

BOARD OF DIRECTORS

Mr. Balesh Kumar Bagree
Mrs. Neerja Agarwal
Mr. Ajay Kumar Singh – Whole Time Director

KEY MAGERIAL PERSONNEL

Mr. Purushottam Dalmia – Chief Executive Officer
Mr. Dharmendra Maheshwari – Chief Financial Officer

AUDITORS

P. Lunawat & Associates
Everest House, Suit No.8C, 8th Floor,
46C, Jawaharlal Nehru Road,
Kolkata – 700 071

TEA ESTATE

DURRUNG TEA ESTATE
P.O.: Bindukuri – 784502, Assam

ESTATE GENERAL MANAGER

Mr. M. P. Singh

REGISTERED OFFICE

"CRESCENT TOWER"
4TH FLOOR, ROOM NO. 4E
229, A. J. C. BOSE ROAD, KOLKATA - 700 020
(CIN) L01132WB1981PLC197045
Phone : (033) 4061-3022, 4061-3046
Fax : (033) 4061-3050
E-mail : spbptea@gmail.com

REGISTRAR

ABS CONSULTANT PVT. LTD.
"STEPHEN HOUSE", Room No.99, 6th Floor,
4, B.B.D. BAGH (EAST), KOLKATA – 700 001
Tel: (033) 2230-1043 Fax : (033) 2243-0153

STOCK EXCHANGE WHERE SHARE ARE LISTED
CALCUTTA STOCK EXCHANGE LTD.

ANNUAL GENERAL MEETING

Date : 26th September, 2018
Day : Wednesday
Time : 5.00 P.M.
Place : Registered Office of Company
"CRESCENT TOWER"
4TH FLOOR, ROOM NO. 4E
229, A. J. C. BOSE ROAD
KOLKATA - 700 020
Book Closure : 19th September, 2018
To 26th September, 2018
(Both Days inclusive)

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NOTICE

Notice is hereby given that the Annual General Meeting of Members of SPBP Tea (India) Ltd. will be held at the Registered Office of the Company at "CRESCENT TOWER" Room No. 4E, 4th Floor, 229, A.J.C. Bose Road, Kolkata-700020 on Wednesday the 26th September, 2018 at 5.00 P.M to transact the following business :

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 31st March'2018 together with the Reports of the Directors and Auditors thereon.

SPECIAL BUSINESS:

2. To consider and if thought fit, to pass, with or without modification(s) , the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of sections 149,150,152 and other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Balesh Kumar Bagree (DIN:01625256) who was appointed as an Additional Director on the Board of the Company on 11th November '2017 and who holds office up to the date of conclusion of ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing from a Member under Section 160 of The Companies Act 2013, proposing his candidature for the office of Directorship, be and is hereby appointed as a Non-Executive Director, liable to retire by rotation, as per the applicable provisions of the Companies Act 2013."

3. To consider and if thought fit, to pass, with or without modification(s) , the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of sections 149,150,152 and other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mrs. Neerja Agarwal (DIN:00152141) who was appointed as an Additional Director on the Board of the Company on 11th June'2018 and who holds office up to the date of conclusion of ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing from a Member under Section 160 of The Companies Act 2013, proposing her candidature for the office of Directorship, be and is hereby appointed as a Non-Executive Director, liable to retire by rotation, as per the applicable provisions of the Companies Act 2013."

4. To consider and if thought fit, to pass, with or without modification(s) , the following resolution as a Special Resolution

"RESOLVED THAT pursuant sections 14 of the Companies Act, 2013, the Articles of Association of the Company be and is hereby altered in the following manner :

A new articles 122 is being inserted after Article 121 under the head XXXII Miscellaneous, Which is as under :

New clause in the Article of Association 122 "**General Clause**"

The intention of these Articles is to be in consonance with the contemporary Act, Rules and Regulations prevailing in India. If these is an amendment in any Act, Rules and Regulations allowing what was not previously allowed under statute, the Articles herein shall be deemed to have been amended to the extent that articles will not be capable of restricting what has been allowed by the Act by virtue of an amendment subsequent to registration of articles. In case of any of the provisions contained in these articles is in consistent or contrary to the provisions of the Companies Act, 2013 and rule made thereunder, the provisions of Companies Act'2013 and rule made thereunder, shall override the provisions of these Articles and these Articles shall deemed to be amended to include such provisions of Companies Act'2013. All references to sections of Companies Act'1956 shall be deemed to include the corresponding section/provisions of the Companies Act'2013, if any"



"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to take all the requisite, incidental, consequential and necessary steps and to do and perform all such acts, deeds matters and things as it may, in its absolute discretion, deem necessary expedient,"

Desirable or appropriate in the best interest of the company, to settle any question, query, doubt or difficulty that may arise in this regards, as may be necessary and required for giving effect to this resolution"

By order of the Board

Balesh Kumar Bagree
Director
(DIN : 001625256)

Place: Kolkata
Date 11th June' 2018

NOTES:

1. **A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote, instead of him/her. A proxy need not be a Member of the Company. In order to be effective, the instrument appointing proxy must reach the Registered Office of the Company not less than forty-eight hours before the commencement of the meeting. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the Paid up Capital of the Company carrying voting rights. A Member holding more than ten percent of the Paid up Capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.**

Members are requested to notify to the Registrar of the Company, M/s. ABS CONSULTANT PVT LTD, Stephen House, 6th Floor, Room No. 99, 4, B.B.D. Bag (East), Kolkata – 700 001, any change in their address.

2. The Register of Members and Equity Share Transfer Registers will remain closed from 19th September'2018 to 26th September'2018 (both days inclusive).
3. **Voting through electronic means**
 - (a) Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended and Regulation 44 **SEBI Listing Regulations, 2015** and Secretarial standards on General Meeting (SS2) issued by the Institute of Companies Secretaries of India, The Company is pleased to provide to its Members facilities to exercise their right to votes on the resolutions set forth in the Notice of the **AGM** using electronic voting system provided by **Central Depository Services (India) Ltd. (CDSL)**.
 - (b) The notice of the **Annual General Meeting (AGM)** of the Company inter alia indicating the process and manner of e-Voting along with printed **Attendance Slip** and Proxy Form is being dispatched to those members. Whose name/s are on the Register of Members in the beneficiary list of NSDL and CDSL of the Company on 17th August' 2018 (Being cut off date decide by the Board for sending notice of AGM).

The e-Voting particulars are provided at the bottom of the **Attendance Slip** for the **Annual General Meeting (AGM)**.

- (c) The e-voting period begins on Sunday 23rd September'2018 from 9.00 A.M. and ends on Tuesday 25th September'2018 at 5.00 P.M. During this period shareholders of the Company holding shares either in physical form or in dematerialized form, as on the **cut-off/entitlement date** 18th September'2018 (Being the cutoff date for e- voting



decide by the Board) may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- (d) Once the vote on a resolution cast by the members, the member shall not be allowed to change subsequently or cast the vote again. The voting rights of the Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cutoff date (Record Date) of Tuesday 18th September 2018.
- (e) Mr. Pravin Kumar Drolia (Practicing Company Secretary) of 9, Crooked Lane, 3rd Floor, Room No.19, Kolkata-700069, has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- (f) At the venue of AGM Physical Ballot Forms shall be distributed to the members attending the meeting and at the end of discussion on the resolutions on which voting is to be held, the Chairman shall with the assistance of the Scrutinizer, order voting through ballot paper for all those members who are present but have not cast their votes electronically through remote e-voting facility.
- (g) The Scrutinizer shall immediately after the conclusion of voting at the AGM, count the votes cast at the AGM and thereafter unblock the vote cast through remote e-voting in the presence of at least two(2) witness not in the employment of the Company. The Scrutinizer shall submit a consolidated Scrutinizer's report of the total votes cast in favour of or against, if any, within 48 hours after the conclusion of the AGM to the Chairman of the company. The chairman, or and by other director/person authorized by the Chairman shall declare the result of the voting forthwith.
- (h) The Results along with the Scrutinizer's shall be placed on the notice board of the company immediately after the result is declared by the chairman or any director or such person authorized by the Chairman or any director or such other person authorized by the Chairman, and same shall be communicated to CDSL and The Calcutta Stock Exchange Association Limited .

MEMBERS HOLDING EQUITY SHARES IN ELECTRONIC FORM, AND PROXIES THEREOF, ARE REQUESTED TO BRING THEIR DP ID AND CLIENT ID FOR IDENTIFICATION.

4. **The Instructions for E-Voting are as under:**

- a. Log on to the e-voting website: www.evotingindia.com during the voting period.
- b. Click on "Shareholders" tab
- c. Now, select Electronic Voting Sequence No. as mentioned in the Attendance Slip alongwith "SPBP TEA (INDIA) LIMITED" from the drop down menu and click on "SUBMIT".
- d. Now Enter your User ID (as mentioned in the Attendance Slip) :
 - i. For CDSL: 16 digits beneficiary ID,
 - ii. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - iii. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- e. Next enter the Image Verification as displayed and Click on Login.
- f. If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- g. However, if you are a first time user, please use the e-Voting particular provided in the Attendance Slip and fill up the same in the appropriate boxes:



- h. After entering these details appropriately, click on "SUBMIT" tab.
- i. Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field.
- j. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- k. For Members holding shares in physical form, the **details in Attendance Slip** can be used only for e-voting on the resolutions contained in this Notice.
- l. Click on the relevant EVSN "**SPBP TEA (INDIA) LIMITED**" for which you choose to vote.
- m. On the voting page, you will see "**Resolution Description**" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- n. Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
- o. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- p. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- q. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- r. If Demat account holder has forgotten the **changed password** then enter the User ID and image verification code click on ,
Forgot Password & enter the details as prompted by the system.
- s. **For Non – Individual Shareholders and Custodians:**
- Non Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to <https://www.evotingindia.com> and register themselves as Corporate.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be e-mailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance user should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favor of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.



- t. Any person who acquires share of the company and become member of the Company after the dispatch of notice of AGM and holds shares as on cut-off date i.e. 18.09.2018 may contact the company for Login ID and other e-voting related details.
- u. A person who is not a member as on cut-off date should treat this notice for information purpose only.
- v. A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depository as on cutoff date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through Ballot paper.
5. Members desirous of getting any information on account of operations of the Company is requested to forward his queries to the Company's Registered Office **at least seven days prior** to the Meeting so that the required information can be made available at the Meeting.

Members are hereby informed that Dividends which remain unpaid or unclaimed over a period of 7 years have to be transferred by the Company to Investor Education & Protection Fund (IEPF) constituted by the Central Government under Section 124 & 125 of the Companies Act 2013 and no claim shall lie after that.

By order of the Board

Balesh Kumar Bagree
Director
(DIN : 001625256)

Place: Kolkata
Date : The 11th June'2018



EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT 2013

ITEM NO. 2

The Board of Directors at their meeting held on 11th November'2017 appointed Mr. Balesh Kumar Bagree as an Additional Director under section 161 of the Companies Act,2013.

The office of Mr Balesh Kumar Bagree will vacate at the conclusion of ensuing Annual General Meeting of the Company. Mr. Balesh Kumar Bagree has vast experience in the field of Business of the Company.

A Notice under Section 160 of the said Act has been received from a Member of the Company signifying his intention to propose the name of Mr. Balesh Kumar Bagree as a candidate for the office of Director of the Company.

The Board considers that the appointment of Mr. Balesh Kumar Bagree as a Director of the Company would be of immense benefit to the Company. Accordingly, the Board recommends the passing of resolution for his appointment Except Mr. Balesh Kumar Bagree being an appointee, none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution.

ITEM NO. 3

The Board of Directors at their meeting held on 11th June'2018 appointed Mrs. Neerja Agarwal as an Additional Director under section 161 of the Companies Act,2013.

The office of Mrs Neerja Agarwal will vacate at the conclusion of ensuing Annual General Meeting of the Company. Mrs Neerja Agarwal has vast experience in the field of Business of the Company.

A Notice under Section 160 of the said Act has been received from a Member of the Company signifying his intention to propose the name of Mr. Neerja Agarwal as a candidate for the office of Director of the Company.

The Board considers that the appointment of Mrs. Neerja Agarwal as a Director of the Company would be of immense benefit to the Company. Accordingly, the Board recommends the passing of resolution for his appointment Except Mrs. Neerja Agarwal being an appointee, none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution.

ITEM NO 4

Due to enactment of majority provisions of the Companies Act 2013, certain changes are required to be made in the articles of Association of the Company. A general clause is proposed to be inserted to the effect that if any provision as mentioned in the articles is inconsistent with the provisions of the Companies Act,2013 and Rules made thereunder, then the provisions of the Companies act 2013 , and Rule made thereunder shall be override the provisions of these Articles. The board therefore recommends the resolution under section 14 of the Companies Act 2013 as a special resolution for your approval. None of the Directors or Key managerial personnel of the Companies or their relative are concerned or interested, financially or otherwise in the resolution. A copy of the Articles of Association of the Company together with the proposed alterations is available for the inspection by the members of the company at the Registered Office of the company between 11.00 am and 1.00 pm on all working days except Saturdays.

The Board recommends the Resolution set forth in Item No.4 for the approval of the Members.

**DIRECTORS' REPORT**

Dear Members,

The Directors of your Company have pleasure in presenting their Annual Report on the affairs of the Company together with the Audited Accounts of the Company for the year ended 31st March, 2018.

FINANCIAL RESULTS:

The Financial Results for the year are as under:-

| | (in Lakh) | |
|---|----------------|----------------|
| PARTICULARS | 2017-2018 | 2016-2017 |
| Revenue from operations (Net) | <u>1549.74</u> | <u>1406.30</u> |
| Profit before Depreciation, Interest & Tax (PBDIT) | 168.76 | 114.93 |
| Less: Interest & Financial expenses | <u>103.36</u> | <u>113.94</u> |
| Profit / (Loss) before Depreciation & Tax (PBDT) | 65.40 | 0.99 |
| Deferred Tax | 9.20 | 6.66 |
| Profit/(Loss) for the period after tax (PAT) | (7.45) | (66.59) |
| Add: Balance of Profit brought forward from previous year | <u>14.21</u> | <u>80.80</u> |
| Carried over to next year | <u>7.24</u> | <u>14.21</u> |

DIVIDEND

Due to loss incurred by the Company during the year under review, your Directors do not propose any dividend.

PERFORMANCE:

Production of tea for the year was 936032kgs (from both own and bought leaf) as against previous year's production of 853667 kgs (from both own and bought leaf) showing an increase during the year due to favorable weather & other conditions in the area.

Although prices of teas were steady, the cost of production increased substantially due to substantial rise in coal, employee cost stores items resulting in adverse working of the Company during the year review.

The Company continued its program of factory modernization in order to achieve better standards of tea produced. The replanting and infilling continues as per program to ensure better yield.

PROSPECT:

Current year crop is at par with the previous year despite the adverse weather conditions. However, the Directors expect to maintain this trend.

During the current financial year sales realization till date is higher than last year but substantial increase in labour wages and other inputs may have adverse effect on the current year's working.

CHANGE IN THE NATURE OF BUSINESS, IF ANY

During the year under review, there has been no change in the nature of business of the Company.



SHARE CAPITAL

The Paid up Share Capital as on 31st March, 2018 is Rs. 93,72,000/- During the year under review, the Company neither issued any share with differential voting rights nor granted any stock options or sweat equity.

