single Reportable Operating Segment i.e. Cultivation, manufacture and sale of Tea
No other operating segments have been aggregated to form the above reportable operating segments as per the criteria specified in the Ind AS.

(b) **Business Segment wise revenue/results/assets/liabilities**
Since there is Single Reportable Operating Segment hence disclosure of Operating Segment wise Assets,Liabilities, Revenue and Results are not applicable.

(c) **Geographical Information**

The Companies Revenue is generated in the Geographical Region of Indian territory except for a marginal sale amounting to Rs 28 Lakhs for the Current Year (P Y - Nil) which has taken place in the Region of Europe . Further the Assets are also located in India, hence Geographical Segment wise Assets/Liabilty Revenue & Results are not applicable.

(d) Revenue from five customers is INR Rs. 8,414.58 Lakhs (P.Y. Rs. 1,21,96.11) Lakhs which is more than 10% of the total revene of the Company

42 (A) **Related parties and their relationship with the Company :**

(i)	Key Management Personnel of the Company:	Mr Sanjay Prakash Bansal - Director Mrs. Reena Bansal – Director Mr. Hrithik Bansal – Director Mr. Rahul Chandra Prakash- Director Mr. John Desmond Sheehy - Director Mr. Michael Joseph Sweeney – Director Mr. Anil Bansal – Director Mr. Rembert Biemond – Director
(ii)	Shareholder Holding more than 20% of Equity Shares of the Company	Stitchting Pensioenfonds Abp
(iii)	Enterprises over which key management personnel are able to exercise significant influence with whom there were transactions during the year :	Bhumya Tea Company Private Limited Hrithik Investment Private Limited

(B) **Disclosure of transactions with Related Parties**

(Rs. In Lakhs)

Nature of transactions	**Ref. to Note (A) above**	2017-18	2016-17
Remuneration			
Mr Sanjay Prakash Bansal - Director	(i)	234.95	156.00
Mrs. Reena Bansal – Director	(i)	-	78.00
Mr. Anil Bansal – Director	(i)	27.85	22.75
		262.80	256.75

(Rs. In Lakhs)

Director Fees		2017-18	2016-17
Mr Sanjay Prakash Bansal - Director	(i)	10.00	10.00
Mrs. Reena Bansal – Director	(i)		10.00
		10.00	20.00

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Chairman fees

		2017-18	2016-17
			(Rs. In Lakhs)
Mr Sanjay Prakash Bansal - Director	(i)	20.00	20.00
		20.00	20.00

Sponsorship Fees

		2017-18	2016-17
			(Rs. In Lakhs)
Mr. Hrithik Bansal – Director	(i)	-	26.85
		-	26.85

Acquisition of Assets

		2017-18	2016-17
			(Rs. In Lakhs)
Bhumya Tea Co Pvt Ltd	(iii)	-	9,000.00
Hrithik Investment Pvt Ltd	(iii)	-	1,000.00
		-	10,000.00

Professional Fees

		2017-18	2016-17
			(Rs. In Lakhs)
Mr. Rembert Biemond – Director	(i)	24.13	98.72
		24.13	98.72

Rent

Mr Sanjay Prakash Bansal	(i)	27.60	27.60
Mrs Reena Bansal	(i)	3.60	3.60
		31.20	31.20

Remuneration of key management personnel :

The remuneration of key management personnel of the Company are set out below in aggregate for each of the categories specified in Ind AS 24 Related party disclosures.

	Year Ended 31st March 2018	Year Ended 31st March 2017
Salaries & Wages	242.67	256.75
Contribution to Provident & Other Funds *	20.13	17.35

*Does not include gratuity as it is provided in the books of accounts on the basis of actuarial valuation for the company as a whole and hence individual amount cannot be determined.

The transactions with related parties are net of taxes & reimbursement of expenses and have been made on terms equivalent to those that prevail in arm's length transactions. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

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43 **Non-cancellable leases**

The Company has entered into non-cancellable 14 lease agreements for Fourteen tea estates situated in the states of West Bengal for a period ranging between 19 to 30 years with option for renewal on mutually agreed terms and a tea-manufacturing factory. The Lease Rent is charged in the Statement of Profit and Loss and future lease commitments are:

	31st March 2018 Rs. Lakhs	31st March 2017 Rs. Lakhs	31st March 2016 Rs. Lakhs
Commitments for minimum lease payments in relation to non-cancellable leases as follows			
Within one year	6.78	14.75	6.26
Later than one year but not later than five years	33.91	73.77	31.29
Later than five years		Not Ascertainable.	

44 **Fair Value Measurement**

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

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

(1) Fair value of cash and cash equivalence, trade and other short term receivables, trade payables , other current liabilities, short-term loans from banks and other financial institutions approximate their carrying amounts largely due to the short term maturities of these instruments.

(2) Financial instruments with fixed and variable interest rate are evaluated by the Company based on parameter such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken into account for the expected losses of these receivables.

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

Level 1 : quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2 : other techniques for which all inputs which have a significant effects on the recorded fair value are observable, either directly or indirectly.

Level 3 : techniques which use inputs that have a significant effects on the recorded fair value that are not based on observable market data.

The following tables provides classification of financial instruments and the fair value hierarchy of the Company's assets and liabilities.

(a) Disclosure for the year ended 31st March, 2018

	Carrying Value	Fair Value		Fair Value heirarchy Level 1	Level 2	Level 3
(1) Financial Assets						
Financial Assets at amortised cost						
Trade Receivables	11,75,22,896	11,75,22,896	- #	-	-	11,75,22,896
Other Financial assets excluding derivative financial instruments	3,74,48,541	3,74,48,541	-	-	-	3,74,48,541
Cash & cash equivalents	1,16,21,549	1,16,21,549	-	-	-	1,16,21,549
	16,65,92,986	16,65,92,986	-	-	-	16,65,92,986

(2) **Financial Liability**

Financial Liabilities at amortised cost

	Carrying Value	Fair Value	Level 1	Level 2	Level 3
Borrowings from banks and financial institutions	1,41,98,37,595	1,41,98,37,595	-	-	1,41,98,37,595
Trade Payables	8,15,13,496	8,15,13,496	-	-	8,15,13,496
Other Financial liabilities excluding derivative financial	16,69,48,234	16,69,48,234	-	-	16,69,48,234
Total	1,66,82,99,325	1,66,82,99,325	- #	-	1,66,82,99,325

(3) **Biological Assets other than Bearer Plants**

	Carrying Value	Fair Value	Level 1	Level 2	Level 3
(Valued at Fair Value Less Cost to Sale)					
Unharvested Tea Leaves	1,73,57,946	1,73,57,946	-	1,73,57,946	-
Total	1,73,57,946	1,73,57,946	-	1,73,57,946	-

