

M/s. KESHAVA PLANTATIONS PVT. LTD.

STATEMENTS OF ACCOUNT

AND

AUDITORS' REPORT

FOR THE YEAR ENDED

31ST MARCH... 2017

B. N. GUPTA & CO.

CHARTERED ACCOUNTANTS

SIBSAGAR-785640

(ASSAM)

PH : (03772) 222253

B.N. GUPTA

B.COM.(HONS),L.L.B, F.C.A.
A.A.S.M, M.I.I.A.(U.S.A)

B.N.GUPTA & CO.

CHARTERED ACCOUNTANTS,
SIBSAGAR – 785 640 (ASSAM)
PHONE : (03772) 222253

**INDEPENDENT AUDITORS' REPORT
TO
THE MEMBERS OF
KESHAVA PLANTATIONS PRIVATE LIMITED**

Report on the Financial Statements

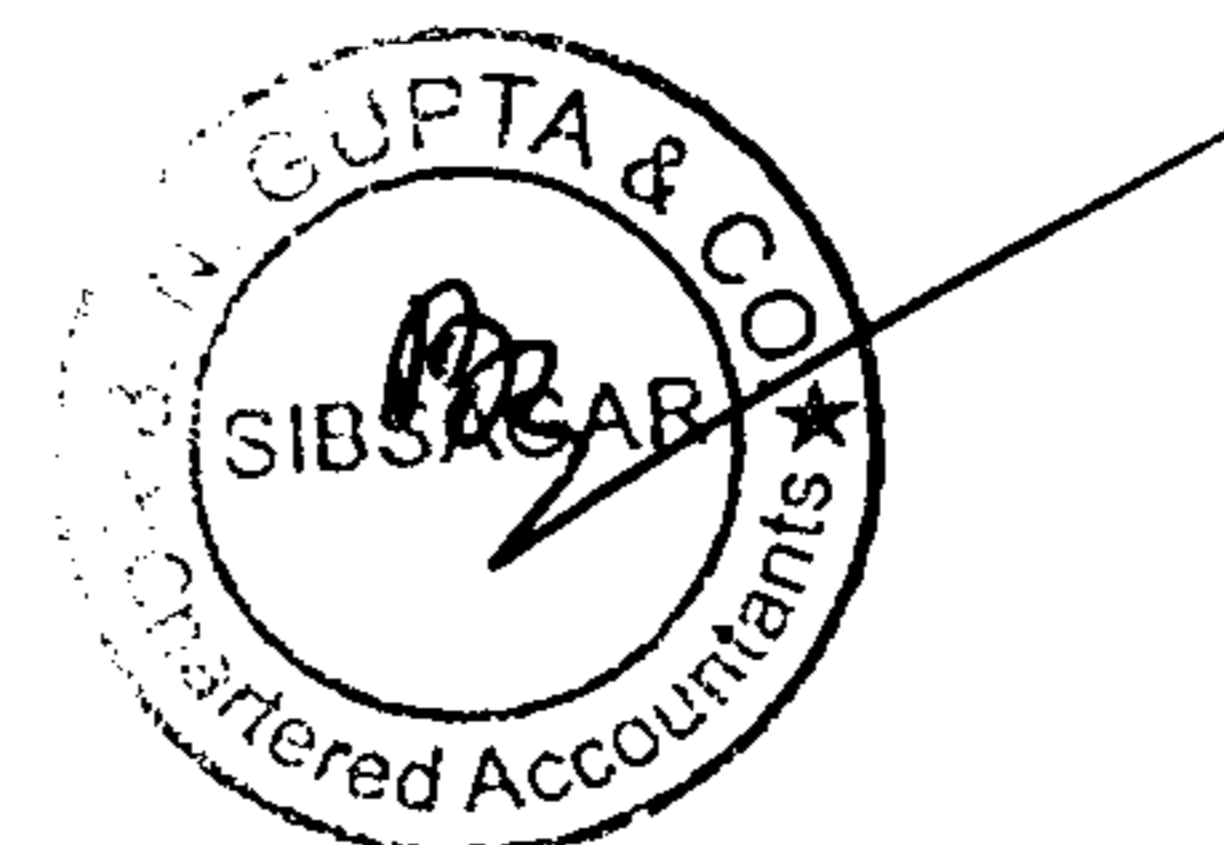
1. We have audited the accompanying financial statements of M/s. Keshava Plantations Private Limited (The "Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit & Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the companies Act, 2013 ("the Act") with respect to the preparation of these financial statements to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the companies (Accounts) Rules, 2014. That responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
5. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.



6. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's
6. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of 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 financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

8. In our opinion, and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the company as at March 31, 2017, and its ~~Loss~~ and its Cash Flows for the year ended on that date.

Emphasis of Matter

9. There is no material statement requiring specific mention in respect of these accounts.

Report on other Legal and Regulatory Requirements

10. As required by 'the companies (Auditor's Report) Order, 2015', issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act (hereinafter referred to as the "Order"), 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" statement on the matters specified in paragraphs 3 and 4 of the Order.
11. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.



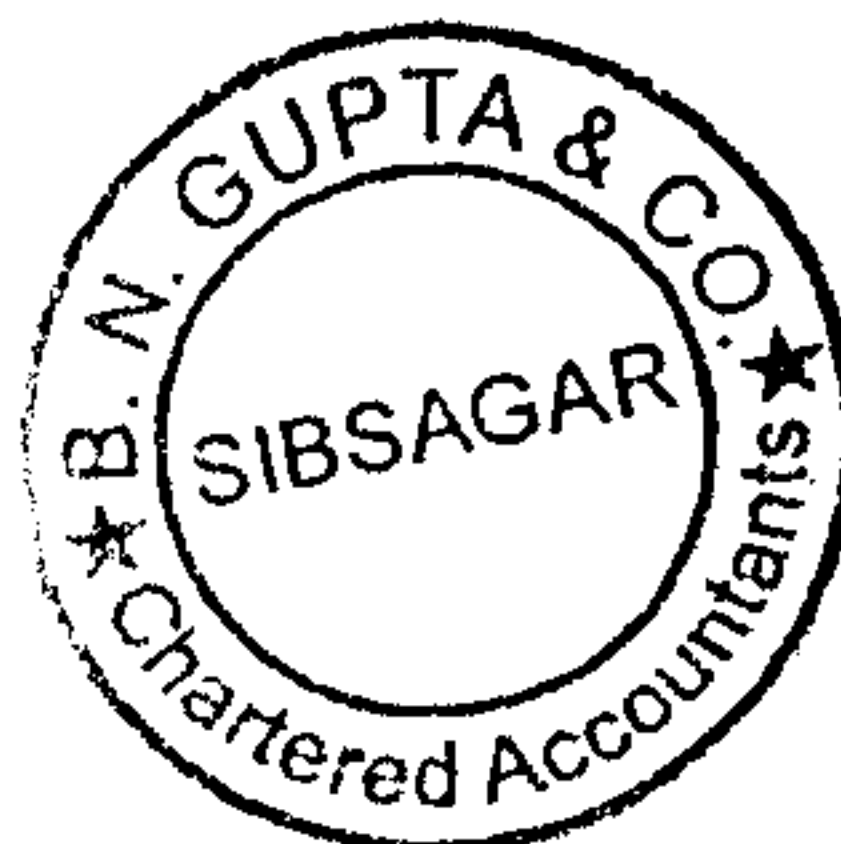
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 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.
- 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 does not have any pending litigations which would impact its financial position.
- ii) The Company did not have any long-term contracts including derivative contracts as at March 31, 2017 for which there were any material foreseeable losses;
- iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2017
- iv) The Company has provided requisite disclosures in its financial statements as to holding as well as dealings in specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the company and as produced to us by the Management.

For B.N. GUPTA & CO.
Chartered Accountants
Firm Registration Number 312044E



(B.N. GUPTA, FCA)
PROPRIETOR
Membership Number 050504

Place : Sivasagar
Date 03rd May, 2017



B.N. GUPTA

B.COM.(HONS),L.L.B, F.C.A.
A.A.S.M, M.I.I.A.(U.S.A)

B.N.GUPTA & CO.

CHARTERED ACCOUNTANTS,
SIBSAGAR – 785 640 (ASSAM)
PHONE : (03772) 222253

ANNEXURE 'A' TO INDEPENDENT AUDITOR'S REPORT (Keshava Plantations Pvt. Ltd.)