CORPORATE GOVERNANCE

Regulation 17(7),17(8) and Regulation 27 of SEBI (Listing obligation and Disclosure Requirement) Regulations, 2015 deals with provisions of Corporate Governance which are applicable to Companies, whose paid up share capital is Rs 3 crores or above and Net worth is Rs 25 crores or above. Since your company is having paid up share capital of Rs 93.72 Lacs implementation and compliance of requirement of Corporate Governance of SEBI (Listing obligation and Disclosure Requirement) Regulations, 2015 are not applicable.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

As per section 135 of companies' Act, 2013 a company whose net worth is Rs 500 crore or more or Turnover Rs 1000 crores or Net profit Rs 5 crore or more during any financial year shall have to abide the rules of Corporate Social Responsibility. Since your company does not fall in the above mentioned category provisions of CSR are not applicable to the Company.

PUBLIC DEPOSIT

The Company has not invited or accepted public deposits from public covered u/s 73 of Companies Act, 2013 and the Companies (Acceptance of Deposit) Rules, 2014.

DIRECTORS & KEY MANAGERIAL PRSONNEL

In accordance with the provisions of the Act and the Articles of Association of the Company, The Company has no full time Company Secretary under the category of KMP during the year under review and the Company is looking for a suitable candidate for the said post on urgent basis. However the Company has appointed Mr Pravin Kumar Drolia (CP 1362) a practicing Company Secretary on full time basis to advice on day to day secretarial matters. The Company has proper KMP representation on the Board i.e. CEO and CFO. Mr Akshay Agarwal resigned from Board of Director with effect from 26th August'2017.

Mr. Balesh Kumar Bagree who was appointed as an Additional Director by the Board on and whose office is liable to vacate at the ensuing Annual General Meeting is eligible for re-appointment. The Board recommend the passing of the resolution at the ensuing AGM for his re-appointment as Director as per applicable provisions of the Companies Act 2013 and rules made thereunder. Mrs. Neerja Agarwal who was appointed as an Additional Director by the Board on 11th June, 2018 and whose office is liable to vacate the ensuing Annual General Meeting is eligible for re-appointment. The Board recommend the passing of the resolution at the ensuing AGM for her re-appointment as Director as per applicable provisions of the Companies Act, 2013 and rules made thereunder. Mrs. Shailja Halder (Director) & Mr. Gouri Shankar Kejriwal (Independent Director) have resigned from their office on 24th May,2018. Mr. Alok Krishna Agarwal has resigned from the office of Independent Director with effect from 15th March,2018. Mr. Manish Kumar has resigned from the office of the Directorship effecting from today i.e. 11th June, 2018.

The Board since appreciate the guidance and advice given by all of them during the tenure of their directorship. Due to the resignation of all Non-Executive Directors from the Board no other Directors are eligible to retire by rotation at the ensuing Annual General Meeting. The Company is looking for suitable for appointment as a Non-Executive Directors on the Board.

STATEMENT OF DECLARATION GIVEN BY INDEPENDENT DIRECTORS UNDER SECTION 149(6):

As on the date of signing of this report all the independent director have resigned from the Board. So no declaration has been given by them pursuant to section 149(7) of the Companies Act'2013. The Companies is trying looking for the suitable candidate for appointment as an independent Directors on the Board.



MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

Management's Discussion and Analysis Report for the year under review, as stipulated under Regulation 34(3) of SEBI (LODR) Regulations, 2015, is presented in a separate section forming part of the Annual Report.

DISCLOSURE RELATED TO BOARD, COMMITTEES & POLICIES

(a) Board Meetings

The Board of Directors met 4(four) times and Independent Directors met 1 (One) time during the financial year ended 31st March, 2018 in accordance with the provisions of Companies Act, 2013 and rules made there under. The intervening gap between the Board meetings was within the period as prescribed by the Companies Act, 2013.

The Independent Directors at their meeting assessed the quality, quantity and timeliness of flow of information between the Management and the Board of Directors of the Company.

The details of Board Meeting Audit Committee Meeting and Independent Directors meeting are enclosed herewith as per **Annexure C**

(b) Directors' Responsibility Statement

Your Directors state that:

- a) in the preparation of the annual accounts for the year ended March 31, 2018, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2018 and of the profit of the Company for the year ended on that date;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the annual accounts on a 'going concern' basis;
- e) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

(c) Audit Committee

The Composition of Audit Committee was as per applicable provision of Companies Act'2013 and as per SEBI (LODR) Regulations 2015 for all financial year ended 31st March' 2018. All the recommendations made by the Audit Committee were accepted by the Board. The Audit Committee has met on 4(Four) times during the financial year ended 31st March, 2018.

As all the independent Directors have resigned from the Board as on date, the audit committee shall be reconstituted and the Board will take decision in their Board Meeting.

The details of Audit Committee Meeting are enclosed herewith as per Annexure C.

(d) Nomination & Remuneration Committee

The Composition of Nomination and Remuneration Committee is as per applicable provision of Companies Act'2013 and as per SEBI (LODR) Regulations 2015.

The Policy of the Company for Directors selection, appointment & remuneration, including the criteria for determining qualifications, positive attributes independence of Director and other matters provided under section 178(3) of the Companies Act, 2013, is properly recorded and disclosed.



(e) Vigil Mechanism for the Directors & Employees

in compliance with the provision of Section 177(9) of the Companies Act, 2013 and Regulation 22 of the SEBI (LODR) Regulations, 2015 the Company has framed "Whistle Blower Policy" as vigil Mechanism for Directors & employees of the Company.

(f) Internal Control System

The internal financial control with reference to financial statements as designed and implemented by the Company are adequate. During the year under review, no material or serious observation has been received from the statutory auditors and internal auditors of the Company for inefficiency or inadequacy of such controls.

(g) Risk Management

The Company has laid down well-defined risk management mechanism covering the risk Exposure, potential impact and risk mitigation process. The Board periodically reviews the risks and suggests steps to be taken to control and mitigate the same through a properly defined frame work.

In line with the new regulatory requirements, the Company has formally framed a Risk Management Policy to identify and assess the key risk areas, monitor and report compliance and effectiveness of the policy and procedure.

(h) Annual Evaluation of the Directors and Board

The Nomination & Remuneration Committee of the Board has formulated a Performance Evaluation framework under which the Committee has identified criteria upon which every Director shall be evaluated. A structured questionnaire was prepared after taking into consideration of various aspects of the Board functions, compositions of the Board, culture, execution and performance of specific duties, obligations and governance. A separate exercise was carried out to evaluate the performance of the individual directors including the Chairman of the Board, on parameters such as level of engagement and contribution, independence of judgment, safeguard the interest of the Company. The performance evaluation of the Non Independent Directors and the Board as a whole including Committee thereof was carried out by the Independent Directors for the financial year 2017-18. The Board expressed their satisfaction with the evaluation process.

(i) PARTICULARS OF EMPLOYEES

None of the employee has received remuneration exceeding the limit as stated in rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

STATUTORY AUDITORS

The Company has received a letter of willingness from M/s P. Lunawat & Associates, Chartered Accountant for continuation as Statutory Auditors of the Company for the financial year 2018-2019. The Statutory Auditors have also confirm that their continuation as a Statutory Auditors would be in compliance with the statutory requirements under the Companies Act'2013 and Listing regulations.

AUDITOR'S REPORT

The Statutory Auditors of the Company have submitted Auditors' Report on the Financial Statements of the Company for the financial year ended 31st March, 2018. The Statutory Auditors have drawn your attention towards certain notes attached to the Financial Statements. The same are, however self-explanatory and requires no comments.

The Auditor report does not contain any qualification, reservation and adverse remarks.

SECRETARIAL AUDIT REPORT

The Board of Directors of the Company had appointed Shri Pravin Kumar Drolia, Practicing Company Secretary, as "Secretarial Auditor" of the Company to conduct Secretarial Audit for the financial year ended March 31, 2018, pursuant to the provisions of



Section 204 (1) of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014.

A Secretarial Audit Report submitted by M/s Drolia & Co, (Company Secretaries) is annexed here with as "Annexure A". The Secretarial Audit Report does not contain any qualification, reservation, adverse remark.

EXTRACT OF ANNUAL RETURN U/S 92(3)

As provided under Section 92(3) of the Companies Act, 2013 extract of the Annual Return prepared in form MGT-9 pursuant to Rule 12(1) the Companies (Management and Administration) Rules, 2014 is furnished in "Annexure B" which forms a part of this report

PARTICULARS OF CONTRACTS OR ARRANGEMENT WITH RELATED PARTY

All the related party transactions are entered on arm's length basis and are in compliance with the applicable provisions of the Act. There are no material significant related party transactions made by the Company with promoters, directors or key managerial personnel etc. which might have potential conflict with the interest of the Company at large. The details of the transactions with the related parties are provided in the Company's financial Statement.

Particulars of contracts or arrangements with related parties referred to in sub-section (1) of section 188 is enclosed in "Annexure D" as per Form AOC-2.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

DISCLOSURE OF ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNAL

No significant and material orders have been passed by any Regulator or Court or Tribunal which can have an impact on the going concern status and the Company's operations in future.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION

The prescribed particulars of conservation of energy, technology absorption and R & D activities required U/s 134(3)(m) read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is attached as Annexure E and forms part of this Director's Report.

MATERIAL CHANGES AND COMMITMENTS AFTER THE BALANCE SHEET DATE

Except as disclosed elsewhere in this report, no material changes and commitments which could affect the Company's financial position have occurred between the end of the financial year of the Company and the date of this report.

ACKNOWLEDGEMENT

Your Directors take this opportunity to thank the Banks & Financial Institutions, Central and State Government authorities, Regulatory authorities, Stock Exchanges and the stakeholders for their continued co-operation and support to the Company. Your Directors also wish to record their appreciation for the continued co-operation and support received from the employees of the Company.

On behalf of the Board

Place: Kolkata
Date: 11th June, 2018

Director

Director



Annexure A

To,
The Members,
SPBP TEA (INDIA) Limited
CRESCENT TOWER,
229, A J C BOSE ROAD,
Kolkata-700020

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express as opinion on these secretarial records based on out audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required. We have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to verification of procedures on test basis. However, Management of the company reported that website of the company is under process and will be completed soon.
6. The secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For **DROLIA& COMPANY**
(Company Secretaries)

Pravin Kumar Drolia
(Proprietor)
FCS: 2366
C P No.: 1362lkata

Place: Kolkata
Date: 30.5.18



Form No. MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year ended 31st Day of March, 2018

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

To,
The Members,
SPBP Tea (India) Limited
(CIN:L01132WB1981PLC197045)
Crescent Tower,
229, A.J.C. Bose Road,
Kolkata – 700 001

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/S SPBP Tea (India) Limited (CIN:L01132WB1981PLC197045)** (hereinafter called the Company"). The Audit was conducted in a manner that provided us a reasonable basis to the corporate conducts/statutory compliances and expressing our opinion there on.

Based on our verification of books, papers, minute books, forms and returns filed and other records maintained by the **M/S SPBP Tea (India) Limited** and also the information provided by the Company, its officers, and authorised representatives during the conduct of Secretarial Audit we hereby report that in our opinion the Company has during the audit period covering the financial year ended 31st March, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31st March, 2018 according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye- laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowing;
- V. The following Regulations (as amended from time to time) and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation, 1992 as amended up to date
 - (c) The Securities and Exchange Board of India (Registrars to Issue and Share Transfer Agents) Regulations, 1993 :
 - (d) The SEBI Listing (Listing obligation and disclosure requirements <LODR>) Regulations, 2015



The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are not applicable to the Company for the financial year ended 31-03-2018 :-

- (a) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999;
- (b) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (c) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 as amended from time to time; and the Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;]
- (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

VI. The following Industry Specific laws:

- a. Tea Act, 1953
- b. The Tea Waste (Control) Order, 1959
- c. The Tea Warehouse (Licensing) Order 1989
- d. The Tea (Marketing) Control Order, 1984
- e. Tea (Distribution and Export) Control Order, 2005
- f. FSAAI (Food Safety and Standards Authority of India) Act 2006

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

The Listing Agreement and LODR entered into by the Company with The Calcutta Stock Exchange Limited.

Secretarial Standards issued by the Institute of Company Secretaries of India (SS1 and SS2) on holding of Board Meeting and Member's meeting.

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

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act and LODR regulations 2015

Adequate Notice is given to all Directors to schedule the Board Meetings. Agenda and detailed Notes on Agenda we resent atleast seven days in advance, and system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaning full participation at the meeting.

We further report that there are adequate system and processes in the company commensurate with the size and operation so the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines as also represented by the management. All decisions of the Board were unanimous and the same was captured and recoded as part of the Minutes.



SPBP TEA (INDIA) LIMITED

We further report that during the audit period, the Company has not made any:

- (i) Public/Right/ Preferential issue of Shares/Debentures/Sweat Equity or any other Security.
- (ii) Redemption / buy-back of securities.
- (iii) Major decisions taken by the Members in pursuance to section 180 of the Companies Act, 2013.
- (iv) Merger/Amalgamation/Reconstruction etc
- (v) Foreign Technical Collaborations.

For **DROLIA & COMPANY**
Company Secretaries

Pravin Kumar Drolia
Proprietor
C.P.No.:1362

Place: Kolkata
Date: 30.5.18

Note:

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

**SPBP TEA (INDIA) LIMITED**

Annexure-B

Form No. MGT-9

EXTRACT OF ANNUAL RETURN as on the financial year ended on March 31, 2018 of SPBP TEA (INDIA) LIMITED [Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

- (i) CIN : L01132WB1981PLC197045
- (ii) Registration Date : 01/07/1981
- (iii) Name of the Company : SPBP TEA (INDIA) LIMITED
- (iv) Category/Sub-Category of the Company : Company Limited by Shares
- (v) Address of the Registered office and contact details:
Room No.4E, Crescent Tower, 4th Floor, 229, A.J.C Bose Road, Kolkata- 700 020
E-Mail: spbp tea@gmail .com
Website : durrung.com
- (vi) Whether listed Company : Yes at Calcutta Stock Exchange of India Ltd.
- (vii) Name, Address and Contact details of Registrar and Transfer Agent, if any:

ABS Consultant Pvt. Ltd.
Stephen House
4, B.B.D. Bag (East)
Kolkata-700 001
Website Address: NIL
Phone: +91 3322431053

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY :

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

| Sl. No. | Name and Description of main Product | NIC Code of the Product | % to total turnover of the Company |
|---------|--|-------------------------|------------------------------------|
| 1. | Cultivation, Growing, Manufacturing of Black Tea | 01132 | 100.00% |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :

| Sl. No. | Name & Address of The Company | CIN | Holding/Subsidiary/ Associate | % of Shares Held | Applicable Section |
|---------|-------------------------------|------------------------|-------------------------------|------------------|--------------------|
| 1 | Aryavart Trading Pvt. Ltd. | U70200WB1995 PTC071258 | Associate | 32.40% | |



IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup As Percentage of Total Equity)