(b) **Disclosure for the year ended 31st March, 2017**

	Carrying Value	Fair Value	Fair Value heirarchy Level 1	Level 2	Level 3
(1) Financial Assets at amortised cost					
Trade Receivables	34,36,34,820	34,36,34,820	- #	-	34,36,34,820
Other Financial assets excluding derivative financial instruments	22,44,68,391	22,44,68,391	-	-	22,44,68,391
Cash & cash equivalents	78,07,055	78,07,055	-	-	78,07,055
	57,59,10,266	57,59,10,266	-	-	57,59,10,266

(2) **Financial Liability**

Financial Liabilities at amortised cost

	Carrying Value	Fair Value	Level 1	Level 2	Level 3
Borrowings from banks and financial institutions	1,38,73,44,559	1,38,73,44,559	-	-	1,38,73,44,559
Trade Payables	4,44,82,957	4,44,82,957	-	-	4,44,82,957
Other Financial liabilities excluding derivative financial instruments	21,58,31,808	21,58,31,808	-	-	21,58,31,808
Total	1,64,76,59,324	1,64,76,59,324	- #	-	1,64,76,59,324

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	Carrying Value	Fair Value	Level 1	Level 2	Level 3
(3) Biological Assets other than Bearer Plants					
(Valued at Fair Value Less Cost to Sale)					
Unharvested Tea Leaves	1,11,76,024	1,11,76,024	-	1,11,76,024	-
Total	1,11,76,024	1,11,76,024	-	1,11,76,024	-

(c) Disclosure for the year ended 1st April, 2016

	Carrying Value	Fair Value	Fair Value heirarchy Level 1	Level 2	Level 3
(1) Financial Assets at amortised cost					
Trade Receivables	43,50,13,040	43,50,13,040	-	-	43,50,13,040
Other Financial assets excluding derivative financial instruments	24,29,87,919	24,29,87,919	-	-	24,29,87,919
Cash & cash equivalents	44,97,709	44,97,709	-	-	44,97,709
	68,24,98,668	68,24,98,668	-	-	68,24,98,668
(2) Financial Liability					
Financial Liabilities at amortised cost					
Borrowings from banks and financial institutions	2,29,82,59,497	2,29,82,59,497	-	-	2,29,82,59,497
Trade Payables	2,15,57,884	2,15,57,884	-	-	2,15,57,884
Other Financial liabilities excluding derivative financial instruments	6,82,65,664	6,82,65,664	-	-	6,82,65,664
Total	2,38,80,83,045	2,38,80,83,045	-	-	2,38,80,83,045
(3) Biological Assets other than Bearer Plants					
(Valued at Fair Value Less Cost to Sale)					
Unharvested Tea Leaves	1,64,96,442	1,64,96,442	-	1,64,96,442	-
Total	1,64,96,442	1,64,96,442	-	1,64,96,442	-

(d) Description of significant unobservable inputs to valuation:

Financial Asset/ Liability	Valuation Technique	Significant unobservable input
Trade Receivables	ECL	Realisation pattern or past experience
Loans	DCF using EIR method	Discount rate
Other Financial assets excluding derivative financial instruments	DCF using EIR method	Discount rate
Borrowings from banks and financial institutions	DCF using EIR method	Discount rate

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45 **Financial Risk Management Objective and Policies:**

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) **Market Risk**

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

The Company manages market risk through a treasury department, which evaluates and exercises independent control over the entire process of market risk management. The activities of this department include management of cash resources, implementing borrowing strategies and ensuring compliance with market risk limits and policies.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's main interest rate risk arises from short term and long-term borrowings with variablerates, which expose the company to cash flow interest rate risk. During 31st March 2018, 31st March 2017 and 1st April 2016, the Company's borrowings at variable rate were denominated in INR.

Interest rate sensitivity

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

	2017-18 (+/ -) 50 Basis Points	2016-17 (+/ -) 50 Basis Points
Effect on profit before tax due to interest rate sensitivity (Rs. In Lakhs)	**71.11**	69.60

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating and financing activities. As on March 31, 2018, the Company donot have any foreign currency exposure and hence exposed to nil risk.

(iii) Price Risk

Factors that can affect prices include political and regulatory changes, seasonal variations, weather, technology and market conditions.

(b) **Credit Risk**

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The Company is exposed to credit risk from its operating activities (primarily Trade Receivables). Trade receivables are typically unsecured and are derived from revenue earned from customers. Customer credit risk is managed by each business unit subject to the Company's policy and procedures which involve credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business. Outstanding customer receivables are regularly monitored. Credit risk from balances with banks, term deposits, loans, is managed by Company's finance department. 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. The Company monitors ratings, credit spreads and financial strength of its counterparties. The Company's maximum exposure to credit risk for the components of the Balance Sheet as of 31st March,2018, 31st March, 2017, and 1st April, 2016 is the carrying amounts.

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(i) Trade Receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored. An impairment analysis is performed at each reporting date on an individual basis for major clients.

The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets.

The ageing analysis of the receivables (gross of provisions) have been considered from the date of the invoice falls due.

(Rs in Lakhs)

	As at 31st March, 2018	As at 31st March, 2017
Less than 6 months	1,169.67	3,285.41
More than 6 Months	5.56	150.94
Total	1,175.23	3,436.35

(ii) Financial Instruments and Cash and bank balances

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Credit limits of all authorities are reviewed by the Management on regular basis. All balances with banks and financial institutions is subject to low credit risk due to good credit ratings assigned to these entities.

(c) **Liquidity Risk**

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and maintains adequate sources of financing

The table below summarises the maturity profile of the Company's financial liabilities based on contractual payments.

(Rs in Lakhs)

	Less than 1 year	1 to 5 years	> 5 years	Total
31st March, 2018				
Borrowings				
Term Loans from Banks	1,470.48	6,975.41	2,987.42	11,433.31
Vehicle Loans	22.32	26.69	-	49.01
Cash credit from Banks	2,709.06	-	-	2,709.06
Others	7.00	-	-	7.00
Other Financial Liabilities other than current maturities of borrowings and lease obligation	-	-	-	-
Trade Payables	815.13	-	-	815.13
	5,023.99 #	7,002.10	2,987.42	15,013.51

31st March, 2017	Less than 1 year	1 to 5 years	> 5 years	Total
Borrowings				
Term Loans from Banks	1,424.51	6,761.29	3,931.17	12,116.97
Vehicle Loans	32.95	49.05	-	82.00
Cash credit from Banks	1,674.48	-	-	1,674.48
	-	-	-	-
Other Financial Liabilities other than current maturities of borrowings and lease obligation	-	-	-	-
Trade Payables	444.83	-	-	444.83
	3,576.77	6,810.34	3,931.17	14,318.28

1st April, 2016	Less than 1 year	1 to 5 years	> 5 years	Total
Borrowings				
Term Loans from Banks	627.50	8,399.83	6,118.67	15,146.00
Vehicle Loans	55.15	74.17	-	129.32
Cash credit from Banks	7,707.27	-	-	7,707.27
Other Financial Liabilities other than current maturities of borrowings and lease obligation	-	-	-	-
Trade Payables	215.58	-	-	215.58
	8,605.50	8,474.00	6,118.67	23,198.17

(d) **Agricultural Risk**

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

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

- Sufficient inventory levels of agro chemicals, fertilisers and other inputs are maintained so that timely corrective action can be taken in case of adverse weather conditions.
- Slightly higher level of consumable stores viz. packing materials, coal and HSD are maintained in order to mitigate financial risk arising from logistics problems.
- Forward contracts are made with overseas customers as well as domestic customers, in order to mitigate the financial risk in fluctuation in selling price of tea
- Sufficient working-capital-facility is obtained from banks in such a way that cultivation, manufacture and sale of tea is not adversely affected even in times of adverse conditions.