Referred to in paragraph 10 of the Independent Auditor's Report of even date to the members of M/s.KESHAVA PLANTATIONS PRIVATE LIMITED. on the financial statements as of and for the year ended March 31, 2017;

- i) a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
 - b) The Fixed Assets have been physically verified by the management and no serious discrepancies have been noticed between the physical Inventory and available records with the Company.
 - c) As informed to us, the titled Deeds of immovable properties as disclosed under 'Note' on Fixed Assets to the financial statements are held in the name of the Company. We have, however not verified the title Deeds.
- ii) The inventory excluding stocks with third parties has been physically verified by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Act.
- iv) The Company has not granted any loans or provided any guarantees or security to the parties covered under section 185 of the Act.
- v) The Company has not accepted any deposits from the public within the meaning of Section 73, 74, 75 and 76 of the Act and the Rules framed thereunder to the extent notified.
- vi) The Central Government has not prescribed the maintenance of any cost records under section 148(1) of the Company Act, 2013.
- vii) a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax and other material statutory dues, as applicable, with the appropriate authorities.
 - b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of Taxes and cess which have not been deposited on account of any dispute.



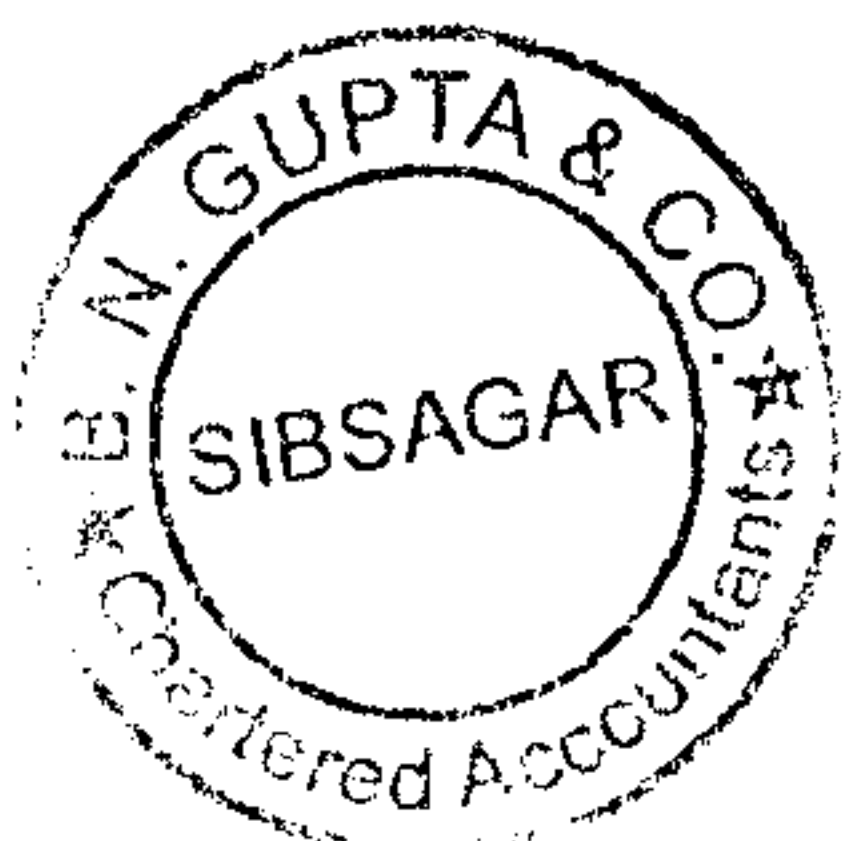
- viii) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any bank. The company has not taken any loans from the Government. It has not issued any debentures.
- ix) The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the order are not applicable to the Company.
- x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi) The Company has paid/provided for managerial remuneration in accordance with the provisions of Section 197 read with Schedule V to the Act.
- xii) As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii) In our opinion, all transactions with related parties are in compliance with section 177 and 188 of the Act.
- xiv) The Company has not made any preferential or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv) The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi) The Company is not required to be registered under Section 45-1A of the Reserve Bank of the India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For B.N. GUPTA & CO.
Chartered Accountants
Firm Registration Number 312044E



(B.N. GUPTA, FCA)
PROPRIETOR
Membership Number 050504

Place : Sivasagar
Date : 03rd May, 2017



B.N. GUPTA

B.COM.(HONS),L.L.B, F.C.A.
A.A.S.M, M.I.I.A.(U.S.A)

B.N.GUPTA & CO.