(i) Category-wise Share Holding

| Category of Shareholders | No. of shares held at the beginning of the year 01.04.17 | | | | No. of shares held at the end of the year 31.03.18 | | | | % Change During the year |
|---|--|----------|---------------|-------------------|--|----------|---------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. | | | | | | | | | |
| Promoters | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| Individual/HUF | 382968 | - | 382968 | 40.86 | 382968 | - | 382968 | 40.86 | - |
| Central Govt. | - | - | - | - | - | - | - | - | - |
| State Govt. | - | - | - | - | - | - | - | - | - |
| Bodies Corp. | 303627 | - | 303627 | 32.40 | 303627 | - | 303627 | 32.40 | - |
| Banks/FI | - | - | - | - | - | - | - | - | - |
| Any other | - | - | - | - | - | - | - | - | - |
| Sub Total (A)(1) | 686595 | - | 686595 | 73.26 | 686595 | - | 686595 | 73.26 | - |
| (2) Foreign | - | - | - | - | - | - | - | - | - |
| NRIs Individuals | - | - | - | - | - | - | - | - | - |
| Other individuals | - | - | - | - | - | - | - | - | - |
| Bodies Corp. | - | - | - | - | - | - | - | - | - |
| Banks/FI | - | - | - | - | - | - | - | - | - |
| Any other | - | - | - | - | - | - | - | - | - |
| Sub Total (A)(2) | - | - | - | - | - | - | - | - | - |
| Total Shareholding (A) = (A)(1)+(A)(2) | 686595 | - | 686595 | 73.26 | 686595 | - | 686595 | 73.26 | - |



| | | | | | | | | | |
|---|---------------|---------------|---------------|------------|---------------|---------------|---------------|------------|----------|
| B. Public Shareholding | | | | | | | | | |
| 1. Institutions | - | - | - | - | - | - | - | - | - |
| (a) Mutual Funds | - | - | - | - | - | - | - | - | - |
| (b) Public Fin Ins | - | - | - | - | - | - | - | - | - |
| (c) Central Govt | - | - | - | - | - | - | - | - | - |
| (d) State Govt. | - | - | - | - | - | - | - | - | - |
| (e) Venture Cap | - | - | - | - | - | - | - | - | - |
| (f) Insurance Co. | - | - | - | - | - | - | - | - | - |
| (g) FIs | - | - | - | - | - | - | - | - | - |
| (h) Foreign Venture Cap. | - | - | - | - | - | - | - | - | - |
| (i) Fund | - | - | - | - | - | - | - | - | - |
| (j) Others | - | - | - | - | - | - | - | - | - |
| Sub Total (B)(1) | - | - | - | - | - | - | - | - | - |
| 2. Non Institutions | | | | | | | | | |
| (a) Bodies Corp | | | | | | | | | |
| (i) Indian | 105815 | 144790 | 250605 | 26.74 | 105815 | 144790 | 250605 | 26.74 | |
| (ii) Overseas | - | - | - | - | - | - | - | - | - |
| (b) Individuals | | | | | | | | | |
| (i) Individual Share holder Holding share Cap. Upto Rs. 1 lakh | - | - | - | - | - | - | - | - | - |
| (ii) Individual Share holder Holding share Cap. In Excess of Rs. 1 lakh | - | - | - | - | - | - | - | - | - |
| (a) Others-NRI | | | | | | | | | |
| Sub Total (B)(2) | 105815 | 144790 | 250605 | 26.74 | 105815 | 144790 | 250605 | 26.74 | |
| Total Public Shareholding (B)=(B)(1)+(B)(2) | 105815 | 144790 | 250605 | 26.74 | 105815 | 144790 | 250605 | 26.74 | |
| C. Shares held by Custodian for GDRs & ADRs | - | - | - | - | - | - | - | - | - |
| Grand Total (A+B+C) | 792410 | 144790 | 937200 | 100 | 792410 | 144790 | 937200 | 100 | - |

**SPBP TEA (INDIA) LIMITED****(i) Shareholding of Promoters**

| Sl. No. | Shareholder's Name | Shareholding at the beginning of the year 01.04.17 | | | Shareholding at the end of the year 31.03.18 | | | % Change In Share Holding during the year |
|---------|----------------------------|--|----------------------------------|---|--|----------------------------------|---|---|
| | | No. of shares | % of total shares of the Company | % of Shares Pledged/ Encumbered to total shares | No. of shares | % of total Shares of the Company | % of Shares Pledged/ Encumbered to total shares | |
| 1 | Manish Kumar | 2425 | 0.26 | | 2425 | 0.26 | - | No Change |
| 2 | Ritika Kumar | 217155 | 23.17 | - | 217155 | 23.17 | - | 0.23 |
| 3 | Pramod Rani | 163388 | 17.43 | - | 163388 | 17.43 | - | Do |
| 4 | Aryavrat Trading Pvt. Ltd. | 303627 | 32.40 | | 303627 | 32.40 | - | Do |
| | Total | 686595 | 73.26 | - | 686595 | 73.26 | - | Do |

(ii) Change in Promoters' Shareholding (Please specify, if there is no change)

| Sl. No. | | Shareholding at the beginning of the year 01.04.17 | | Cumulative Shareholding during the year | |
|---------|---|--|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the Company | No. of shares | % of total shares of the Company |
| | At the beginning of the year | 686595 | 73.26 | 686595 | 73.26 |
| | Date wise increase/decrease in Promoters shareholding during the Year specifying the reasons for Increase/decrease (e.g. allotment/ Transfer/bonus/sweat equity etc.) | | | | |
| | At the end of the year | 686595 | 73.26 | 686595 | 73.26 |

There is no change in Promoter Shareholding during the year ended 31st March 2018 in comparison to last year.

(iii) Shareholding pattern of top ten shareholders (other than Directors, Promoters And Holders of GDRs and ADRs)

| Sl. No. | For Each of the Top 10 shareholders | Shareholding at the beginning of the year 01.04.17 | | Cumulative Shareholding during the year | |
|---------|-------------------------------------|--|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total Shares of the Company | No. of shares | % of total Shares of the Company |
| 1. | Pantheon Vinimay (P) Ltd. | 28505 | 3.04 | 28505 | 3.04 |
| 2. | The Asoka Trading Co. Pvt.Ltd. | 50145 | 5.35 | 50145 | 5.35 |
| 3. | Chieftain Engg India (P) Ltd | 59900 | 6.39 | 59900 | 6.39 |
| 4. | Aquatech Projects Pvt. Ltd. | 112055 | 11.96 | 112055 | 11.96 |


(iv) Shareholding of Directors and Key Managerial Personnel

| Sl. No. | For Each of the Directors & KMP | Shareholding at the beginning of the year 01.04.17 | | Cumulative Shareholding during the year | |
|---------|---|--|----------------------------------|---|----------------------------------|
| | | No. of Shares | % of total Shares of The Company | No. of shares | % of total Shares of the Company |
| | At the beginning of the year | 2425 | .26 | 2425 | .26 |
| | Date wise increase/decrease in Promoters shareholding during the Year specifying the reasons for Increase/decrease (e.g. allotment/ Transfer/bonus/sweat equity etc.) | - | - | | |
| | At the end of the year | 2425 | .26 | 2425 | .26 |

V. INDEBTEDNESS

Indebtedness of the Company including/interest outstanding/accrued but not due for payment:

| | Secured Loans Excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|---|-------------------------------------|--------------------|----------|-----------------------|
| Indebtedness at the beginning of the Financial year 01.04.17 | | | | |
| (i) Principal Amt. | | | | |
| (ii) Interest due but Not paid | 83662431/= | 20500000/= | | 104162431/= |
| (iii) Interest accrued but not due | | | | |
| Total (i+ii+iii) | 83662431/= | 20500000/= | - | 104162431/= |
| Change in Indebtedness during The financial year | | | | |
| - Addition | | | | 10450000/= |
| - Reduction | 1455362/= | 10450000/= | | 1455362/= |
| Net Change | 1455362/= | 10450000/= | | 8994638/= |
| Indebtedness at the end of the financial year 31.03.18 | | | | |
| (i) Principal Amt. | 74613643/= | 30950000/= | | 105563643/= |
| (ii) Interest due but Not paid | 7593426/= | | | 7593426/= |
| (iii) Interest accrued but not due | | | | |
| Total (i+ii+iii) | 82207069/= | 30950000/= | | 113157069/= |



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

| Sl. No. | Particulars of Remuneration | Name of MD/WTD/Manager | | Total Amount |
|---------|--|------------------------|----------|--------------|
| | | Executive Director | | |
| 1 | Gross Salary (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961 (b) Value of perquisites u/s 17(2) of The Income Tax Act, 1961 (c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961 | 1452000/= | | 1452000/= |
| 2 | Stock Option | -- | -- | -- |
| 3 | Sweat Equity | -- | -- | -- |
| 4 | Commission - As % of Profit - Others, specify | -- -- | -- -- | -- -- |
| 5 | Others, please specify | -- | -- | -- |
| | Total (A) | 1452000/= | | 1452000/= |
| | Ceiling as per the Act | | | |

B. Remuneration to other directors :

| Sl. No. | Particulars of Remuneration Paid during 1.04.17 to 31.03.2018 | Name of Directors | | | | | Total Amount |
|---------|---|-------------------|------------------|------------------|------------------|------------------|------------------|
| | | - | - | - | - | - | |
| | 1. Independent Directors -Fee for attending Board committee Meetings -Commission -Others | - - - - | - - - - | - - - - | - - - - | - - - - | - - - - |
| | Total (1) | - | - | - | - | - | - |
| | 2. Other Non-Executive Directors -Fee for attending Board committee Meetings -Commission -Others | - - - - | - - - - | - - - - | - - - - | - - - - | - - - - |
| | Total (B) = (1) + (2) | - | - | - | - | - | - |
| | Total Managerial Remuneration | - | - | - | - | - | - |
| | Overall Ceiling as per the Act | - | - | - | - | - | - |



C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

| Sl. No. | Particulars of Remuneration | Key Managerial Personnel | | |
|---------|--|--------------------------|-----------|--------------|
| | | CFO | CEO | Total Amount |
| 1 | Gross Salary (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961 (b) Value of perquisites u/s 17(2) of The Income Tax Act, 1961 (c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961 | 5.58 lakh | 1.68 Lakh | 7.26 Lakh |
| 2 | Stock Option | - | - | - |
| 3 | Sweat Equity | | | |
| 4 | Commission - As % of Profit - Others, specify | | | |
| 5 | Others, please specify | | | |
| | Total | 5.58 lakh | 1.68 Lakh | 7.26 Lakh |

VI. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

| Type | Section of the Companies Act | Brief Description | Details of Penalties/ Punishment/ Compounding | Authority [RD/NCLT/ Court] | Appeal Made, If any |
|--------------------------------|------------------------------|-------------------|---|----------------------------|---------------------|
| A. Company | | | | | |
| Penalty Punishment Compounding | | | NIL | | |
| B. Directors | | | | | |
| Penalty Punishment Compounding | | | NIL | | |
| C. Other Officers in default | | | | | |
| Penalty Punishment Compounding | | | NIL | | |

**ANNEXURE- C****Number of Meetings of the Board- and Committees thereof**

- (a) Details of the Meeting of **Board of Directors** and meetings attended by the directors held between April'2017 to March'2018 are as under:

Board Meetings were held during the year on 27th May'17, 11th Aug'17, 11th Nov'17, 9th Feb'18.

| Name of Member | Meetings held | Number of Meetings attended |
|---------------------------|---------------|-----------------------------|
| Shri Manish Kumar | 4 | 4 |
| Shri G.S.Kejriwal | 4 | 3 |
| Shri Alok Krishna Agarwal | 4 | 2 |
| Shri Ajay kumar Singh | 4 | 1 |
| Smt Shailja Haldia | 4 | 4 |
| Shri Balesh Kumar Bagree | 4 | 2 |
| Shri Akshay Agarwal | 4 | 1 |

- (b) Details of the Meeting of **Audit Committee** and meeting attended by the Committee Members between April'2016 to March'2017 are as under:

During the year the Committee held four meetings on 27th May'17, 11th Aug'17, 11th Nov'17, 9th Feb'18. The attendance of the members at these meeting are as under :

| Name of Members | Position | Meetings held | Number of Meetings attended |
|---------------------------|----------|---------------|-----------------------------|
| Shri G.S.kejriwal | Chairman | 4 | 3 |
| Shri Manish Kumar | Member | 4 | 4 |
| Shri Alok Krishna Agarwal | Member | 4 | 2 |



ANNEXURE - D

FORM AOC 2

| Sl. No. | Related Party | Relationship | Description of transaction | For the year ended March 31,2018 (₹) |
|---------|---------------|--------------|----------------------------|--|
|---------|---------------|--------------|----------------------------|--|

1. NIL



ANNEXURE-E

FORM - A

Form for disclosure of particulars with respect to conservation of energy:

A. Power and Fuel Consumption:

| Particular | Current year 2017-2018 | Previous Year 2016-2017 |
|------------------------------|---------------------------|----------------------------|
| 1. Electricity | | |
| a) Purchased (Unit) | 11,37,023 | 11,78,406 |
| Total Amount (Rs) | 1,06,69,139 | 1,04,52,029 |
| Rate/Unit | 9.83 | 8.87 |
| b) Own Generation | | |
| i) Through Diesel Generators | | |
| Units produced | 2,43,984 | 1,43,196 |
| Units per Liter of Diesel | 4.46 | 4.62 |
| Cost / Unit | 14.03 | 11.33 |
| 2. Coal | | |
| Qty. (kgs.) | 9,10,949 | 9,08,120 |
| Total Cost | 81,56,535 | 75,16,311 |
| Average Rate | 8.95 | 8.28 |

B. Consumption per unit of production

| | | |
|--------------------------------|----------|----------|
| Product Made Tea (Kgs) | 9,36,032 | 8,53,667 |
| Electricity (in Units)/per kg | 1.48 | 1.55 |
| Coal (in Kg)/per kg | 0.97 | 1.06 |

FORM - B

Form for disclosure of particulars with respect to Absorption, Research and Development (R&D)

1. Specified area in which R& D carried out by the Company.
2. Benefits derived as a result of above R & D
3. Future Plan of action.
4. Expenditure on R & D.
 - a) Capital R & D.
 - b) Recurring .
 - c) Total
 - d) Total R & D expenditure as a percentage of total Turnover

The company subscribes to
Tea Research Association
which is registered under
Section 35(i)(ii) of the
Income Tax Act, 1961.

Technology absorption, adaptation and innovation

1. Effort in brief, made towards technology
Absorption, adaptation, and innovation

Continuous efforts are being made towards
absorption, adaptation, and innovation of
Technology absorption maintaining close
Liaison with advisory officer of Tocklai
Experimental Station.



SPBP TEA (INDIA) LIMITED

2. Benefits derived as a result of the above efforts, ge.g product improvement ,cost reduction, import substitution etc.

Increase in productivity and cost reduction by optimization of inputs.

Foreign Exchange Earning and outgo

1. Foreign Exchanged Earned (F.O.B.)
2. Foreign Exchanged used

--- Nil
--- Nil

For and on behalf of the Board of Directors

Director

Director

Place: Kolkata

Date: 11th June, 2018



INDEPENDENT AUDITORS' REPORT

To the Members of SPBP TEA (INDIA) Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS Financial Statements of **SPBP TEA (INDIA) LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 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 the significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these 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) prescribed under Section 133 of the Act read with relevant rules issued thereunder. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these Ind AS Financial Statements based on our audit. We have taken into account the provisions of the Act and the Rules made thereunder 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 thereunder.

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

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

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

Basis for Qualified Opinion

We like to draw your attention:



The Company has not provided liability on account of terminal benefits (gratuity) in accordance with Ind AS 19 "Employees Benefit" amounting to Rs.245.61 Lakhs in the financial statements, which constitutes a departure from the Indian Accounting Standards prescribed in section 133 of the Act.