46 **Capital Management:**

A.

For the purpose of the Company's capital management, equity includes issued equity capital, securities premium and all other equity reserves attributable to the equity share holders, including capital reserve and net debt includes interest bearing loans and borrowings except cash and cash equivalents. The primary objective of the Company's capital management is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The funding requirement is met through a mixture of equity, internal accruals, long term borrowings and short term borrowings. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

Rs. in Lakhs

		As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Borrowings	100000	14,198.38	13,873.45	22,982.59
Less: Current investments		-	-	-
Less: Cash and cash equivalents		116.22	78.07	44.98
(a) Net Debt		14,082	13,795	22,938
(b) Equity		76,421	78,746	60,863
(c) Equity and Net Debt (a+b)		90,503	92,542	83,801
Gearing Ratio (a/c)		0.16	0.15	0.27

B. **Dividend**

		31st March 2018	31st March 2017
(i)	**Equity Shares** Final dividend for the year ended 31st March 2017 & 31st March 2016	5.36	10.84
(ii)	**Compulsory Convertible Preference Shares** Final dividend for the year ended 31st March 2017& 31st March 2016	1.16	-
(ii)	**Dividends not recognised at the end of the reporting period** In addition to the above dividends, since year end the directors have recommended the payment of final dividend of Rs. Nil on Equity Shares for 31st March 2018 (Rs 5.36 Lakhs as on 31st march 2017). This proposed dividend is subject to the approval of the shareholders in theensuing annual general meeting.	-	5.36
	In addition to the above dividends, since year end the directors have recommended the payment of final dividend of Rs. Nil.on Preference Shares for 31st March 2018 (Rs. 1.16 Lakhs as on 31st march 2017). This proposed dividend is subject to the approval of the shareholders in theensuing annual general meeting.	-	1.16

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47 Earning per share (EPS)

			2017-18	2016-17
(I)	**Basic**			
(a)	Face value of equity shares	Rs.	10.00	10.00
(b)	Profit attributable to equity shareholders	Rs.	(22,06,15,974)	(56,75,94,695)
(c)	Weighted average number of equity shares outstanding	Nos.	2,90,39,680	2,77,69,944
(d)	Weighted average earning per share (basic and diluted)	Rs.	(7.60)	(20.44)
(II)	**Diluted**			
(a)	Face value of equity shares	Rs.	10.00	10.00
(b)	Profit attributable to equity shareholders	Rs.	(22,06,15,974)	(56,75,94,695)
(c)	Weighted average number of equity shares outstanding	Nos.	3,48,48,636	3,35,78,900
(d)	Weighted average earning per share (basic and diluted)	Rs.	(6.33)	(16.90)

48 Assets Pledged as Security

The carrying amount of Assets pledged as security for current and non current borrowings are :-

Rs. in Lakhs

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Current			
Trade Receivables	1,175.23	3,436.35	4,350.13
Inventories	3,341.23	2,853.18	1,994.08
Biological Assets	173.58	111.76	164.96
Total Current Assets Pledged as Security	4,690.04	6,401.29	6,509.18
Non Current			
Property Plant & Equipments	1,00,864	1,00,571	88,789
Total Non Current Assets Pledged as Security	1,00,864	1,00,571	88,789
Total Assets Pledged as securities	1,05,554	1,06,972	95,298

49 (A) Reconciliation of Equity as at 31st March, 2016

	Note no.	IGAAP As at 1st April, 2016	*IndAS Adjustment*	IndAS As at 1st April, 2016
A ASSETS				
1 Non-current Assets				
Property, Plant and Equipment	1	8,87,89,07,013	-	8,87,89,07,013
Capital Work-in-Progress		39,33,35,739	-	39,33,35,739
Financial Assets		-	-	-
(i) Others		1,33,32,518		1,33,32,518
Deferred Tax Assets (Net)	7	40,01,760	(40,01,760)	-
Income Tax Assets (Net)		20,58,594		20,58,594
Other Non-Current Assets	2	4,71,75,752	(2,77,10,502)	1,94,65,250
		9,33,88,11,376	(3,17,12,262)	9,30,70,99,114

		Note			
2	**Current Assets**				
	Inventories	4	17,19,17,238	2,74,91,079	19,94,08,317
	Biological assets other than bearer plants	3	-	1,64,96,442	1,64,96,442
	Financial Assets				
	(i) Loans		2,08,56,399	-	2,08,56,399
	(ii) Trade Receivables		43,50,13,040	-	43,50,13,040
	(iii) Cash & Cash Equivalents		44,97,709	-	44,97,709
	(iv) Other Financial Assets		22,96,55,401	-	22,96,55,401
	Other Current Assets		7,32,19,599	-	7,32,19,599
			93,51,59,386	4,39,87,521	97,91,46,907
	Total Assets		10,27,39,70,762	1,22,75,259	10,28,62,46,021
B	**EQUITY & LIABILITIES**				
1	**Equity**				
	Equity Share Capital		22,50,24,291	-	22,50,24,291
	Other Equity		7,36,71,96,182	(1,50,59,16,505)	5,86,12,79,677
	Total Equity	5	7,59,22,20,473	(1,50,59,16,505)	6,08,63,03,968
2	**Non Current Liabilities**				
	Financial Liabilities				
	(i) Borrowings	6	1,46,42,81,979	(50,14,652)	1,45,92,67,327
	(ii) Other Financial Liabilities				-
	Long term provisions		13,55,08,921	-	13,55,08,921
	Other non-current liabilities		9,16,84,499		9,16,84,499
	Deferred Tax Liabilities (net)	7	-	1,52,45,10,508	1,52,45,10,508
			1,69,14,75,399	1,51,94,95,856	3,21,09,71,255
	Current Liabilities				
	Financial Liabilities				
	(i) Borrowings		77,07,26,506	-	77,07,26,506
	(ii) Trade Payables		2,15,57,884	-	2,15,57,884
	(iii) Other Financial Liabilities		6,95,69,756	(13,04,092)	6,82,65,664
	Other Current Liabilities		10,09,93,026	-	10,09,93,026
	Current Tax Liabilities (net)		2,74,27,718	-	2,74,27,718
			99,02,74,890	(13,04,092)	98,89,70,798
	Total Liabilites		2,68,17,50,289	1,51,81,91,764	4,19,99,42,053
	Total Equity and Liabiltiies		10,27,39,70,762	1,22,75,259	10,28,62,46,021