CHARTERED ACCOUNTANTS,
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ANNEXURE 'B' TO INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 11(f) of the Independent Auditor's Report of even date to the members of M/s. KESHAVA PLANTATIONS PRIVATE LIMITED on the financial statements for the year ended March, 2017.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act.

1. We have audited the internal financial controls over financial reporting of M/s. KESHAVA PLANTATIONS PRIVATE LIMITED ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. 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.

Auditor's Responsibility

3. 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 Controls Over Financial Reporting (the "Guidance Note") and the standards on Auditing deemed to be prescribed under section 143(1) 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 control over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. 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 include 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. 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 controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

6. 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 that 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

7. 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

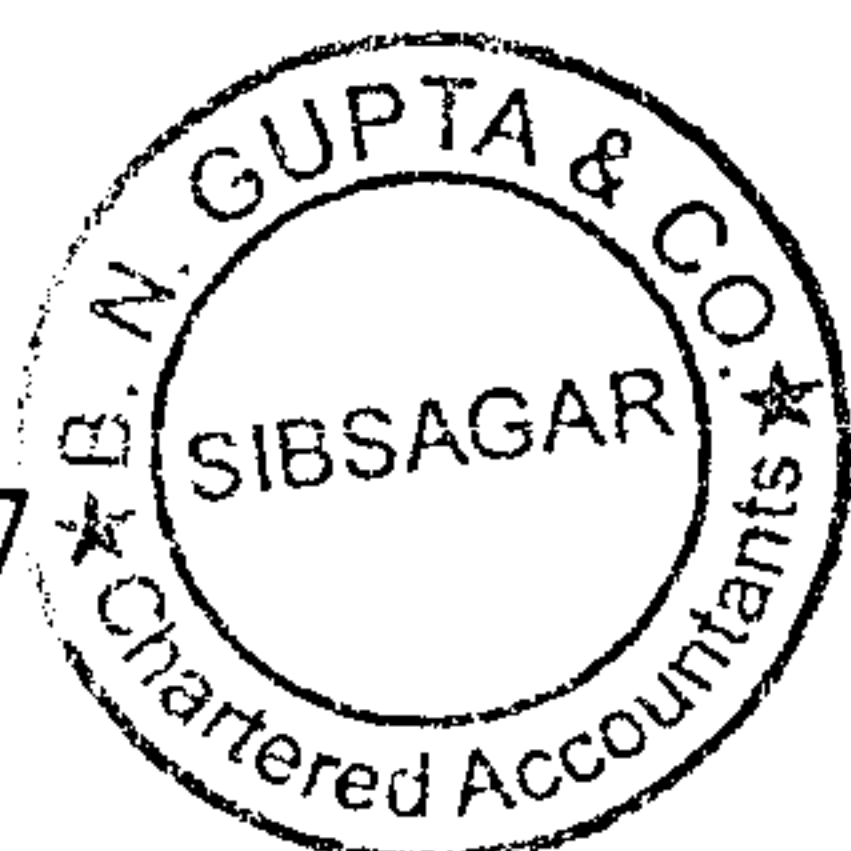
8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March, 31, 2017 based on the internal control over financial reporting criteria 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 B.N. GUPTA & CO.
Chartered Accountants
Firm Registration Number 312044E