The outstanding amount of the provisions in the financial statements would have increased by Rs.245.61 Lakhs as at March 31, 2018, and profit for the year and retained earnings under other equity would have reduced by Rs.35.72Lakhs, and Rs.252.89 Lakhs respectively.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid Ind AS Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, including the Ind AS, of the state of affairs (financial position) of the Company as at 31st March, 2018, and its loss (financial performance including Other comprehensive income) and its cash flows and the changes in equity for the year ended on that date.

Other Matters

The comparative financial information of the Company for the year ended 31st March 2017 and the transition date opening Balance Sheet as at 1st April, 2016 included in these Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) audited by the predecessor auditor whose report for the year ended 31st March, 2017 and 31st March, 2016 dated 27th May, 2017 and 7th May, 2016 respectively expressed an unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
 - a) we have sought and obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;
 - b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) the Balance Sheet, the Statement of Profit and 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) subject to the matter specified in qualified opinion section of our report in our opinion, the aforesaid Ind AS Financial Statements comply with the Accounting Standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended;



SPBP TEA (INDIA) LIMITED

- e) on the basis of the written representations received from the Directors as on 31st March, 2018 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
- f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS Financial Statements. Refer **Note 30** to the Ind AS Financial Statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. There were no amounts due which were required to be transferred to the Investor Education and Protection Fund by the Company.

For P LUNAWAT & ASSOCIATES
Chartered Accountants
Firm Registration No.: 328946E

(PANKAJ LUNAWAT)
Proprietor
Membership No.: 067104

Place: **Kolkata**
Date: **30th May, 2018**



Annexure - A to the Independent Auditors' Report

Referred to in paragraph-1 on other Legal and Regulatory Requirements of our Report of even date to the members of **SPBP TEA (INDIA) LIMITED** on the Ind AS Financial Statements for the year ended 31st March, 2018:

- i. a) The Company has maintained proper records showing full particulars including quantitative details and situation of its Fixed Assets.
- b) As explained to us, Fixed Asset have been physically verified by the management at reasonable intervals and as informed to us no material discrepancies were noticed on such verification.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Title Deeds of immovable properties are held in the name of the Company.
- ii. The inventories have been physically verified during the year at reasonable intervals by the management. The discrepancies noticed on verification between the physical inventories and book records were not material in relation to the operations of the Company and the same have been properly dealt with in the books of account.
- iii. According to the information and explanations given to us, the Company has not granted any loan, secured or unsecured, to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under Section 189 of the Act. Accordingly, clause 3(iii) (a), (b) and (c) of the Order are not applicable.
- iv. According to the information and explanations given to us, the Company has complied with the provisions of sections 185 and 186 of the Act with respect to the loans given, investments made and guarantees given.
- v. According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of sections 73 to 76 of the Act and the Rules framed thereunder to the extent notified.
- vi. According to the information and explanations given to us, the Company is not required to maintain cost records as specified by the Central Government under Sub section 1 of Section 148 of the Act. Accordingly, clause 3(vi) of the Order is not applicable.
- vii. a) According to the information and explanations given to us and on the basis of our examination of the records, the Company is generally regular in depositing undisputed applicable statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess, Goods and Services Tax and any other statutory dues with the appropriate authorities and there are no undisputed amount payable in respect of the same which were in arrears as on 31st March, 2018 for a period of more than six months from the date the same became payable.
- b) According to the information and explanations given to us, the Company has no dues outstanding on account of any disputes.
- viii. According to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks during the year.
- ix. According to the information and explanations given to us and based on our examination of the books and records, we report that the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loan during the year. Accordingly, clause 3(ix) is not applicable.
- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit nor we have been informed of any such cases by the management.



SPBP TEA (INDIA) LIMITED

- xi. According to the information and explanations given to us and based on our examination of the books and records, we report that 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.
- xii. According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3 (xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the books and records, 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 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 books and records, we report that the Company has not made any preferential allotment/ private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3 (xiv) of the Order is not applicable.
- xv. According to the information and explanations given to us and based on our examination of the books and records, the Company has not entered into any non-cash transactions with directors or persons connected with him during the year. Accordingly, clause 3 (xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3 (xvi) of the Order is not applicable.

For P LUNAWAT & ASSOCIATES
Chartered Accountants
Firm Registration No.: 328946E

(PANKAJ LUNAWAT)
Proprietor
Membership No.: 067104

Place: **Kolkata**
Date: **30th May, 2018**



Annexure - B to the Independent Auditors' Report

(Referred to in paragraph-2(f) on Other Legal and Regulatory Requirements of our Report of even date to the members of **SPBP TEA (INDIA) LIMITED** on the Ind AS Financial Statements for the year ended 31st March, 2018)
Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **SPBP Tea (India) Limited** ("the Company") as of 31st March, 2018 in conjunction with our audit of the Ind AS 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 Act.

Auditors' Responsibility

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

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 Ind AS Financial Statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

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

For P LUNAWAT & ASSOCIATES
Chartered Accountants
Firm Registration No.: 328946E

(PANKAJ LUNAWAT)
Proprietor
Membership No.: 067104

Place: Kolkata
Date: 30th May, 2018

**SPBP TEA (INDIA) LIMITED****BALANCE SHEET AS AT 31st MARCH, 2018**

| | Note No | As at 31st March, 2018 | As at 31st March, 2017 | (Rs. in Lakhs) As at 1st April, 2016 |
|--|---------|---------------------------|---------------------------|--|
| ASSETS | | | | |
| Non-Current Assets | | | | |
| (a) Property, Plant and Equipment | 3a | 914.57 | 853.48 | 737.69 |
| (b) Capital Work-in-Progress | 3a | - | 23.27 | 16.30 |
| (c) Goodwill | 3b | 22.53 | 22.53 | 22.53 |
| (d) Other Intangible Assets | 3b | 2.47 | 3.04 | 3.61 |
| (e) Financial Assets | | | | |
| (i) Investments | 4 | 21.02 | 15.68 | 19.27 |
| (ii) Other Financial Assets | 5 | 23.89 | 23.89 | 23.35 |
| (f) Deferred Tax Asset (Net) | 6 | 27.80 | 37.00 | 53.26 |
| (g) Other Non-Current Assets | 7 | 3.28 | 4.28 | 4.83 |
| Total Non - Current Assets | (A) | 1,015.56 | 983.17 | 880.84 |
| Current Assets | | | | |
| (a) Inventories | 8 | 266.47 | 291.65 | 311.15 |
| (b) Biological Assets other than Bearer Plants | 9 | 4.27 | 7.04 | 2.44 |
| (c) Financial Assets | | | | |
| (i) Trade Receivables | 10 | 35.33 | 16.08 | 15.88 |
| (ii) Cash and Cash Equivalents | 11 | 17.57 | 9.37 | 12.55 |
| (iii) Other Financial Assets | 12 | 43.03 | 11.30 | 8.40 |
| (d) Current Tax Assets (Net) | 13 | 20.20 | 9.79 | 7.81 |
| (e) Other Current Assets | 14 | 235.20 | 246.42 | 243.41 |
| Total Current Assets | (B) | 622.07 | 591.65 | 601.64 |
| Total Assets | (A+B) | 1,637.63 | 1,574.82 | 1,482.48 |
| EQUITY AND LIABILITIES | | | | |
| Equity | | | | |
| (a) Equity Share Capital | 15 | 93.72 | 93.72 | 93.72 |
| (b) Other Equity | 16 | 217.05 | 219.16 | 293.55 |
| Total Equity | (C) | 310.77 | 312.88 | 387.27 |
| Liabilities | | | | |
| Non-Current Liabilities | | | | |
| (a) Financial Liabilities | | | | |
| Borrowings | 17 | 37.35 | 46.22 | 59.87 |
| Total Non- Current Liabilities | (D) | 37.35 | 46.22 | 59.87 |
| Current Liabilities | | | | |
| (a) Financial Liabilities | | | | |
| (i) Borrowings | 18 | 1,009.42 | 904.98 | 824.99 |
| (ii) Trade Payables | 19 | 93.71 | 120.07 | 109.81 |
| (iii) Other Financial Liabilities | 20 | 124.06 | 138.47 | 46.00 |
| (b) Other Current Liabilities | 21 | 29.43 | 22.51 | 24.31 |
| (c) Provisions | 22 | 32.89 | 29.69 | 30.23 |
| Total Current Liabilities | (E) | 1,289.51 | 1,215.72 | 1,035.34 |
| Total Equity and Liabilities | (C+D+E) | 1,637.63 | 1,574.82 | 1,482.48 |

Significant Accounting Policies

1

The accompanying notes form an integral part of the financial statements.

As per our report annexed
For P Lunawat & Associates
Chartered Accountants
Firm Regn. No.: 328946E

For and on behalf of the Board

(Pankaj Lunawat)
Proprietor
Membership No.: 067104

Manish Kumar
Director
DIN: 00121900

Ajay Kumar Singh
Whole Time Director
DIN: 06748324

Place: Kolkata
Date: 30th May, 2018

P. Dalmia
Chief Executive Officer

D. Maheshwari
Chief Financial Officer



SPBP TEA (INDIA) LIMITED

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

| | | (Rs. in Lakhs) | |
|--|---------|-------------------------------------|-------------------------------------|
| | Note No | For the year ended 31st March, 2018 | For the year ended 31st March, 2017 |
| I Income: | | | |
| Revenue from Operations | 23 | 1,549.74 | 1,415.40 |
| Other Income | 24 | 0.23 | 8.06 |
| Total Revenue | | 1,549.97 | 1,423.46 |
| II Expenses: | | | |
| Cost of Raw Materials Consumed | 25 | 169.00 | 182.22 |
| Changes in Inventories of Finished Goods | 26 | 4.99 | 66.87 |
| Employee Benefits Expense | 27 | 768.94 | 640.26 |
| Finance Costs | 28 | 103.35 | 113.94 |
| Depreciation and Amortization Expense | 3 | 63.65 | 60.93 |
| Other Expenses | 29 | 438.29 | 413.78 |
| Total Expenses | | 1,548.22 | 1,478.00 |
| III Profit/ (Loss) before tax (I-II) | | 1.75 | (54.54) |
| IV Tax Expense | | | |
| Current tax | | 9.20 | 16.26 |
| Deferred Tax | | | |
| V Profit/ (Loss) for the year (III-IV) | | (7.45) | (70.80) |
| Other Comprehensive Income | | | |
| <i>Item that will not be reclassified to profit or loss</i> | | | |
| Remeasurement of define benefit plan liability / assets | | - | - |
| Change in fair value of FVTOCI Equity Instrument | | 5.34 | (3.59) |
| Other Comprehensive Income (net of Tax) | | 5.34 | (3.59) |
| Total Comprehensive Income for the year (comprising Profit/ (Loss) and Other Comprehensive Income for the year) | | (2.11) | (74.39) |
| Earnings per Share (Nominal value Rs. 10/- each) | | | |
| Basic | | (0.79) | (7.55) |
| Diluted | | (0.79) | (7.55) |
| (Also Refer Note No. 37) | | | |

Significant Accounting Policies

1

The accompanying notes form an integral part of the financial statements.

As per our report annexed
For P Lunawat & Associates
Chartered Accountants
Firm Regn. No.: 328946E

For and on behalf of the Board

(Pankaj Lunawat)
Proprietor
Membership No.: 067104

Manish Kumar
Director
DIN: 00121900

Ajay Kumar Singh
Whole Time Director
DIN: 06748324

Place: Kolkata
Date: 30th May, 2018

P. Dalmia
Chief Executive Officer

D. Maheshwari
Chief Financial Officer

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

| | (Rs. in Lakhs) | |
|---|--|--|
| | For the year ended 31st March, 2018 | For the year ended 31st March, 2017 |
| A. Cash Flow from Operating Activities : | | |
| Net Profit/(Loss) before tax | 1.75 | (54.54) |
| Adjustments for : | | |
| Depreciation and Amortisation Expense | 63.65 | 60.93 |
| Interest Charged | 103.35 | 113.94 |
| Liabilities Written Back | (2.63) | (0.02) |
| Changes in fair value of Biological Assets | 2.77 | (4.60) |
| Interest Income | (0.21) | - |
| Operating Profit/(Loss) before Working Capital Changes | 166.93 | 170.25 |
| Adjustments For Changes In Working Capital : | 168.68 | 115.71 |
| Trade & Other Receivables | (38.76) | (6.11) |
| Inventories | 25.17 | 19.50 |
| Trade & Other Payables | (28.01) | 100.43 |
| Net Cash Flow/(Outflow) Before Tax | 127.08 | 229.53 |
| Tax Refund / (Paid) | (10.41) | (1.98) |
| Net Cash Inflow/(Outflow) from Operating Activities (A) | 116.67 | 227.55 |
| B. Cash Flow from Investing Activities | | |
| Purchase of property, Plant and Equipment | (100.90) | (183.12) |
| Interest Received | 0.21 | - |
| Net Cash Inflow/(Outflow) Investing Activities (B) | (100.69) | (183.12) |
| C. Cash Flow from Financial Activities : | | |
| Repayment of Long Term Borrowings | (8.86) | (13.64) |
| Proceeds from Long Term Borrowings | 104.44 | 79.99 |
| Finance cost Paid | (103.35) | (113.94) |
| Net Cash Inflow/(Outflow) Financing Activities (C) | (7.77) | (47.59) |
| Net Increase/(Decrease) in Cash & Cash Equivalents (A + B + C) | 8.20 | (3.18) |
| Cash & Cash Equivalents Opening Balance | 9.37 | 12.55 |
| Cash & Cash Equivalents Closing Balance | 17.57 | 9.37 |
| Cash & Cash Equivalents consists of : | | |
| Cash in hand | 0.55 | 8.96 |
| Balances with Bank | 17.02 | 0.41 |
| | 17.57 | 9.37 |

NOTE : Figures in bracket represent outflow.

(a) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Ind AS - 7 on Cash Flow Statement issued

(b) Previous years figures have been regrouped/rearranged wherever found necessary.

As per our report of even date
For P Lunawat & Associates
Chartered Accountants
Firm Regn. No.: 328946E

For and on behalf of the Board

Pankaj Lunawat
Proprietor
Membership No.: 067104

Place: Kolkata
Date: 30th Mar. 2018

Manish Kumar
Director
DIN: 00121900

P. Dalmia
Chief Executive Officer

Ajay Kumar Singh
Whole Time Director
DIN: 06748324

D. Maheshwari
Chief Financial Officer



SPBP TEA (INDIA) LIMITED

Notes forming part of the financial statements for the year ended 31st March, 2018

Statement of Change in Equity

A Equity Share Capital

(Rs. in Lakhs)

| Particulars | No. of Shares | Balance at the beginning of the reporting year | Change in equity Share Capital during the year | Balance at the end of the reporting year |
|------------------------------|---------------|--|--|--|
| Balance as at April 1, 2016 | 937200 | 93.72 | - | 93.72 |
| Balance as at March 31, 2017 | 937200 | 93.72 | - | 93.72 |
| Balance as at March 31, 2018 | 937200 | 93.72 | - | 93.72 |

B Other Equity

| Particulars | Other Reserves | | Reserve and Surplus | | Total |
|-------------------------------|-----------------|--------------------------|---------------------|-------------------|---------|
| | Capital Reserve | FVOCI Equity Instruments | General Reserve | Retained Earnings | |
| Balances as at 1 April, 2016 | 28.32 | (2.49) | 169.77 | 97.95 | 293.55 |
| Profit/(Loss) for the year | - | - | - | (70.80) | (70.80) |
| Other Comprehensive Income | - | (3.59) | - | - | (3.59) |
| Balances as at 31 March, 2017 | 28.32 | (6.08) | 169.77 | 27.15 | 219.16 |
| Balances as at 1 April, 2017 | 28.32 | (6.08) | 169.77 | 27.15 | 219.16 |
| Profit/(Loss) for the year | - | - | - | (7.45) | (7.45) |
| Other Comprehensive Income | - | 5.34 | - | - | 5.34 |
| Balances as at 31 March, 2018 | 28.32 | (0.74) | 169.77 | 19.70 | 217.05 |

The accompanying notes form an integral part of the Financial Statements.