(B) Reconciliation of Equity as at 31st March, 2017

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

		Note no.	IGAAP As at 31st March 2017	IndAS Adjustment	Ind AS As at 31st March 2017
A	ASSETS				
1	**Non-current Assets**				
	Property, Plant and Equipment	1	10,07,23,52,417	(1,52,88,993)	10,05,70,63,424
	Capital Work-in-Progress		38,60,82,553	-	38,60,82,553
	Financial Assets				
	(i) Other Non- Current Financial Assets		-	-	-
	Deferred Tax Assets (Net)	7	37,70,404	-	37,70,404
	Income Tax Assets (Net)		2,96,580	(2,96,580)	-
	Other Non-Current Assets	2	1,33,106		1,33,106
			5,63,63,939	(2,82,94,243)	2,80,69,696
			10,51,89,98,999	(4,38,79,816)	10,47,51,19,183
2	**Current Assets**				
	Inventories	4	23,16,05,183	5,37,12,848	28,53,18,031
	Biological Assets other than Bearer Plants	3	-	1,11,76,024	1,11,76,024
	Financial Assets				-
	(i) Loans		1,93,90,477	-	1,93,90,477
	(ii) Trade Receivables		34,36,34,820	-	34,36,34,820
	(iii) Cash & Cash Equivalents		78,07,055	-	78,07,055
	(iv) Other Financial Assets		22,06,97,987	-	22,06,97,987
	Other Current Assets		16,67,50,522	-	16,67,50,522
			98,98,86,044	6,48,88,872	1,05,47,74,916
			-	-	-
	Total Assets		11,50,88,85,043	2,10,09,057	11,52,98,94,099
B	**EQUITY & LIABILITIES**				
1	**Equity**				
	Equity Share Capital		27,03,68,910	-	27,03,68,910
	Instruments Entirely Equity in Nature		5,80,89,560		5,80,89,560
	Other Equity	5	9,31,35,99,829	(1,76,74,23,546)	7,54,61,76,282
	Total Equity		9,64,20,58,299	(1,76,74,23,546)	7,87,46,34,752
2	**Non Current Liabilities**				
	Financial Liabilities				
	(i) Borrowings	6	1,07,92,11,510	(45,74,810)	1,07,46,36,700
	Long -Term Provisions		16,22,87,475	-	16,22,87,475
	Other non-current liabilities		7,33,88,615		7,33,88,615
	Deferred Tax Liabilities (net)	7	-	1,79,37,92,720	1,79,37,92,720
			1,31,48,87,600	1,78,92,17,910	3,10,41,05,510
3	**Current Liabilities**				
	Financial Liabilities				
	(i) Borrowings		16,74,67,697	-	16,74,67,697
	(ii) Trade Payables		4,44,82,957	-	4,44,82,957
	(iii) Other Financial Liabilities		21,66,17,115	(7,85,307)	21,58,31,808
	Other Current Liabilities		10,68,75,881	-	10,68,75,881
	Provisions		-	-	-
	Current Tax Liabilities (net)		1,64,95,494	-	1,64,95,494
			-	-	-
			55,19,39,144	(7,85,307)	55,11,53,837
	Total Liabilities		1,86,68,26,744	1,78,84,32,603	3,65,52,59,347
	Total equity and liabiltiies		11,50,88,85,043	2,10,09,057	11,52,98,94,099

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(C) **Reconciliation of profit or loss for the year ended 31 March, 2017**

		Note no.	IGAAP 2016-17	IndAS Adjustment	IndAS 2016-17
I	**INCOME**				
	Revenue from Operations	8	1,25,16,72,753	(3,88,307)	1,25,12,84,446
	Other Income		3,16,66,764	-	3,16,66,764
	Total Income		1,28,33,39,517	(3,88,307)	1,28,29,51,210
II	**EXPENSES**				
	Purchase of Stock-in-Trade		43,02,16,397	-	43,02,16,397
	Changes in Inventories of Raw Materials, Finished Goods & Work-in-Progress & Stock-in-Trade		(5,96,87,945)	(2,62,21,768)	(8,59,09,713)
			-	-	-
	Employee Benefits Expense	10	54,03,69,193	(22,10,290)	53,81,58,903
	Finance Costs		26,16,18,442	-	26,16,18,442
	Depreciation & Amortization Expense		13,31,77,302	5,81,75,131	19,13,52,433
	Other Expenses	11	23,57,75,559	59,55,693	24,17,31,252
	Total Expenses		1,54,14,68,948	3,56,98,766	1,57,71,67,714
	Profit/(loss) before Exceptional Items and Tax		(25,81,29,431)	(3,60,87,073)	(29,42,16,504)
	Exceptional Items				
III	**PROFIT BEFORE TAX**		(25,81,29,431)	(3,60,87,073)	(29,42,16,504)
	Tax expense				
	Current tax		-	-	-
	Tax for Previous Year		34,13,000	-	34,13,000
	Deferred tax	7	37,05,180	26,62,60,012	26,99,65,192
	Total Tax expense		71,18,180	26,62,60,012	27,33,78,192
IV	**PROFIT FOR THE YEAR AFTER TAX**		(26,52,47,611)	(30,23,47,084)	(56,75,94,695)
V	**OTHER COMPREHENSIVE INCOME**	12			
i	Items that will not be classified to profit and loss		-	(22,10,290)	(22,10,290)
ii	Income tax relating to items that will not be classified to profit and loss		-	6,82,980	6,82,980
	Total Other Comprehensive Income For The Year		-	(15,27,310)	(15,27,310)
VII	**TOTAL COMPREHENSIVE INCOME FOR THE YEAR NET OF TAX**		(26,52,47,611)	(30,38,74,395)	(56,91,22,006)

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(D) Notes to the Reconciliation

1. Property Plant & Equipment

The Company has elected to measure all its Property, Plant and Equipment at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS i.e., 1st April, 2016. The increase of Rs. 428.86 Lakhs in property, plant and equipment is due to reversal of revaluation reserve as on the transition date. Cost of Land & Plantation from the erstwhile IGAAP on date of transition has been adopted seggregating the bearer plant with compensation value and the residual cost has been allocated to leasehold & freehold land. Further Depreciation of Rs. 581.75 Lakhs on bearer plant has been provided on bearer plant on SLM basis in the year 2016-17.

2 Other Non Current Assets

Under the Previous GAAP, pre operative expense of Rs. 277.10 Lakhs as on the transition date i.e 01-04-2016 has been recognised as an asset. However, since Ind AS does not permit such recognition of pre operative expesnes as an asset so entire amount has been transferred to retained earnings. Similarly, in the year 2016-17, Preoperative expenses of Rs. 5.83 Lakhs has been derecognised and charged off to Profit & Loss Account.

3 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. Consequent to this change, inventory of biological assets as on 1 April 2016 has increased by Rs. 164.96 Lakhs with correponding increase in retained earnings. However, inventory of biological assets as on 31 March, 2017 has decreased to Rs.111.76 Lakhs with corresponding impact in Profit & Loss.

4 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 costs of purchase/production of green leaf, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Under Ind AS, cost of inventories comprise cost of purchase of green leaf, fair value of green leaf at the time of harvest less cost to sell, conversion cost and other costs incurred in bringing the inventories to their present location and condition. Consequent to this change, inventory of finished goods as on 1st April 2016 has increased by Rs 274.91 Lakhs with corresponding increase in retained earnings. However, Inventories as on 31st March 2017 had increased by Rs 262.21 Lakhs with corresponding increase in Profit & Loss.

5 Other Equity

The adjustments pertaining to opening balance sheet at the time of transition to Ind AS are adjusted into retained earnings and subsequently , the adjustments are made into Profit or Loss or Other Comprehensive Income as prescribed under Ind AS.

		As at 31st March, 2017	As at 1st April, 2016
(i)	Recognition of biological assets, unharvested green tea leaves at fair value less cost to sale	-	1,64,96,441
(ii)	Changes in Fair Value of Biological Assets	(53,20,417)	
(iii)	Decognition of Preoperative expenses	(5,83,741)	(2,77,10,502)
(iv)	Impact on Fair Valuation of Green Leaf in Stock of Finished Goods	2,62,21,768	2,74,91,080
(v)	Changes in Inventories of Agricultural Produce		
(vi)	Amortisation of transaction cost	(12,82,711)	(19,44,595)
(vii)	Recognition of processing fees in borrowings	8,42,869	69,59,247
(viii)	Reversal of Revaluation Reserve	4,28,86,138	
(ix)	Deferred tax impact	(26,55,77,032)	(1,52,85,12,268)
(x)	Recognition of Proposed Dividend	(13,04,092)	
(xi)	Derecognition of Proposed Dividend	7,85,307	13,04,092
(xii)	Depreciation on Bearer Plant	(5,81,75,131)	
		(26,15,07,042)	(1,50,59,16,505)

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6 Borrowings

Under Indian GAAP, transaction costs incurred in connection with borrowings were amortised upfront and charged to profit or loss for the period. Under Ind AS, transaction costs are included in the initial recognition amount of financial liability and subsequently charged to profit or loss using the effective interest method. Accordingly as on the transition date, processing fees of Rs. 50.14 Lakhs (net) has been reduced from borrowings by crediting retained earnings. In the subsequent year 2016-17, Processing fees of Rs 8.43 Lakhs has been further reduced from Borrowings by crediting Profit & Loss Account for fresh loan taken. Further Rs. 12.83 Lakhs has been debited to Profit & Loss a/c on account of amortisation of processing fees.

7 Deferred Tax Liability/Asset

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

In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Company has to account for such differences. On the date of transition, the net impact on deferred tax liabilities of Rs.15285.12 Lakhs has been recognised in retained earnings and for the year ended 31st March 2017,deferred tax liability creation of Rs.2655.77 Lakhs has been recognised in statement of profit and loss.

8 Sale of Goods

Under IND AS discount are to be netted off from sale of product which was accounted as expense under Indian GAAP. Hence sale of product is reduced by Rs. 3.88 Lakhs for the period ended 31st March 2017.

9 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 7.85 lakhs as at 31st March 2017 (1st April 2016 - Rs 13.04 lakhs) included under provisions has been reversed with corresponding adjustment to statement of profit and loss for the year 2016-17and retained earnings on transition date.

10 Employee Benefit Expenses

Both under Indian GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, remeasurements [comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability] are recognised in the balance sheet through OCI. Thus the employee benefit expense is reduced by Rs.22.10 Lakhs and remeasurement gains/ losses on defined benefit plans has been recognized in the OCI net of tax.

11 Other Expenses

		2016-17
(i)	Pre-Operative Expenses	
	Amortisation of transaction cost of borrowings	5,83,741
	Reversal of transaction cost debited in P/L as per IGAAP	12,82,711
	Discount & Brokerage netted off with sales	(8,42,869)
	Changes in fair Value of Biological Assets	(3,88,307)
		53,20,417
		59,55,693

12 Other Comprehensive Income

		2016-17
(i)	Remeasurement of defined benefits plans	(15,27,310)

(E) There is no material impact on the Statement of Cash Flows due to the transition from previous GAAP to Ind AS.

Previous year figures have been regrouped/rearranged/ reclassified where necessary to correspond with current year figures.

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DARJEELING ORGANIC TEA ESTATES PVT LIMITED
Notes to the financial statements for the year ended 31st March, 2018

1. COMPANY INFORMATION

Darjeeling Organic Tea Estates Private Limited (the Company) was incorporated in India on 13th January 2009. The Company is domiciled in India having its registered office at 24A METCALFE STREET 7TH FLOOR , Kolkata 700 088. The Company is engaged in the Cultivation and Manufacturing of Tea and other agricultural products.

The financial statements of the Company for the year ended 31st March, 2018 were authorised for issue in accordance with a resolution of the Board of Directors as on 18th September, 2018

2 Basis of Preparation of Financial Statements

2.1 Statement of Compliance

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate affairs pursuant to section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

These financial statements for the year ended 31st March, 2018 are the first, the Company has prepared under Ind AS. For all periods upto and including the year ended 31st March, 2017, the Company prepared its financial statements in accordance with the Accounting Standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (hereinafter referred to as 'Previous GAAP') used for its statutory reporting requirement in India immediately before adopting Ind AS. The financial statements for the year ended 31st March, 2017 and the opening Balance Sheet as at 1st April, 2016 have been restated in accordance with Ind AS for comparative information.

Reconciliations and explanations of the effect of the transition from Previous GAAP to Ind AS on the Company's Balance Sheet, Statement of Profit and Loss and Statement of Cash Flows are provided in Note no 49 of the financial statements.

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements, including the preparation of the opening Ind AS Balance Sheet as at 1st April, 2016 being the 'date of transition to Ind AS'

All Assets and Liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

The financial statements are presented in Indian Rupees (Rs.), which is the Company's functional currency.

2.2 Basis of Measurement

The financial statements have been prepared on a historical cost basis (which includes deemed cost as per Ind AS 101), except for the following assets and liabilities which have been measured at fair value:

(i) Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).
(ii) Defined benefits plans - Plan assets measured at fair value
(iii) Certain Biological Assets (Including Unplucked Green leaves) - measured at Fair Value less cost to sell.