As per our report annexed
For P Lunawat & Associates
Chartered Accountants
Firm Regn. No.: 328946E

For and on behalf of the Board

Manish Kumar
Director
DIN: 00121900

Ajay Kumar Singh
Whole Time Director
DIN: 06748324

Proprietor
Membership No.: 067104

Place: Kolkata
Date: 30th May, 2018

P. Dalmia
Chief Executive Officer

D. Maheshwari
Chief Financial Officer



Notes forming part of the Financial Statements for the year ended 31st March, 2018.

CORPORATE INFORMATION

The Company was incorporated in the year 1981 as a Public Limited Company under the provisions of the Companies Act, 1956 and domiciled in India. Its shares are listed on Calcutta Stock exchange in India. The Registered office of the Company is located at Room No. 4E, Crescent Tower 4th Floor, 229, A.J.C. Bose Road Kolkata-700020. The Company is engaged in cultivation, manufacture and sale of tea.

The Financial Statements for the year ended 31st March, 2018 have been approved by the Board of Directors of the Company in their meeting held on 30th May, 2018.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

1.1 BASIS OF PREPARATION

1.1.1 Compliance with Ind AS

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the "Act") read with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. The financial statements have also been prepared in accordance with the relevant presentation requirements of the Companies Act, 2013. The Company adopted Ind AS from 1st April, 2016.

The financial statements up to year ended 31st March 2017 were prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act. The date of transition to Ind AS is 1st April, 2016.

These financial statements are the first financial statements of the Company under Ind AS. Refer Note 41 for an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

Accounting policies have been applied consistently except where a newly issued accounting standard is initially adopted or revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

These Financial Statements are prepared in Indian Rupees (INR) which is also the Company's functional currency.

1.1.2 Classification of Current and Non-current

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Ind AS 1 – "Presentation of Financial Statements" and Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the 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/non-current classification of assets and liabilities.

1.1.3 Historical Cost Convention

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention, except for the following:



- i) Certain Investment in equity instruments that is measured at fair value through Other Comprehensive Income
- ii) Certain Biological Assets (including unplucked green leaves) measured at Fair value less cost to sell.

1.1.4 Use Of Estimates

The Preparation of financial statements in conformity with the generally accepted accounting principles in India requires the management to make estimates and assumptions that affects the reported amount of assets and liabilities as at the Balance Sheet date, the reported amount of revenue and expenses for the periods and disclosure of contingent liabilities at the Balance Sheet date. The estimates and assumptions used in the financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of financial statements. Actual results could differ from estimates.

1.2 SEGMENT REPORTING

The Company is a single segment Company mainly engaged in the cultivating, manufacturing and selling of Tea. Therefore Segment Reporting is not applicable.

1.3 FOREIGN CURRENCY TRANSLATION

Foreign currency transactions are translated into Indian Rupee (INR) which is the functional currency (i.e. the currency of the primary economic environment in which the entity operates) using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in the Statement of Profit or Loss.

Foreign Currency non-monetary items carried in terms of historical cost are reported using the exchange rate at the date of the transactions.

1.4 REVENUE RECOGNITION

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

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

1.5 GOVERNMENT GRANTS

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

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

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



1.6 INCOME TAXES

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period.

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the Minimum Alternative tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income Tax during the specified period.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the Statement of Profit or Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

1.7 IMPAIRMENT OF ASSETS

Goodwill and Other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). Non- financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

1.8 CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand, which are subject to an insignificant risk of changes in value.



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

1.9 TRADE RECEIVABLES

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

1.10 INVENTORIES

Raw materials including harvested tea leaves, produced from own gardens are measured at lower of cost and net realizable 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 are stated at cost and Finished Goods are stated at lower of cost and net realizable value. Cost of Finished Goods comprise direct material, direct labour and appropriate portion of variable and fixed overhead expenditure. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Cost are assigned to individual items of inventory on the basis of weighted average method. Net realizable 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.

1.11 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.

1.12 INVESTMENTS AND OTHER FINANCIAL ASSETS

1.12.1 Classification

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

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

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

1.12.2 Measurement

At initial recognition, the Company measures a financial asset at its fair value. Transaction costs of financial assets carried at fair value through profit or loss are expensed in Statement of Profit or Loss.

DEBT INSTRUMENTS

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. The Company classifies its debt instruments into the following categories:

- **Amortised Cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method.



- **Fair Value through Other Comprehensive Income (FVOCI):** Assets that are held for collections of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Interest income from these financial assets is included in other income using the effective interest rate method.
- **Fair value through profit or loss:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. Interest income from these financial assets is included in other income.

EQUITY INSTRUMENTS

The Company subsequently measures all equity investments at fair value through Other Comprehensive Income. Also, where the Company's management makes an irrevocable choice on initial recognition to present fair value gains and losses on specific equity investments in Other Comprehensive Income, there is no subsequent reclassification of fair value gains and losses to the Statement of Profit or Loss.

1.12.3 Impairment of Financial Assets

The Company measures the expected credit loss associated with its assets based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

1.12.4 Derecognition of Financial Assets

A financial asset is derecognised only when

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

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

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

1.12.5 Income Recognition

Interest Income

Interest Income from debt instruments is recognised using the effective interest rate method.

Dividends

Dividends are recognised in Statement of Profit or Loss only when the right to receive payment is established.

1.13 FINANCIAL LIABILITIES

1.13.1 Initial Recognition and Measurement

The Company recognises all the financial liabilities on initial recognition at fair value minus, in the case of a financial liability not at fair value through Profit or Loss, transaction costs that are directly attributable to the acquisition or issue of the financial liability.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.



1.13.2 Subsequent Measurement

All the financial liabilities are classified as subsequently measured at amortised cost, except for those mentioned below.

1.13.3 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 group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognised in the Statement of Profit or Loss.

For liabilities designated as Fair Value through profit or loss, fair value gains/losses attributable to changes in own credit risk are recognized in Other Comprehensive Income. These gains/losses are not subsequently transferred to Profit or Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Statement of Profit and Loss.

1.14 PROPERTY, PLANT AND EQUIPMENT

All items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to Statement of Profit or Loss during the reporting period in which they are incurred.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognised as at 1st April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of property, plant and equipment.

Depreciation Methods, Estimated Useful Lives and Residual Value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values on the basis of useful lives prescribed in Schedule II to the Companies Act, 2013. Item of Fixed Assets for which related actual cost do not exceed Rs. 5,000 are fully depreciated in the year of purchase. In respect of the following assets, useful lives have been considered as per Schedule II and are as under:-

- Buildings : 60 years
- Plant and Machinery: 15 years
- Furniture & Fixture : 10 years
- Motor Vehicles: Ranging from 8 to 10 years
- Bearer Plant : 77 years
- Computers : 3 years

Bearer plants are depreciated from the date when they are ready for commercial harvest.



The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. The residual values are not more than 5% of the Original Cost of the assets.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Profit or Loss within other gains/(losses).

1.15 INTANGIBLE ASSETS

1.15.1 Computer Software

Costs associated with maintaining software programmes are recognised as an expense as incurred. Costs of purchased software are recorded as intangible assets and amortised from the point at which the asset is available for use.

1.15.2 Goodwill

Goodwill on account of business combination is included in Intangible Assets. Goodwill is not amortised but tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated losses.

1.15.3 Amortisation Methods and Periods

The Company amortises Computer Software with a finite useful life using the straight-line method over the following periods:

Computer software : 6 years

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of intangible assets recognised as at 1st April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

1.16 PROVISION, CONTINGENT LIABILITIES AND CONTINGENT ASSETS, LEGAL OR CONSTRUCTIVE

Provisions are recognised when there is a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

A disclosure for contingent liabilities is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

When there is a possible obligation or a present obligation and the likelihood of outflow of resources is remote, no provision or disclosure for contingent liability is made.



Contingent Assets are not recognised but are disclosed when an inflow of economic benefits is probable.

1.17 EMPLOYEE BENEFITS

1.17.1 Short-term Employee Benefits Obligations

These are recognised at the undiscounted amount as expense for the year in which the related service is rendered.

1.17.2 Other Long-term Employee Benefits Obligations (Unfunded)

The cost of providing long-term employee benefits is determined using Projected Unit Credit Method with actuarial valuation being carried out at each Balance Sheet date. Actuarial gains and losses and past service cost are recognised immediately in the Statement of Profit and Loss for the period in which they occur. Long term employee benefit obligation recognised in the Balance Sheet represents the present value of related obligation.

1.17.3 Post-employment Benefit Obligations

Contributions under Defined Contribution Plans payable in keeping with the related schemes are recognised as expenditure for the year.

In case of Employee Defined Benefit Plans, the cost of providing the benefit is determined using the Projected Unit Credit Method with actuarial valuation being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in full in the Other Comprehensive Income for the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested, and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, if any, and as reduced by the fair value of plan assets, where funded. Any asset resulting from this calculation is limited to the present value of any economic benefit available in the form of refunds from the plan or reductions in future contributions to the plan.

1.17.4 Bonus Plans

The Company recognizes a liability and an expense for bonuses. The Company recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

1.18 EQUITY

Equity Shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

1.19 DIVIDENDS

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Company, on or before the end of the reporting period but not distributed at the end of the reporting period.

1.20 EARNINGS PER SHARE

1.20.1 Basic Earnings per Share

Basic earnings per share are calculated by dividing:

- The Profit/Loss attributable to owners of the Company
- By the weighted average number of Equity Shares outstanding during the financial year.



1.20.2 Diluted Earnings per Share

Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account:

- The after income tax effect of interest and other financing costs associated with dilutive potential Equity Shares, and
- The weighted average number of additional Equity Shares that would have been outstanding assuming the conversion of all dilutive potential Equity Shares

1.21 IMPAIRMENT OF NON-FINANCIAL ASSETS

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher on an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash flows from other assets or group of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

1.22 OFFSETTING FINANCIAL INSTRUMENTS

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

1.23 BORROWING COSTS

Interest and other borrowing costs attributable to qualifying assets are capitalised. Other interest and borrowing costs are charged to the Statement of Profit and Loss.

1.24 ROUNDING OF AMOUNTS

All amounts disclosed in the Financial Statements and Notes have been rounded off to the nearest lakhs as per the Schedule – III of the Companies Act, 2013, unless otherwise stated.

1.25 BORROWINGS

Borrowings are initially recognized at Fair Value, set off transaction costs incurred. Borrowings are subsequently measured at amortised cost.



NOTE 2: CRITICAL ESTIMATES AND JUDGEMENTS

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

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

Critical estimates and judgments

The areas involving critical estimates and judgments are:

i) Taxation

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

ii) Depreciation and amortization

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

iii) Employee Benefits

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

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

iv) Provision 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.

v) Fair Value of Biological Assets

The fair value of Biological Assets is determined based on recent transactions entered into with third parties or available market price.

Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.



Notes forming part of the financial statements for the year ended 31st March, 2018

NOTE - 3a

PROPERTY, PLANT AND EQUIPMENT

| Particulars | GROSS BLOCK | | | | DEPRECIATION | | | | NET BLOCK | |
|-------------------------------------|------------------------|---------------|------------------------|------------------------|------------------------|--------------|---------------------------|-----------------------|------------------------|------------------------|
| | As at 31st March, 2017 | Additions* | Disposals/ Adjustments | As at 31st March, 2018 | As at 31st March, 2017 | For the Year | On Disposals/ Adjustments | Upto 31st March, 2018 | As at 31st March, 2018 | As at 31st March, 2017 |
| i) Tangible Assets | | | | | | | | | | |
| Bearer Plant | 325.18 | 61.40 | - | 386.58 | 7.68 | 3.95 | - | 11.63 | 374.95 | 317.50 |
| Buildings | 127.20 | - | - | 127.20 | 1.95 | 2.18 | - | 4.13 | 123.07 | 125.25 |
| Plant and Machineries | 413.98 | 61.69 | - | 475.67 | 39.86 | 43.16 | - | 83.02 | 392.65 | 374.12 |
| Furniture and Fixtures | 10.81 | - | - | 10.81 | 1.70 | 1.78 | - | 3.48 | 7.33 | 9.11 |
| Vehicles | 34.05 | - | - | 34.05 | 8.23 | 11.06 | - | 19.29 | 14.76 | 25.82 |
| Computers | 2.62 | 1.08 | - | 3.70 | 0.94 | 0.95 | - | 1.89 | 1.81 | 1.68 |
| Total | 913.84 | 124.17 | - | 1,038.01 | 60.36 | 63.08 | - | 123.44 | 914.57 | 853.48 |
| ii) CAPITAL WORK IN PROGRESS | | | | | | | | | | |
| | 23.27 | 100.90 | 124.17 | - | - | - | - | - | - | 23.27 |
| Total | 23.27 | 100.90 | 124.17 | - | - | - | - | - | - | 23.27 |

NOTE - 3b

INTANGIBLE ASSETS

| | | | | | | | | | | |
|------------------------------------|---------------|---------------|---------------|-----------------|--------------|--------------|----------|---------------|---------------|---------------|
| i) Goodwill | 22.53 | - | - | 22.53 | - | - | - | - | 22.53 | 22.53 |
| ii) Other Intangible Assets | | | | | | | | | | |
| Software | 3.61 | - | - | 3.61 | 0.57 | 0.57 | - | 1.14 | 2.47 | 3.04 |
| Total | 3.61 | - | - | 3.61 | 0.57 | 0.57 | - | 1.14 | 2.47 | 3.04 |
| Total | 963.25 | 225.07 | 124.17 | 1,064.15 | 60.93 | 63.65 | - | 124.58 | 939.57 | 902.32 |

* Cost incurred is as per Certificate of the Management.



NOTE - 3a
PROPERTY, PLANT AND EQUIPMENT

(Rs. in Lakhs)

| Particulars | GROSS BLOCK | | | DEPRECIATION | | | NET BLOCK | |
|-------------------------------------|-----------------------------------|---------------|-----------------------|------------------------|-----------------------|--------------|---------------------------|------------------------|
| | Deemed cost as at 1st April, 2016 | Additions* | Disposal/ Adjustments | As at 31st March, 2017 | As at 1st April, 2016 | For the Year | On Disposals/ Adjustments | As at 31st March, 2017 |
| i) Tangible Assets | | | | | | | | |
| Bearer Plant | 209.33 | 115.85 | - | 325.18 | - | 7.68 | - | 7.68 |
| Buildings | 112.95 | 14.25 | - | 127.20 | - | 1.95 | - | 1.95 |
| Plant and Machineries | 371.99 | 41.99 | - | 413.98 | - | 39.86 | - | 39.86 |
| Furniture and Fixtures | 6.89 | 3.92 | - | 10.81 | - | 1.70 | - | 1.70 |
| Vehicles | 34.05 | - | - | 34.05 | - | 8.23 | - | 8.23 |
| Computers | 2.48 | 0.14 | - | 2.62 | - | 0.94 | - | 0.94 |
| Total | 737.69 | 176.15 | - | 913.84 | - | 60.36 | - | 60.36 |
| ii) CAPITAL WORK IN PROGRESS | | | | | | | | |
| | 16.30 | 6.97 | - | 23.27 | - | - | - | - |
| Total | 16.30 | 6.97 | - | 23.27 | - | - | - | - |

NOTE - 3b
INTANGIBLE ASSETS

| | | | | | | | | |
|------------------------------------|---------------|---------------|----------|---------------|----------|--------------|----------|--------------|
| i) Goodwill | 22.53 | - | - | 22.53 | - | - | - | 22.53 |
| ii) Other Intangible Assets | | | | | | | | |
| Software | 3.61 | - | - | 3.61 | - | 0.57 | - | 0.57 |
| Total | 3.61 | - | - | 3.61 | - | 0.57 | - | 0.57 |
| Total | 780.13 | 183.12 | - | 963.25 | - | 60.93 | - | 60.93 |

* Cost incurred is as per Certificate of the Management.