2.3 FIRST TIME ADOPTION OF IND AS

The Company has adopted Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs with effect from 1st April, 2017 with a transition date of 1st April, 2016. These financial statements for the year ended 31st March, 2018 are the first financial statements the Company has prepared under Ind AS. For all periods upto and including the year ended 31st March, 2017, the Company prepared its financial statements in accordance with the Accounting Standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ('Previous GAAP').

The adoption of Ind AS has been carried out in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards. Ind AS 101 requires that all Ind AS standards and interpretations that are issued and effective for the first Ind AS financial statements be applied retrospectively and consistently for all financial years presented, Accordingly, the Company has prepared financial statements which comply with Ind AS for year ended 31st March, 2018, together with the comparative information as at and for the year ended 31st March, 2017 and the opening Ind AS Balance Sheet as at 1st April, 2016, the date of transition to Ind AS. The figures for the previous periods and for the year ended 31st March, 2016 have been restated, regrouped and reclassified, wherever required to comply with Ind-AS and Schedule III to the Companies Act, 2013 and to make them comparable.

In preparing these Ind AS financial statements, the Company has availed certain exemptions and exceptions in accordance with Ind AS 101, as explained below. The resulting difference between the carrying values of the assets and liabilities in the financial statements as at the transition date under Ind AS and Previous GAAP have been recognized directly in equity (retained earnings or *another appropriate category of equity*). *These notes* explain the adjustments made by the Company in restating its financial statements prepared under previous GAAP, including the Balance Sheet as at 1st April, 2016 and the financial statements as at and for the year ended 31st March, 2017.

[A] Exemptions from requirement of Other IND AS

A-1] Deemed cost for Property, Plant and Equipment

The Company has elected to measure all its Property, Plant and Equipments at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS.

[A-2] Business Combination

The Company has not elected to apply IND AS 103- Business Combination , retrospectively to past business combination that are occurred before the date of transition to IND AS.

[A-3] Lease

The Company has assessed the classification of each element as finance or operating lease at the date of transition to Ind AS on the basis of the facts and circumstances existing as at that date.

[B] Mandatory Exceptions from retrospective application

The Company has applied the following exceptions to the retrospective application of Ind AS as mandatorily required under Ind AS 101.

[B-1] Estimates

On assessment of the estimates made under the Previous GAAP financial statements, the Company has concluded that there is no necessity to revise the estimates under Ind AS, as there is no objective evidence of an error in those estimates. However, estimates that were required under Ind AS but not required under Previous GAAP are made by the Company for the relevant reporting dates reflecting conditions existing as at that date.

These are as under:

• Fair Valuation of financial instrument.

• Impairment of financial assets based on expected credit loss model

• Determination of the discounted value for financial instruments carried at amortised cost

• Biological asset measured at Fair Value less Cost to Sell

[B-2] Classification and measurement of Financial Assets

The classification of financial assets to be measured at amortised cost or fair value through other comprehensive income or through profit & loss is made on the basis of the facts and circumstances that existed on the date of transition to Ind AS.

[C] Transition to Ind AS – Reconciliations

The following reconciliations provide the explanations and quantification of the differences arising from the transition from Previous GAAP to Ind AS in accordance with Ind AS 101 :

[C-1] Reconciliation of Equity as at 1st April, 2016 - Refer Note no 49 A
[C-2] Reconciliation of equity as at 31st March, 2017 - Refer Note no. 49B
[C-3] Reconciliation of Statement of Profit and Loss for the year ended 31st March, 2017 – Refer Note no. 49C
[C-4] Adjustments to statement of Cash Flows for the year ended 31st March, 2017 – Refer Note no. 49 E
Previous GAAP figures have been reclassified/regrouped wherever necessary to conform with financial statements prepared under Ind AS.

2.4 KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses and disclosure of contingent liabilties. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised prospectively.

Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes:

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2.4.1 Defined Benefit Plans

The cost and the present value of the defined benefit gratuity plan are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in future. These include the determination of appropriate discount rate, estimating future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. For further details refer Note 40.

2.4.2 Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 44 for further disclosures.

2.4.3 Depreciation and amortisation

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

2.4.4 Provisions and Contingencies

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

2.4.5 Taxation

The Company is engaged in agricultural activities and accordingly, significant judgement is involved in determining the tax liability for the Company. Also there are many transactions and calculations during the ordinary course of business for which the ultimate tax determination is uncertain. Further judgement is involved in determining the deferred tax position on the balance sheet date.

2.4.6 Fair Value of Biological Assets

The fair value of Biological Assets is determined based on the Selling Price of Finished Goods less Cost of Sales and Manufacturing Cost.

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 Revenue Recognition

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

The specific recognition criteria described below are met before revenue is recognised:

Sale of Goods

Revenue from the sale of goods is recognised when all significant risks and rewards of ownership of the goods are transferred to the buyer, as per the terms of the contract and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods. In Case of Auction Sales, revenue is recognised on Completion of Auction and in case of consignment sales, revenue is recognised on receiving information from the consignee.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment. It excludes sales tax, Value added tax (VAT),Goods and Service Tax, Trade Discounts, Volume Rebates and Returns.

Interest Income

Interest Income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

Dividend Income

Revenue is recognised when the right to receive the payment is established by the reporting date.

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3.2 Property, Plant and Equipment

Upon first-time adoption of Ind AS, the Company has elected to measure all its Property, Plant and Equipment at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS i.e., 1st April, 2016.

Property, Plant and Equipment is stated at acquisition cost net of accumulated depreciation and accumulated impairment losses (i.e. as per Cost Model), if any. Cost comprises purchase price including import duties and other non-refundable duties and taxes, borrowing cost if capitalization criteria are met and other directly attributable cost for bringing the Assets to its present location and condition. Freehold Land is however carried at Historical Cost.

Bearer Plants (comprising of mature tea bushes and shade trees) which is used in the production or supply of agriculture produce and expected to bear produce for more than a period of twelve months are capitalized as a part of Property, Plant & Equipment. The cost of Bearer Plant includes all cost incurred till the plants are ready for commercial harvest which includes the cost of land preparation, new planting and maintenance of newly planted bushes until maturity. Bearer Plants are depreciated from the date when they are ready for commercial harvest.

The cost of replacing part of an item of Property, Plant and Equipment is recognised in the carrying amount of the item only when it is probable that future economic benefits embodied within the part will flow to the Company and the cost of the item/part can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit and Loss during the period in which they are incurred.

When parts of an item of Property, Plant and Equipment have different useful lives, they are accounted for as separate items (major components) of Property, Plant and Equipment.

Gains or losses arising on retirement or disposal of Property, Plant and Equipment are recognised in the Statement of Profit and Loss.

Property, Plant and Equipment which are not ready for intended use as on the date of Balance sheet are disclosed as "Capital Work-in-progress". Immature bearer plants, including the cost incurred for procurement of new seeds and maintenance of nurseries, are carried at cost less any recognized impairment losses under capital work-in-progress.Costs incurred for infilling including block infilling are generally recognized in the Statement of Profit and Loss unless there is a significant increase in the yield of the sections, in which case such costs are capitalized and depreciated over the remaining useful life of the respective sections.

Items of Property, Plant and Equipment acquired through exchange of non-monetary assets are measured at fair value, unless the exchange transaction lacks commercial substance or the fair value of either the asset received or asset given up is not reliably measurable, in which case the asset exchanged is recorded at the carrying amount of the asset given up.

The Assets which are held for Sale shall be reclassified to Current Assets only if its carrying amount will be recovered principally through a sale transaction (within one year) rather than through continuing use.

Depreciation and Ammortization:-

Depreciation on the Company's Fixed Assets has been charged on the following basis:

i) Depreciation on the fixed assets have been charged on the written down value method. Depreciation is provided based on useful life of the assets as prescribed in Schedule II of the Companies Act, 2013.

In respect of the following assets, useful lives different from Schedule II have been considered on the basis of technical evaluation, as under:-

- Depreciation on Bearer Plants has been provided on Straight Line Basis at the rates determined considering useful lives of tea bushes of 75 Years to 150 Years. The Residual Value in case of Bearer Plants has been considered as 1% of Original Cost.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period and the effect of any changes in estimate is accounted for on a prospective basis.

3.3 Intangible Assets :

Separately purchased intangible assets are initially measured at cost.Subsequently, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.The useful lives of intangible assets are assessed as either finite or indefinite.Finite-life intangible assets are amortised on a straight-line basis over the period of their expected useful lives.

The Tangible Assets are derecognised either when they are being disposed off or no future economic benefit is expected from its use or disposal, the difference net disposal proceeds and the carrying amount of Assets is recognised in the statement of Profit and Loss in the period of dereognition.

3.4 Non Current Assets held for Sale

Non-current assets or disposal groups comprising assets and liabilities are classified as 'held for sale' when all of the following criteria are met : (i) decision has been made to sell. (ii) the assets are available for immediate sale in its present condition (iii) the assets are being actively marketed and (iv) sale has been agreed or is expected to be concluded within 12 months of the Balance Sheet date.

Subsequently, such non-current assets and disposal groups classified as held for sale are measured at the lower of its carrying value and fair value less costs to sell. Non-current assets held for sale are not depreciated or amortised.

3.5 Investment Property

Investment Property comprises Free-Hold Lands that are held for Capital Appreciation as it has been held for a currently undetermined future use and are recognised at cost.

An Investment Property are derecognised either when they are disposed off or when they are permanently withdrawn from use and no future economic benefit is expected.The difference between the net disposal proceeds and the carrying amount of the asset is recognised in statement of profit and loss in the period of derecognition.

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3.6 **Lease**

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

Leases in which a substantial portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments and receipts under such leases are recognised to the Statement of Profit and Loss on a straight-line basis over the term of the lease unless the lease payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, in which case the same are recognised as an expense in line with the contractual term.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership to the lessee. Assets acquired under finance lease are capitalized at lower of the fair value and the present value of minimum lease payment.

3.7 **Impairment of non-financial assets**

As at each balance sheet date, the Company assesses whether there is an indication that an asset may be impaired and also whether there is an indication of reversal of impairment loss recognised in the previous periods. If any indication exists, or when annual impairment testing for an asset is required, if any, the Company determines the recoverable amount and impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount.

Recoverable amount is determined:-

a)In the case of an individual asset, at the higher of the fair value less cost to sell and the value in use ; and

b) In the case of cash generating unit (a group of asset that generates identified, independent cash flow), at the higher of the cash generating unit's fair value less cost to sell and the value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discounting rate that reflect the current market assessment of the time value of the money and the risk specific to the asset. In determining fair value less cost of disposal, recent market transaction is taken into account. If no such transaction can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

3.8 **Financial Instruments**

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

a) **Financial Assets**

Initial Recognition and measurement of Financial Assets

All financial assets are recognised initially at fair value plus or minus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Financial assets are classified, at initial recognition, in the same manner as described in subsequent measurement.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e. the date the Company commits to purchase or sell the asset

Subsequent measurement

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

(a) Financial assets at amortised cost

(b) Financial assets at fair value through other comprehensive income (FVTOCI)

(c) Financial assets at fair value through profit or loss (FVTPL)

(d) Equity instruments measured at fair value through other comprehensive income (FVTOCI)

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(a) Financial assets at amortised cost

A financial asset that meets the following two conditions is measured at amortised cost (net of any write down for impairment) unless the asset is designated at fair value through profit or loss under the fair value option.

i) Business model test : The objective of the Company's business model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realize its fair value changes).
ii) Cash flow characteristics test : 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.*

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on

acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.
Effective Interest Rate (EIR) method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument or where appropriate, a shorter period to the net carrying amount on initial recognition

(b) Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset that meets the following two conditions is measured at fair value through other comprehensive income unless the asset is designated at fair value through profit or loss under the fair value option.

i) Business model test : The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
ii) Cash flow characteristics test : 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.

(c) Financial assets at fair value through profit or loss (FVTPL)

FVTPL is a residual category for financial assets. Any financial asset, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a financial asset, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch') that would otherwise arise from measuring financial assets and financial liabilities or recognising the gains or losses on them on different bases.
Financial assets included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

(d) Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.
If an equity investment is not held for trading, an irrecoverable election is made at initial recognition to measure it at fair value through other comprehensive income with only dividend income recognised in the statement of profit and loss.
If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from other comprehensive income to statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.
Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

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Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's financial statement) when:

(a) The rights to receive cash flows from the asset have expired, or

(b) The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

(i) the Company has transferred substantially all the risks and rewards of the asset, or

(ii) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Write Off

An entity shall directly reduce the gross carrying amount of a Financial Asset when the entity has no reasonable expectation of recovering a financial asset in its entirity or for a portion thereof.

Impairment of financial assets

The Company applies expected credit losses (ECL) model for measurement and recognition of impairment loss on the following financial assets:

(a) Financial assets measured at amortised cost

(b) Financial assets measured at fair value through other comprehensive income (FVTOCI)

Expected Credit Losses are measured through either 12 month ECL or lifetime ECL and it is assessed as following:

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

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables

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

The Company follows a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historical observed default rates over the expected life of the trade receivables and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward looking estimates are analysed.

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

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DARJEELING ORGANIC TEA ESTATES PVT. LTD. * KOL-13 b **Financial liabilities**

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include loans and borrowings, trade and other payables and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

(a) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

(b) Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

(c) Financial Guarantee Contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee.

Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet 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 realize the assets and settle the liabilities simultaneously.