Notes forming part of the financial statements for the year ended 31st March, 2018

(Rs. in Lakhs)

| | As at 31st March, 2018 | As at 31st March, 2017 | As at 1st April, 2016 |
|--|---------------------------|---------------------------|--------------------------|
| NOTE - 4 | | | |
| NON- CURRENT INVESTMENTS | | | |
| Equity Investments Designated at FVOCI | | | |
| Investments in Equity Instruments - Others | | | |
| Unquoted | | | |
| 24,000 (31st March 2017: 24,000 1st April, 2016 :24,000) | | | |
| Equity Shares of Rs 10 each fully paid up in Wearit Global Limited | 21.02 | 15.68 | 19.27 |
| <i>Total Carrying Value</i> | <u>21.02</u> | <u>15.68</u> | <u>19.27</u> |
| Aggregate amount of unquoted investments | 21.02 | 15.68 | 19.27 |
| Aggregate amount of impairment in the value of investments | - | - | - |
| NOTE - 5 | | | |
| OTHER NON- CURRENT FINANCIAL ASSETS | | | |
| (Unsecured, considered good by the management) | | | |
| Security and Other Deposits | | | |
| Tea Board Default Reserve Fund* | | | |
| For Principal | 2.22 | 2.22 | 2.22 |
| For Interest | 1.78 | 1.78 | 1.78 |
| NABARD Deposit | 0.02 | 0.02 | 0.02 |
| Assam Electricity Board (Interest Bearing) | 19.87 | 19.87 | 19.33 |
| | <u>23.89</u> | <u>23.89</u> | <u>23.35</u> |
| NOTE - 6 | | | |
| DEFERRED TAX ASSETS (Net) | | | |
| Deferred Tax Asset | 19.77 | 28.97 | 45.23 |
| Mat Credit Entitlement Account | 8.03 | 8.03 | 8.03 |
| Total Deferred Tax Assets | <u>27.80</u> | <u>37.00</u> | <u>53.26</u> |



NOTE - 7

OTHER NON-CURRENT ASSETS

(Unsecured, considered good by management)

| | | | |
|------------------------|-------------|-------------|-------------|
| Capital Advance | - | 1.00 | 1.54 |
| Government Authorities | 0.23 | 0.23 | 0.24 |
| Other Deposits | 3.05 | 3.05 | 3.05 |
| | 3.28 | 4.28 | 4.83 |

NOTE - 8

INVENTORIES

(As taken, valued and certified by the management)

| | | | |
|---|--------|--------|--------|
| a) Raw Material (Green Leaves- At Fair Market Value) | - | 1.98 | 1.17 |
| b) Finished Goods (At lower of cost and net realisable value) | | | |
| Tea * | 50.05 | 55.04 | 121.91 |
| c) Stores and Spare Parts (At cost) | 216.42 | 234.63 | 188.07 |

*Includes Rs. Nil lying with third parties (Previous Year Rs. 8,82,360/-)

| | | |
|---------------|---------------|---------------|
| 266.47 | 291.65 | 311.15 |
|---------------|---------------|---------------|

NOTE - 9

BIOLOGICAL ASSETS OTHER THAN BEARER PLANTS

(As taken, valued and certified by the management)

| | | | |
|--|-------------|-------------|-------------|
| Fair Value of Biological Assets Other than Bearer Plants (Tea Leaves ready to be Plucked) | 4.27 | 7.04 | 2.44 |
| | 4.27 | 7.04 | 2.44 |

NOTE - 10

TRADE RECEIVABLES

(Unsecured, considered good by the management)

| | | | |
|--------|--------------|--------------|--------------|
| Others | 35.33 | 16.08 | 15.88 |
| | 35.33 | 16.08 | 15.88 |

**SPBP TEA (INDIA) LIMITED**

Notes forming part of the financial statements for the year ended 31st March, 2018

(Rs. in Lakhs)

NOTE - 11**CASH AND CASH EQUIVALENTS**

| | As at 31st March, 2018 | As at 31st March, 2017 | As at 1st April, 2016 |
|---|---------------------------|---------------------------|--------------------------|
| Balances with Scheduled Banks In Current Accounts* | 17.02 | 0.41 | 10.67 |
| Cash in hand (As certified by the management) | 0.55 | 8.96 | 1.88 |
| | 17.57 | 9.37 | 12.55 |

* Out of above current account balances, confirmation for Rs 8,976/- not made available for verification of auditor.

NOTE - 12**OTHER CURRENT FINANCIAL ASSETS**

| | | | |
|---|--------------|--------------|-------------|
| Insurance Claim Receivable | 0.11 | 3.01 | 0.11 |
| Land Revenue Receivables * | 7.91 | 7.91 | 7.91 |
| Interest Receivable on Fixed Deposit | 0.57 | 0.38 | 0.38 |
| Fixed Deposit with original maturity 12 month** | 9.75 | - | - |
| Advances to Related Party | 24.69 | - | - |
| | 43.03 | 11.30 | 8.40 |

* Amount paid due to enhancing of rate of land revenue and against which a case is pending with Guwahati High Court.

** Fixed Deposit Pledged with Allahabad bank against limit for Letter of Credit facilities.

NOTE-13**CURRENT TAX ASSETS (NET)**

| | | | |
|---|--------------|-------------|-------------|
| Advance payment of Income Tax* | 20.20 | 9.79 | 7.81 |
| * Net of provisions of Rs.8,06,630/- (Previous Year Rs. 8,06,630/-) | 20.20 | 9.79 | 7.81 |

NOTE - 14**OTHER CURRENT ASSETS**

(Unsecured, considered good by the management)

| | | | |
|---|---------------|---------------|---------------|
| Subsidy Receivable from Tea Board | 79.05 | 94.42 | 95.35 |
| Advance to Suppliers | 6.44 | 6.70 | 5.38 |
| Advances to Employees | 4.65 | 1.71 | 1.11 |
| Advances to Contractor | 1.06 | 1.20 | 1.25 |
| Advances to Related Party (Refer Note 35) | 129.00 | 129.00 | 129.00 |
| Prepaid Expenses | 7.45 | 7.82 | 5.75 |
| Balances with Statutory Authorities | 3.49 | - | - |
| Others | 4.06 | 5.57 | 5.57 |
| | 235.20 | 246.42 | 243.41 |



Notes forming part of the financial statements for the year ended 31st March, 2018

(Rs. in Lakhs)

NOTE - 15**EQUITY SHARE CAPITAL**

| | As at 31st March, 2018 | As at 31st March, 2017 | As at 1st April, 2016 |
|---|---------------------------|---------------------------|--------------------------|
| a) Authorised 10,00,000 Equity Shares of Rs. 10/- each | 100.00 | 100.00 | 100.00 |
| b) Issued, Subscribed and Paid Up 9,37,200 (31.03.2017: 9,37,200, 01.04.2016: 9,37,200) Equity Shares of Rs. 10/- each fully Paid Up | 93.72 | 93.72 | 93.72 |
| | <u>93.72</u> | <u>93.72</u> | <u>93.72</u> |

c) Reconciliation of the Shares outstanding at the beginning and at the end of the year

| | As at 31st March, 2018 | | As at 31st March, 2017 | |
|--|------------------------|---------------|------------------------|---------------|
| | No of Share | Amount | No of Share | Amount |
| At the beginning of the reporting year | 1,000,000 | 100.00 | 1,000,000 | 100.00 |
| Add: Change during the year | - | - | - | - |
| At the end of the reporting year | <u>1,000,000</u> | <u>100.00</u> | <u>1,000,000</u> | <u>100.00</u> |

- d) The shareholders have the right to declare and approve dividends, as proposed by the Board of Directors for any financial year, to be paid to the members according to their rights and interest in the profits. However, no larger dividend shall be declared than is recommended by the Board of Directors.
- e) Each holder of Equity Shares is entitled to one vote per share.
- f) In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity Shares held by the shareholders.

g) Details of the Shareholders holding more than 5 % Shares in the Company

| Name of 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 |
| Mrs. Pramod Rani | 163,388 | 17.43 | 163,388 | 17.43 | 163,388 | 17.43 |
| Mrs. Ritika Kumar | 217,155 | 23.17 | 217,155 | 23.17 | 217,155 | 23.17 |
| Aryavrat Trading Private Limited | 303,627 | 32.40 | 303,627 | 32.40 | 303,627 | 32.40 |
| Aquatech Projects Private Limited | 112,055 | 11.96 | 112,055 | 11.96 | 112,055 | 11.96 |
| The Asoka Trading Co. Private Limited | 50,145 | 5.35 | 50,145 | 5.35 | 50,145 | 5.35 |
| Chieftain Engineering (India) Private Limited | 59,900 | 6.39 | 59,900 | 6.39 | 59,900 | 6.39 |

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



Notes forming part of the financial statements for the year ended 31st March, 2018

| | As at 31st March, 2018 | As at 31st March, 2017 | (Rs. in Lakhs) As at 1st April, 2016 |
|---|---------------------------|---------------------------|--|
| NOTE - 16 | | | |
| OTHER EQUITY | | | |
| Reserve and Surplus | | | |
| a) General Reserve | | | |
| As per last Financial Statement | 169.77 | 169.77 | 169.77 |
| b) Retained Earnings | | | |
| As per last Financial Statement | 27.15 | 97.95 | 97.95 |
| Add: Profit/(Loss) for the year as per the Statement of Profit and Loss | (7.45) | (70.80) | - |
| | <u>19.70</u> | <u>27.15</u> | <u>97.95</u> |
| | <u>189.47</u> | <u>196.92</u> | <u>267.72</u> |
| Other Reserves | | | |
| a) Capital Reserve | | | |
| As per last Financial Statement | 28.32 | 28.32 | 28.32 |
| b) FVOCI on Equity Instrument | | | |
| As per last Financial Statement | (6.08) | (2.49) | (2.49) |
| Add: Changes in Fair Value of Equity Instruments | 5.34 | (3.59) | - |
| | <u>(0.74)</u> | <u>(6.08)</u> | <u>(2.49)</u> |
| | <u>217.05</u> | <u>219.16</u> | <u>293.55</u> |
| NOTE - 17 | | | |
| NON-CURRENT BORROWINGS | | | |
| SECURED | | | |
| a) Term Loans | | | |
| From Tea Board under SPTF Scheme [Refer Note 17(b)] | | | |
| (i) Loan I [Refer Note 17(c)] | 23.39 | 28.07 | 32.75 |
| Less: Repayable within one year | <u>4.68</u> | <u>4.68</u> | <u>4.68</u> |
| | <u>18.71</u> | <u>23.39</u> | <u>28.07</u> |
| (ii) Loan II [Refer Note 17(d)] | 11.69 | 14.03 | 16.37 |
| Less: Repayable within one year | <u>2.34</u> | <u>2.34</u> | <u>2.34</u> |
| | <u>9.35</u> | <u>11.69</u> | <u>14.03</u> |



| | | | |
|--|---------------------|---------------------|---------------------|
| (iii) Loan III [Refer Note 17(e)] | 11.14 | 12.99 | 14.84 |
| Less: Repayable within one year | 1.85 | 1.85 | 1.85 |
| | <u>9.29</u> | <u>11.14</u> | <u>12.99</u> |
| (iv) Car Loan from HDFC Bank [Refer Note 17(f)] | - | 1.33 | 5.00 |
| Less: Repayable within one year | - | 1.33 | 3.67 |
| | <u>-</u> | <u>-</u> | <u>1.33</u> |
| (v) Car Loan from HDFC Bank Ltd. [Refer Note 17(f)] | - | 0.83 | 3.12 |
| Less: Repayable within one year | - | 0.83 | 2.29 |
| | <u>-</u> | <u>-</u> | <u>0.83</u> |
| (vi) Car Loan from HDFC Bank Ltd. [Refer Note 17(f)] | - | 2.62 | 9.84 |
| Less: Repayable within one year | - | 2.62 | 7.22 |
| | <u>-</u> | <u>-</u> | <u>2.62</u> |
| | <u>37.35</u> | <u>46.22</u> | <u>59.87</u> |

- b) The loans from Tea Board under SPTF Scheme are secured by second charge by way of Equitable Mortgage of the Immovable property and hypothecation of stock (tea crops). The loan has a moratorium period of five years from the date of disbursement, repayable in sixteen equal half yearly installments commenced from the sixth year.
- c) Loan amounting to Rs. 23,39,077/- is repayable in ten equal half yearly installments of Rs. 2,33,908/- each commenced from June, 2015
- d) Loan amounting to Rs. 11,69,538/- is repayable in ten equal half yearly installments of Rs. 1,16,954/- each commenced from November, 2015
- e) Loan amounting to Rs. 11,12,750/- is repayable in twelve equal half yearly installments of Rs. 92,729/- each commenced from August, 2016.
- f) Car loans has already been repaid in the current financial year 2017-2018

**SPBP TEA (INDIA) LIMITED**

Notes forming part of the financial statements for the year ended 31st March, 2018

(Rs. in Lakhs)

NOTE - 18**CURRENT- BORROWINGS****SECURED****Cash Credit**

From Allahabad Bank [Refer Note Below]*

| As at 31st March, 2018 | As at 31st March, 2017 | As at 1st April, 2016 |
|---------------------------|---------------------------|--------------------------|
| 699.92 | 699.98 | 684.99 |

UNSECURED**Loans****Term Over Draft****

From Related Parties [Refer Note 35] (Non-Interest Bearing) ***

From Body Corporates

-From Related Party (Interest Bearing)

-From other (Interest Bearing)

| | | |
|--------|--------|-------|
| 40.00 | - | - |
| 179.50 | - | - |
| 45.00 | 135.00 | 65.00 |
| 45.00 | 70.00 | 75.00 |

| | | |
|-----------------|---------------|---------------|
| 1,009.42 | 904.98 | 824.99 |
|-----------------|---------------|---------------|

*The Cash Credit from Allahabad Bank is secured by first Equitable Mortgage of Land & Buildings (leasehold property) and hypothecation of Plant & Machineries, Furniture & Fixtures and Vehicles of Durrung Tea Estate and hypothecation/ charge over entire Stocks (except tea crops), Book Debts and all other Current Assets of the Company, both present and future and personal guarantees of Mr. Manish Kumar, Director and his wife Mrs. Ritika Kumar. The above loan is further secured by second mortgage/hypothecation of immovable and movable assets and Corporate guarantees of Ritspin Synthetics Limited, Wearit Global Limited and Aryavrat Trading Pvt. Ltd.

** Company has taken Adhoc limit without any futher security from Allahabad Bank in regular cash credit account of Rs 40 Lacs.