3.9 **Cash and cash equivalents**

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

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash in hand, cash at banks and short-term deposits, as defined above, net of outstanding bank overdrafts, if any, as they are considered an integral part of the cash management.

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3.10 Foreign currency Transactions

The Company's financial statements are presented in Indian Rupee (Rs.) which is also Company's functional currency.

Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rates prevailing on the date of transaction. At each balance sheet date, foreign currency monetary items are reported using the closing exchange rate. Exchange rate differences that arise on settlement of monetary items or on translating of monetary items at each balance sheet reporting date at the closing rate are recognised as income or expense in the period in which they arise except exchange difference on monetary items that qualify as a hedging instrument in a cash flow hedge are recognised initialy in OCI to the extent the hedge is effective.

Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rates prevailing at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are reported using the exchange rates prevailing at the date when fair value is determined.

When a gain or loss on non-monetary items is recognised in OCI any exchange component of that gain / loss shall be recognised in OCI, conversely when a gain or loss on a non-monetary item is recognised in Profit / loss any exchange component of that gain/loss shall be recognised in Profit / Loss.

3.11 Fair Value Measurement:

The Company measures financial instruments, such as, derivatives etc. at fair value at each balance sheet date.

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

(a) In the principal market for the asset or liability, or

(b) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

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

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

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3.12 Inventories

Raw materials including harvested tea leaves, produced from own gardens are measured at lower of cost and net realisable value. Cost being the fair value less cost to sell at the point of harvest of tea leaves.

Raw materials of purchased tea leaves, Stores and Spare parts and Finished Goods are stated at lower of cost and net realisable value. In case of Stores & Spare Parts, Cost is determined using Weighted Average Cost method. Finished goods include cost of conversion and other cost incurred for bringing the inventories to their present location and condition and Traded Goods includes purchase prise and other cost incurred for bringing the inventories to their present location and condition.

Stock of Traded Goods are valued at Cost.

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

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3.13 Biological Assets

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 and loss.

3.14 Employee Benefits

Short Term Employee Benefits

Short term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be settled wholly before twelve months after the year end, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. It includes Salary, wages, paid annual leave.

Post Employement Benefits

Defined Contribution Plan

Retirement benefits in the form of contribution to Provident fund are defined contribution plans. The contributions are charged to the statement of profit and loss as and when due monthly and are paid to the Government administered Providend Fund towards which the Compnay has no further obligation beyond its monthly contribution.

Defined benefit plans:

The Company operates defined benefit plan viz., gratuity. The costs of providing benefits under this plan are determined on the basis of actuarial valuation at each year-end. Actuarial valuation is carried out for the plan using the projected unit credit method.

Defined benefit costs are comprised of:

a) service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
b) Net interest expense or income; and
c) Re-measurement.

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs. Re-measurement of net defined benefit liability/ asset pertaining to gratuity comprise actuarial gains/ losses (i.e. changes in the present value resulting from experience adjustments and effects of changes in actuarial assumptions) and is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss.

3.15 Borrowing Cost

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period in which it is incurred.

Borrowing costs include interest expense calculated using the effective interest rate method as described in Ind AS 109- Financial Instruments, finance charges in respect of finance leases are recognised in accordance with Ind AS 17- Leases and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

3.16 Government Grants

Government grants and subsidies are recognised at Fair Value when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants/subsidy will be received. When the grant or subsidy from the Government relates to revenue, it is accrued and shown as income in the period in which the right to receive grant is established. Government grants relating to the acquisition/construction of property, plant and equipment are included in non current liabilities as deferred government grant and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other operating income.

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3.17 Income Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax. It is recognised in statement of profit and loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current Tax

Current income tax represents the tax currently payable on the taxable income for the year and any adjustment to the tax in respect of the previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred Tax

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

The carrying amount of deferred tax assets is reveiwed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside the statement of profit and loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and liabilities are offset only if:

(i) entity has a legally enforceable right to set off current tax assets against current tax liabilities; and

(ii) deferred tax assets and the deferred tax liabilities relate to the income taxes levied by the same taxation authority.

Current and deferred tax is recognised in the statement of profit and loss, except to the extent that it relates to items recognised in the Other Comprehensive Income or directly in equity. In this case, tax is also recognised in other comprehensive income or directly in equity, respectively.

Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each balance sheet date and the carrying amount of MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal tax during the specified period.

3.18 Provisions, Contingent Liabilities and Contingent Assets

General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent Liabilities and Assets

Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are not recognised but disclosed in the financial statements when economic inflow is probable.

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3.19 Earnings per Share

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

3.20 Current and Non-current Classification

The Company presents assets and liabilities in the balance sheet based on current/ non current classification.

An asset is current when:

- It is expected to be realised or intended
- It is held primarily for the purpose of trading,
- It is expected to be realised within twelve months after the reporting period,
- It is cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve

Or

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

3.21 Business Combination

Business combinations, if any, are accounted for using the acquisition accounting method as at the date of the acquisition, which is the date at which control is transferred to the Company. The consideration transferred in the acquisition and the identifiable assets acquired and liabilities assumed are recognised at fair values on their acquisition date. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the Goodwill computed as per IND AS 103 is negative, the acquirer needs to reassess the identification and measurement of the acquiree's identifiable assets, liabilities and contingent liabilities and the measurement of the cost of combination. If negative goodwill remains, this is recognised immediately in OCI and accumulated in equity as Capital Reserve. The Company recognises any non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. The Company recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. Consideration transferred does not include amounts related to settlement of pre-existing relationships. Such amounts are recognised in the Statement of Profit and Loss.
Transaction costs are expensed as incurred, other than those incurred in relation to the issue of debt or equity securities. Any contingent consideration payable is measured at fair value at the acquisition date. Subsequent changes in the fair value of contingent consideration are recognised in the statement of Profit and Loss.
If there is an acquisition of an asset or a group of assets that does not constitute a business.In such cases the Company shall identify and recognise the individual identifiable assets acquired (including those assets that meet the definition of, and recognition criteria for, intangible assets in Ind AS 38, Intangible Assets) and liabilities assumed. The cost of the group shall be allocated to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such a transaction or event does not give rise to goodwill.

3.23 Research & Development:

Revenue expenditure on Research and Development is recognised as a charge in the Statement Profit and Loss. Capital expenditure on assets acquired for Research and Development is added to Property, Plant and Equipment, if any.

3.24 Standard issued but not yet effevtive

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2018 has notified the following amendments to Ind AS's viz Ind AS 115 – Revenue from Contracts with Customers, Ind AS 21 – The Effect of Changes in Foreign Exchange Rates, Ind AS 12 - Income Taxes, Ind AS 40 - Investment Property, & Ind AS 28 - Investments in Associates and Joint ventures, which the Company has not applied as they are effective for annual periods beginning on or after 1 April, 2018

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