***Repayable on demand

NOTE - 19**TRADE PAYABLES****Payables for goods and Services**

Total outstanding dues of micro enterprises and

Total outstanding dues other than micro enterprises and small enterprises

| | | |
|-------|--------|--------|
| 93.71 | 120.07 | 109.81 |
|-------|--------|--------|

| | | |
|--------------|---------------|---------------|
| 93.71 | 120.07 | 109.81 |
|--------------|---------------|---------------|

NOTE - 20**OTHER FINANCIAL LIABILITIES****Current Maturities of Long Term Debt**

Car Loan from HDFC Bank Ltd. [Refer Note 17(f)]

Car Loan from HDFC Bank Ltd. [Refer Note 17(f)]

Car Loan from HDFC Bank Ltd. [Refer Note 17(f)]

| | | |
|---|------|-------|
| - | 1.33 | 3.67 |
| - | 0.83 | 2.29 |
| - | 2.61 | 7.22 |
| - | 4.77 | 13.18 |



Notes forming part of the financial statements for the year ended 31st March, 2018

From Tea Board under SPTF Scheme [Refer Note 17(b)]

| | | | |
|---|---------------|---------------|--------------|
| (i) Loan I [Refer Note 17(c)] | 4.68 | 4.68 | 4.68 |
| (ii) Loan II [Refer Note 17(d)] | 2.34 | 2.34 | 2.34 |
| (iii) Loan III [Refer Note 17(e)] | 1.85 | 1.85 | 1.85 |
| | <u>8.87</u> | <u>8.87</u> | <u>8.87</u> |
| Interest Accrued and due on Secured Loans from Bank | 75.93 | 76.79 | - |
| Interest Accrued and due on Unsecured Loans | | | |
| To Related Party [Refer Note 35] | 1.20 | 11.72 | - |
| To Others | 0.83 | 2.80 | - |
| | <u>77.96</u> | <u>91.31</u> | <u>-</u> |
| Liabilities for Capital goods | 9.72 | - | - |
| Employee Benefit Payable | 17.69 | 15.45 | 5.88 |
| Other Payables | 9.82 | 16.57 | 18.07 |
| Book Overdraft | - | 1.50 | - |
| | <u>124.06</u> | <u>138.47</u> | <u>46.00</u> |

NOTE - 21

OTHER CURRENT LIABILITIES

| | | | |
|------------------------------------|--------------|--------------|--------------|
| Advance from Customers | 9.63 | 9.57 | 13.06 |
| Payable to Statutory Authorities * | 19.80 | 12.94 | 11.25 |
| | <u>29.43</u> | <u>22.51</u> | <u>24.31</u> |

* Includes Tax Deducted at Source , Lease Rent to Assam Govt ,Professional Tax and Provident Fund and Others

NOTE - 22

PROVISIONS

| | | | |
|---------------------|--------------|--------------|--------------|
| Provision for Bonus | 32.89 | 29.69 | 30.23 |
| | <u>32.89</u> | <u>29.69</u> | <u>30.23</u> |

**SPBP TEA (INDIA) LIMITED**

Notes forming part of the financial statements for the year ended 31st March, 2018

| | (Rs. in Lakhs) | |
|--|--|--|
| | For the year ended 31st March, 2018 | For the year ended 31st March, 2017 |
| NOTE - 23 | | |
| REVENUE FROM OPERATIONS | | |
| Sale of Products -Tea | 1,549.38 | 1,410.67 |
| Other operating Revenue | | |
| Irrigation Subsidy | - | 4.73 |
| Orthodox Subsidy | 0.36 | - |
| | 1,549.74 | 1,415.40 |
| NOTE - 24 | | |
| OTHER INCOME | | |
| Interest(Gross) | | |
| Tax deducted at Source 2,057/- (Previous Year Rs. Nil) | | |
| On Fixed Deposit | 0.21 | - |
| On Electricity Deposit | 0.04 | 0.31 |
| Insurance Claim Received | 0.03 | 2.96 |
| Liability no longer required written back | 2.63 | 0.02 |
| Changes in Fair Value of Biological Assets | (2.77) | 4.60 |
| Miscellaneous Income | 0.09 | 0.17 |
| | 0.23 | 8.06 |
| NOTE - 25 | | |
| COST OF RAW MATERIALS CONSUMED | | |
| (As certified by the management) | | |
| Green Leaf Consumed | 1.98 | (0.81) |
| Green Leaf Purchased (100% Indigeneous) | 167.02 | 183.03 |
| | 169.00 | 182.22 |
| NOTE - 26 | | |
| CHANGES IN INVENTORIES OF FINISHED GOODS | | |
| Finished Goods | | |
| Opening Stock | 55.04 | 121.91 |
| Less: Closing Stock | 50.05 | 55.04 |
| | 4.99 | 66.87 |
| NOTE - 27 | | |
| EMPLOYEE BENEFITS EXPENSE | | |
| Salaries and Wages* | 641.35 | 541.05 |
| Contributions to Provident and Other Funds | 66.80 | 43.02 |
| Staff and Labour Welfare expenses | 60.79 | 56.19 |
| [Includes Subsidy on food stuff Rs. 48,18,153/- Previous Year Rs. 46,90,601/-] | | |
| | 768.94 | 640.26 |

*Includes Remuneration to a Whole time Director Rs. 14,52,000/- (Previous Year Rs. 14,52,000/-)



Notes forming part of the financial statements for the year ended 31st March, 2018

| | (Rs. in Lakhs) | |
|-------------------------|--|--|
| | For the year ended 31st March, 2018 | For the year ended 31st March, 2017 |
| NOTE - 28 | | |
| FINANCE COSTS | | |
| <u>Interest Expense</u> | | |
| To Banks | | |
| On Cash Credit | 75.93 | 75.22 |
| On Car Loans | 0.12 | 1.51 |
| To Tea Board on SPTF | 4.43 | 5.22 |
| To Others | 19.66 | 29.88 |
| Other Borrowing Cost | 3.21 | 2.11 |
| | 103.35 | 113.94 |

NOTE - 29

OTHER EXPENSES

| | | |
|---|---------------|---------------|
| Stores and Spare Parts consumed (as Certified) | 69.91 | 59.52 |
| Power and Fuel | 214.49 | 191.85 |
| Rent | 0.27 | 0.27 |
| Repairs & Maintenance: | | |
| To Building | 7.56 | 0.53 |
| To Machineries | 13.66 | 8.86 |
| To Vehicles | 23.65 | 23.87 |
| To Others | 6.39 | 5.43 |
| Insurance | 3.04 | 2.61 |
| Rates and Taxes | 25.14 | 19.61 |
| Packing and Despatch Expenses | 11.22 | 14.17 |
| Brokerage and Commission and Tea selling Expenses | 34.08 | 52.29 |
| General Charges | 24.16 | 29.23 |
| Legal and Professional fees | 4.21 | 4.35 |
| Payments to Auditors: | | |
| As Auditor | 0.51 | 0.58 |
| For Other Services | - | 0.61 |
| | 438.29 | 413.78 |



NOTE 30 - CONTINGENT LIABILITIES AND COMMITMENTS

| Particulars | As at 31 st March 2018 | As at 31 st March 2017 |
|---|-----------------------------------|-----------------------------------|
| | Rs. Lakhs | Rs. Lakhs |
| Contingent Liabilities | | |
| Claims against the Company not acknowledged as debt | | |
| Disputed Income Tax Demand for the A.Y. 2014-15 (Net of Advance paid Rs. 1,90,000/-) | - | 10.58 |
| Commitments | | |
| Capital Commitment for Purchase of Fixed Assets Net of Advances 31.03.2017 - Rs.1,00,000/- | - | 1.92 |

NOTE 31 - LONG TERM LOANS AND ADVANCES

In the opinion of the management, the value of the realization of Long Term Loans and Advances and Current Assets in the ordinary course of business would not be less than the amount at which the same are stated in the Balance Sheet.

NOTE 32 - EMPLOYEE BENEFITS: GRATUITY

The Company's gratuity scheme, a defined benefit plan, covers the eligible employees and is administered through a gratuity fund. Such gratuity fund, whose investments are managed by trustees themselves, make payments to vested employees or their nominees upon retirement, death, incapacitation or cessation of employment, of an amount based on the respective employee's salary and tenure of employment subject to maximum limit of Rs.20 lakhs. Vesting occurs upon completion of 5 years of service.

a) Liability in respect of Gratuity upto 31st March, 2018 comes to Rs. 246.21Lacs as per Actuarial valuation against which the fund accumulation as on 31st March, 2017 is Rs. 0.61 Lacs. Net Liability of Rs. 245.61Lacs including Rs. 35.72Lacs for the current year remained unprovided in this Financial Statements.

b) The following Table sets forth the particulars in respect of Defined Benefits Plan of the Company.

Changes in Present Value of defined benefit obligation

| Sl. | Description | For the year ended | | |
|------|---|--------------------|------------------|------------------|
| | | 31st March, 2018 | 31st March, 2017 | 31st March, 2016 |
| | | Rs. (lakhs) | Rs. (lakhs) | Rs. (lakhs) |
| i. | Present Value of defined benefit obligation at 31.03.2017 | 253.46 | 215.52 | 180.05 |
| ii. | Employer Service Cost | 16.89 | 15.30 | 15.27 |
| iii. | Interest Cost | 18.87 | 17.01 | 13.53 |
| iv. | Benefits Paid | (13.20) | (9.76) | (12.33) |
| v. | Actuarial Loss/(Gain) on obligation | (29.81) | 15.39 | 19.00 |
| vi. | Present Value of Obligation at 31.03.2018 | 246.21 | 253.46 | 215.52 |

Change in Fair value of plan assets

| | | | | |
|------|--|---------|--------|--------|
| i. | Fair Value of Plan Assets at the beginning of the year | 0.57 | 1.10 | 1.83 |
| ii. | Actual return on Plan assets | 0.04 | 0.08 | 0.13 |
| iii. | Actual Company Contribution | (0.007) | (0.61) | (0.03) |
| iv. | Benefit Payments | - | - | (0.90) |
| v. | Fair Value of Plan Assets at the 31.03.2018 | 0.61 | 0.57 | 1.10 |

**Amount Recognised in Balance Sheet**

| | | | | |
|------|--|----------|----------|----------|
| i. | Present Value of Obligation at end of the year | 246.21 | 253.46 | 215.52 |
| ii. | Fair Value of Plan Assets at the end of the period | 0.61 | 0.57 | 1.10 |
| iii. | Funded Status [Surplus/(Deficit)] | (245.61) | (252.89) | (214.42) |
| iv. | Unrecognised Past Service Cost | - | - | - |
| v. | Net Asset/(Liability) | - | - | - |
| vi. | Liability recognised in the Balance-Sheet | (245.61) | (252.89) | (214.42) |

Expenses Recognised in Statement of Profit and Loss

| | | | | |
|-----|--|-------|-------|-------|
| i | Current Service Cost (including risk premium for fully insured benefits) | 16.89 | 15.30 | 15.27 |
| ii | Interest Cost | 18.83 | 16.92 | 13.39 |
| iii | Expected Return of Asset | - | - | - |
| iv | Actuarial (Gain)/Loss | - | - | - |
| v | Total Employer Expenses | - | - | - |
| vi | Recognised in Profit & Loss | 35.72 | 32.23 | 28.66 |

Other Comprehensive Income

| | | | | |
|-----|--|---------|-------|--------|
| i | Actuarial (Gain)/Loss | | | |
| | - change in financial assumptions | (9.67) | 12.09 | (9.60) |
| | experience variance (i.e. Actual experience vs assumptions) | (20.13) | 3.28 | 28.61 |
| ii | Return on Plan Assets | 0.007 | 0.61 | (0.03) |
| iii | Components of defined benefit costs recognised in other comprehensive income | (29.80) | 16.00 | 18.97 |

Principal Actuarial Assumptions

| | | |
|-----|--------------------------|--|
| i | Mortality | LIC (2006-08), ultimate table |
| ii | Morbidity | No explicit allowance |
| iii | Withdrawal | 2% to 1%, depending on the age and length of service |
| iv | Discount Rate | 7.80% per annum being consistent with yield on long term Govt. bonds |
| v | Salary Increase | 7.00% per annum |
| vi | Normal Age of Retirement | 58 years |



| Sensitivity on Actuarial Assumptions | Liability as at 31.03.2018 (Rs. Lakhs) | Liability as at 31.03.2017 (Rs. Lakhs) | Liability as at 01.04.2016 (Rs. Lakhs) |
|--------------------------------------|--|--|--|
| Change in Discounting Rate | | | |
| Increase by 1% | 221.46 | 227.81 | 194.18 |
| Decrease by 1% | 275.32 | 283.75 | 240.71 |
| Change in Salary Escalation | | | |
| Increase by 1% | 275.26 | 283.58 | 240.68 |
| Decrease by 1% | 221.07 | 227.49 | 193.82 |
| Change in Attrition Rate | | | |
| Increase by 50% | 247.41 | 254.14 | 216.73 |
| Decrease by 50% | 244.87 | 252.71 | 214.18 |
| Mortality Rate | | | |
| Increase by 10% | 246.28 | 253.51 | 215.59 |
| Decrease by 10% | 246.14 | 253.42 | 215.46 |

NOTE 33 – PROVISION FOR LEAVE SALARY

No Provision has been made for leave salary (amount unascertained) payable to employees of the Company. The same is being accounted for on cash basis.

NOTE 34 – SEGMENT REPORTING

Based on the guiding principles given in Ind AS 108 on Segmental Reporting issued by The Institute of Chartered Accountants of India, the Company is a single segment Company mainly engaged in the cultivating, manufacturing and selling of Tea and therefore Segment Reporting is not applicable.

NOTE 35 - "RELATED PARTY DISCLOSURES" IN COMPLIANCE WITH IND-AS 24, ARE GIVEN BELOW:**1. Relationship with Entities**

- A. Details of Associate Entities:
- a. Aryavrat Trading Private Limited
 - b. Ritspin Synthetics Limited
 - c. Wearit Global Limited
 - d. Wearit Tea Trading Private Limited
 - e. SPBP Holdings Private Limited
 - f. SPBP Investments Private Limited
 - g. Zenith Machinery Private Limited
 - h. Zenith Forgings Private Limited
- B. Key Management Personnel:
- a. Mr. Manish Kumar – Director
 - b. Mr. Ajay Kumar Singh - Whole Time Director
 - c. Mr. Purushottam Dalmia - Chief Executive Officer
 - d. Mr. Dharmendra Maheshwari - Chief Financial Officer

Associates

Wearit Global Limited
Ritspin Synthetics Limited
Aryavrat Trading Pvt. Ltd.
Personal Guarantees
availed by the Company
Mr. Manish Kumar, Director
Mrs. Ritika Kumar, wife of
Director

Corporate Guarantees
against Cash credit
facility availed by the Company

(Rs. in Lakhs)

| 2017-18 | 2016-17 | 2015-16 |
|---------|---------|---------|
| 715.00 | 715.00 | 715.00 |



2. The following transactions were carried out with the related parties in the ordinary course of business:
A(a) Details relating to parties

| Key Management Personnel | Nature of Transaction | 2017-18 Rs. (Lakhs) | 2016-17 Rs. (Lakhs) | 2015-16 Rs. (Lakhs) |
|----------------------------------|-----------------------|------------------------|------------------------|------------------------|
| Mr. Ajay Kumar Singh | Remuneration | 14.52 | 14.52 | 8.47 |
| Mr. Purushottam Dalmia | Remuneration | 1.68 | 1.68 | 1.68 |
| Mr. Dharmendra Maheshwari | Remuneration | 5.58 | 5.16 | 4.33 |
| Mr. Manish Kumar | Loan received | 179.50 | - | - |
| Associates | Nature of Transaction | 2017-18 Rs. (Lakhs) | 2016-17 Rs. (Lakhs) | 2015-16 Rs. (Lakhs) |
| Wearit Global Limited | Interest Received | - | - | 0.06 |
| Wearit Global Limited | Unsecured loan Given | - | - | 5.00 |
| Wearit Global Limited | Refund Received | - | - | 5.00 |
| SPBP Holdings Private Limited | Interest Paid | - | - | 0.15 |
| SPBP Holdings Private Limited | Repayment of loan | - | - | 1.50 |
| Wearit Tea Trading Pvt. Ltd. | Interest Received | - | - | 1.11 |
| Wearit Tea Trading Pvt. Ltd. | Advance Refund | - | - | 63.98 |
| Zenith Machinery Private Limited | Interest Paid | 5.40 | 0.48 | 1.23 |
| Zenith Machinery Private Limited | Unsecured Loan Taken | - | 45.00 | 50.00 |
| Zenith Machinery Private Limited | Unsecured Loan Repaid | - | - | 50.00 |
| Zenith Forgings Private Limited | Purchase of Stores | - | - | 0.26 |
| Zenith Forgings Private Limited | Payment made | - | - | 0.43 |

b Balance at the year end

| Associates | Nature of Transaction | 2017-18 Rs. (Lakhs) | 2016-17 Rs. (Lakhs) | 2015-16 Rs. (Lakhs) |
|-------------------------------|-----------------------|------------------------|------------------------|------------------------|
| Wearit Tea Trading Pvt. Ltd. | Advance Given | 129.00 | 129.00 | 129.00 |
| Wearit Global Ltd | Investment | 21.76 | 21.76 | 21.76 |
| Zenith Machinery Private Ltd. | Unsecured Loan taken | 45.00 | 45.00 | - |
| Zenith Machinery Private Ltd. | Interest payable | - | 0.43 | - |

NOTE 36 – INCOME TAX EXPENSE

Major Components of income tax expense for the year ended 31st March 2018 and 31st March, 2017:

| Particulars | For the Year ended 31 st March, 2018 | Rs. In Lakhs For the Year ended 31 st March, 2017 |
|--|--|--|
| Current Income Tax | - | - |
| Adjustment in respect of current income tax of previous year | - | - |
| Total Current Tax Expense | - | - |
| Deferred Tax | - | - |
| (Decrease)/Increase in Deferred Tax Liabilities | 0.50 | 9.41 |
| Decrease/(Increase) in Deferred Tax Assets | 8.70 | 6.85 |
| Deferred Tax | 9.20 | 16.26 |
| Income Tax expense is attributable to: | | |
| Profit from continued operation | (7.45) | (70.79) |
| Profit from discontinued operation | - | - |
| | (7.45) | (70.79) |

**NOTE 37 - EARNINGS PER SHARE (EPS)**

Basic and Diluted EPS amounts are calculated by dividing the profit or loss for the year attributable to equity holders by the weighted average number of Equity Shares outstanding during the year.

The following reflects the profit or loss and number of shares used in the basic and diluted EPS computations : *Rs in. Lakhs*

| Particulars | 31.03.2018 | 31.03.2017 |
|---|------------|------------|
| Profit/(Loss) attributable to equity holders | (7.45) | (70.79) |
| Weighted Average number of equity shares used for computing Earning Per Share (Basic) | 9.37 | 9.37 |
| Weighted Average number of equity shares used for computing Earning Per Share (Diluted) | 9.37 | 9.37 |
| Earning Per Share (Basic) (Rs.) | (0.79) | (7.55) |
| Earning Per Share (Diluted) (Rs.) | (0.79) | (7.55) |
| Face Value Per Share(Rs.) | 10 | 10 |

NOTE 38 - FAIR VALUES

Reconciliation of fair value measurement of unquoted equity instruments classified as FVTOCI assets:

Set out below, is a comparison of the carrying amounts and fair value of the Company's financial instruments, along with the fair value measurement hierarchy:

| Particulars | Carrying Value | | | Fair Value | | | Fair Value measurement hierarchy level |
|----------------------------|------------------|------------------|------------------|------------------|------------------|------------------|--|
| | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 | |
| Financial assets | | | | | | | |
| Unquoted Equity Instrument | 21.76 | 21.76 | 21.76 | 21.02 | 15.68 | 19.27 | Level 3 |
| Biological Assets | - | - | - | 4.27 | 7.04 | 2.44 | Level 2 |

NOTE 39 - FINANCIAL RISK MANAGEMENT

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

(A) Credit risk

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

Credit risk on receivables is minimum since sales through different mode (eg. auction, consignment, private - both domestic and export) are made after judging credit worthiness of the customers, advance payment or against letter of credit by banks. The history of defaults has been minimal and outstanding receivables are regularly monitored. For credit risk on the loans to parties including subsidiary, the Company is not expecting any material risk on account of non-performance by any of the parties.



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

The carrying value of the financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets.

(B) Liquidity risk

Liquidity risk refers to the risk that the Company fails to honour its financial obligations in accordance with terms of contract. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions.

Management monitors rolling forecasts of the Company's liquidity position (including the undrawn credit facilities extended by banks and financial institutions) and cash and cash equivalents on the basis of expected cash flows. In addition, the Company's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

| <i>Rs in. Lakhs</i> | | | | | |
|--|------------------|-----------------------|-----------------------|-------------------|----------------|
| Contractual maturities of financial liabilities as at 31 st March, 2018 | Less than 1 Year | Between 1 and 2 years | Between 2 and 5 years | More than 5 years | Total |
| Non-derivatives | | | | | |
| Borrowings(Principal plus interest) | 1009.42 | 37.34 | - | - | 1046.76 |
| Trade Payables | 92.68 | 1.03 | - | - | 93.71 |
| Other financial liabilities | 114.24 | 9.82 | - | - | 124.06 |
| Total non-derivative financial liabilities | 1216.34 | 48.19 | - | - | 1264.53 |

| <i>Rs in. Lakhs</i> | | | | | |
|--|------------------|-----------------------|-----------------------|-------------------|----------------|
| Contractual maturities of financial liabilities as at 31 st March, 2017 | Less than 1 Year | Between 1 and 2 years | Between 2 and 5 years | More than 5 years | Total |
| Non-derivatives | | | | | |
| Borrowings(Principal plus interest) | 904.98 | 46.21 | - | - | 951.19 |
| Trade Payables | - | 120.07 | - | - | 120.07 |
| Other financial liabilities | 121.89 | 16.57 | - | - | 138.46 |
| Total non-derivative financial liabilities | 1026.87 | 182.85 | - | - | 1209.72 |

| <i>Rs in. Lakhs</i> | | | | | |
|---|------------------|-----------------------|-----------------------|-------------------|----------------|
| Contractual maturities of financial liabilities as at 1 st April, 2016 | Less than 1 Year | Between 1 and 2 years | Between 2 and 5 years | More than 5 years | Total |
| Non-derivatives | | | | | |
| Borrowings(Principal plus interest) | 59.86 | 824.99 | - | - | 884.85 |
| Trade Payables | - | 109.81 | - | - | 109.81 |
| Other financial liabilities | 27.94 | 18.07 | - | - | 46.01 |
| Total non-derivative financial liabilities | 87.80 | 952.87 | - | - | 1040.67 |

**Market risk****(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 variable rates, which expose the Company to cash flow interest rate risk. The Company's policy is to maintain most of its borrowings at fixed rate using interest rate swaps to achieve this when necessary. During 31st March 2018, 31st March 2017 and 1st April 2016, the Company's borrowings at variable rate were mainly denominated in INR.

The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

(ii) Price risk

The Company's exposure to equity securities price risk arises from investments held - unquoted and classified in the Balance Sheet either as fair value through OCI or at fair value through profit or loss. The Company is not expecting high risk exposure from its investment in securities.

The table below sets forth the fair value of unquoted investments in securities of listed companies.

| Particulars | Rs. in Lakhs | | |
|------------------------------------|------------------|------------------|-----------------|
| | 31st March, 2018 | 31st March, 2017 | 1st April, 2016 |
| Fair value of unquoted investments | 21.02 | 15.68 | 19.27 |
| Total | 21.02 | 15.68 | 19.27 |

(C) 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, fertilizers 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 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.

NOTE 40 - CAPITAL MANAGEMENT

The Company's objectives when managing capital are to:

1. Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
2. Maintain an optimal capital structure to reduce the cost of capital



In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Company monitors capital on the basis of net debt to equity ratio and maturity profile of overall debt portfolio of the Company.

Total debt implies total borrowings of the Company and Equity comprises all components attributable to the owners of the Company.

The following table summarizes the Total Debt, Equity and Ratio thereof.

Rs in. Lakhs

| Particulars | 31 st March, 2018 | 31 st March, 2017 | 1 st April, 2016 |
|---|------------------------------|------------------------------|-----------------------------|
| (i) Total Debt | | | |
| Borrowings | | | |
| - Non- Current | 37.34 | 46.21 | 59.86 |
| - Current | 1009.42 | 904.98 | 824.99 |
| Current Maturities of Long Term Debt | 8.87 | 13.64 | 22.05 |
| | 1055.63 | 964.83 | 906.9 |
| (ii) Equity attributable to Shareholders | 283.21 | 290.65 | 361.44 |
| (iii) Debt to equity ratio | 3.73 | 3.32 | 2.51 |

Under the terms of the major borrowing facilities, the Company has complied with the financial covenants as imposed by the bank and financial institutions.

No changes were made in the objectives, policies or processes for managing capital during the year ended 31st March 2017 and 31st March 2018.

NOTE 41 - FIRST-TIME ADOPTION OF IND AS

Transition to Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS.

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

A. Exemptions and Exceptions availed

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

A.1 Ind AS optional exemptions



A.1.1 Deemed Cost

Deemed cost Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Asset.

Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value. The Company does not have any de-commissioning liabilities as on the date of transition and accordingly no adjustment have been made for the same.

A.1.2 Designation of previously recognised financial instruments

Ind AS 101 allows an entity to designate investments in equity instruments at FVOCI on the basis of the facts and circumstances at the date of transition to Ind AS.

The Company has elected to apply this exemption for its investment in equity instruments.

A.2 Ind AS mandatory exceptions

A.2.1 Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1st April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

- i. Investment in equity instruments carried at FVOCI; and
- ii. Biological Asset measured at fair value less cost to sell.

A.2.2 Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.


B. Reconciliation of Total Equity as at 31st March, 2017 and 1st April, 2016

| Particulars | Notes to first-time adoption | 31 st March 2017 (Rs. Lakhs) | 1 st April 2016 (Rs. Lakhs) |
|---|------------------------------|--|---|
| Total Equity (shareholder's funds) as per previous GAAP | | 306.02 | 372.61 |
| Adjustments: | | | |
| Effect of change in Fair Value of Investments | 1 | (6.08) | (2.49) |
| Changes in Inventories of Raw Material | 2 | 1.98 | 1.17 |
| Effect of recognizing Biological Assets | 2 | 7.04 | 2.44 |
| Deferred Tax | 3 | 3.93 | 13.54 |
| Total Adjustments | | 6.87 | 14.66 |
| Total Equity as per Ind AS | 4 | 312.89 | 387.27 |

Reconciliation of Total Comprehensive Income for the year ended 31st March, 2017

| Particulars | Notes to first-time adoption | 31 st March 2017 (Rs. Lakhs) |
|--|------------------------------|--|
| Net Profit as reported under previous GAAP | | (66.59) |
| Adjustments : | | |
| Effect of changes in fair value of Biological Assets | 2 | 4.60 |
| Changes in Inventories of Raw Material | 3 | 0.81 |
| Deferred tax | 3 | (9.61) |
| Total Adjustments | | (4.19) |
| Profit after tax as per Ind AS | | (70.79) |
| Other Comprehensive Income | 5 | (3.59) |
| Total Comprehensive Income as per Ind AS | | (74.38) |

Reconciliation of Cash Flows for the year ended 31st March, 2017

| Particulars | For the year ended 31 st March, 2017 | | |
|---|---|-------------|-------------|
| | Previous GAAP | Adjustments | Ind AS |
| Net Cash Flow from Operating Activities | 142.22 | 85.32 | 227.54 |
| Net Cash Flow from Investing Activities | (182.81) | (0.31) | (183.12) |
| Net Cash Flow from Financing Activities | 37.41 | (85.01) | (47.59) |
| Net increase/(decrease) in cash and cash equivalents | (3.18) | - | (3.18) |
| Cash and cash equivalents as at 1 st April 2016 | 12.55 | - | 12.55 |
| Cash and Cash Equivalents as at 31st March 2017 | 9.37 | - | 9.37 |



C. Notes to first-time Adoption

Note 1: Fair value of Investments

Under the previous GAAP, investments in equity instruments were classified as long-term investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Under Ind AS, these investments are required to be measured at fair value.

Fair value changes with respect to investments inequity instruments designated as at FVOCI have been recognised in FVOCI - Equity Investments as at the date of transition and subsequently in the other comprehensive income for the year ended 31st March, 2017. This has increased FVOCI Equity Investments by Rs. 3.59 lakhs as at 31st March, 2017.

Consequent to the above, the total equity as at 31st March, 2017 increased by Rs.6.08 lakhs (1st April 2016 – Rs. 2.49 lakhs) and other comprehensive income for the year ended 31st March, 2017 decreased by Rs. 3.59 lakhs, respectively.

Note 2: 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 Financial Statements. 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 1st April, 2016 has increased by Rs. 2.44 lakhs with corresponding increase in equity. However, inventory of biological assets as on 31st March, 2017 has increased by Rs. 7.04 lakhs with corresponding increase in equity.

Note 3: Deferred Tax

Under previous GAAP, no deferred tax asset/liability was recognized on Investment since cost under both the Income tax Act and Books of Account. Under IndAS, deferred tax asset was recognized on such amount, with tax base being indexed cost of acquisition of investment.

Consequent to above change, deferred tax asset has increased by Rs. 13.54 lakhs as on 1st April, 2016 and by Rs. 3.93 lakhs as on 31st March, 2017 with corresponding decrease inequity for respective period.

Note 4: Retained Earnings

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

Note 5: Other Comprehensive Income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the year, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in the Statement of Profit or Loss but are shown in the Statement of Profit and Loss as 'Other Comprehensive Income' includes fair value gains or (losses) on FVOCI equity instruments. The concept of Other Comprehensive Income did not exist under previous GAAP.

NOTE 42

There are no outstanding dues to any party registered under the Micro, Small and Medium Enterprises Development Act, 2006 based on information available with the Company.



NOTE 43

Previous year figures have been regrouped and/or rearranged wherever necessary.

Signature to Notes 1 to 43

For and on behalf of Board

As per our Report annexed
For P. Lunawat & Associates
Chartered Accountants
Firm Regn. No.: 328946E

Manish Kumar
Director
DIN: 00121900

Ajay Kumar Singh
Whole Time Director
DIN: 06748324

(Pankaj Lunawat)
Proprietor
Membership No.: 067104
P. Dalmia D. Maheshwari
Chief Executive Officer Chief Financial Officer

Place: Kolkata
Date: 30th May, 2018