(B.N. GUPTA, FCA)
PROPRIETOR
Membership Number 050504

Place : Sivasagar
Date : 03rd May, 2017



KESHAVA PLANTATIONS PRIVATE LIMITED

BALANCE SHEET as at 31st March 2017

	Note No.	As at March 31, 2017 ₹	As at March 31, 2016 ₹
<u>EQUITY AND LIABILITIES</u>			
SHAREHOLDERS' FUNDS			
Share Capital	2.1	80,00,000	80,00,000
Reserves and Surplus	2.2	<u>(2,78,78,939)</u>	<u>(1,98,77,147)</u>
		(1,98,78,939)	(1,18,77,147)
NON-CURRENT LIABILITIES			
Long-Term Borrowings	2.3	-	73,86,003
Long-Term Provisions	2.4	-	-
			73,86,003
CURRENT LIABILITIES			
Short-Term Borrowings	2.5	5,24,28,845	3,64,39,396
Trade Payables			
Total outstanding due of Micro Enterprises & Small Enterprises	2.6	-	-
Total outstanding due of Creditors other than Micro Enterprises & Small Enterprises	2.6	38,39,016	33,04,258
Other Current Liabilities	2.7	24,81,372	15,59,397
Short-Term Provisions	2.4	<u>1,19,89,871</u>	<u>1,35,12,641</u>
		7,07,39,104	5,48,15,692
TOTAL		<u><u>5,08,60,165</u></u>	<u><u>5,03,24,548</u></u>
<u>ASSETS</u>			
NON-CURRENT ASSETS			
Fixed Assets	2.8		
Tangible Assets		2,94,57,768	3,28,20,451
Intangible assets		7,99,200	-
Capital Work-In-Progress		<u>3,69,838</u>	-
		3,06,26,806	3,28,20,451
Non-Current Investments	2.9	-	-
Long-Term Loans and Advances	2.10	<u>38,44,623</u>	<u>38,42,629</u>
		38,44,623	38,42,629
CURRENT ASSETS			
Inventories	2.11	1,08,33,945	54,75,871
Trade Receivables	2.12	44,07,435	29,81,789
Cash and Bank Balances	2.13	2,40,259	43,54,910
Short-Term Loans and Advances	2.10	8,54,910	8,14,653
Other Current Assets	2.14	<u>52,187</u>	<u>34,245</u>
		1,63,88,736	1,36,61,468
TOTAL		<u><u>5,08,60,165</u></u>	<u><u>5,03,24,548</u></u>

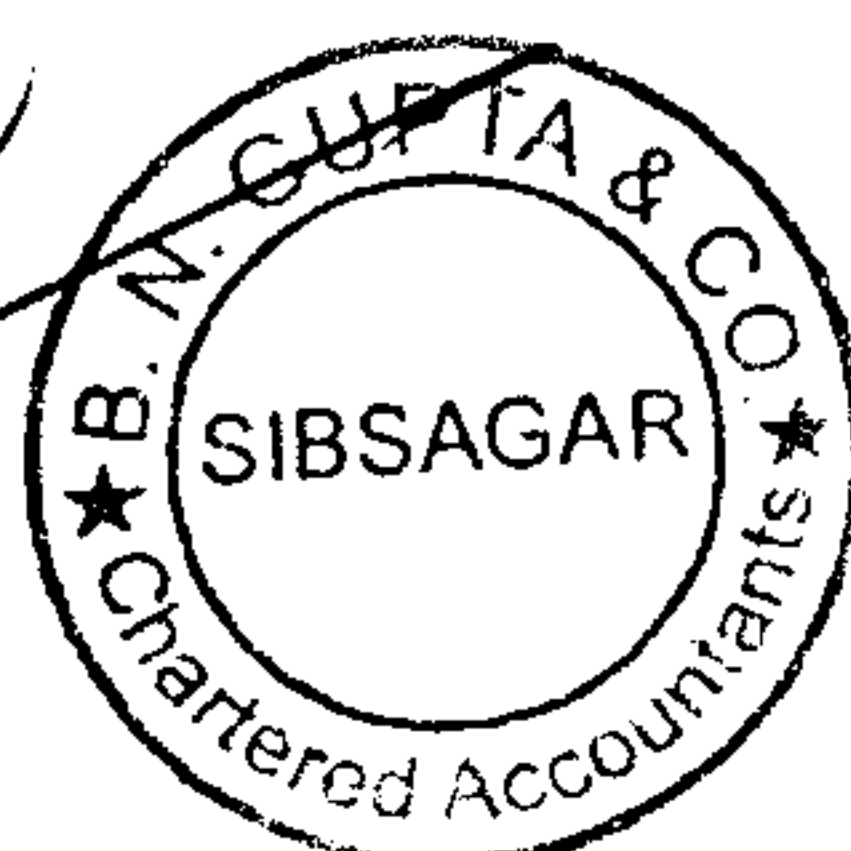
Significant Accounting Policies **1**

The accompanying notes 2.1 to 2.23 are an integral part of the Financial Statements.

As per our report of even date annexed.

For and on behalf of
B.N.GUPTA & CO.
Chartered Accountants
FRN : 312044E

(Signature)



B.N.Gupta , FCA

Proprietor

Membership No.050504

Kolkata

Dated : 3rd May , 2017

MKD
M. K. D.

KLM
Kailash Mohita

SB
Sharad Baghel

KESHAVA PLANTATIONS PRIVATE LIMITED

STATEMENT OF PROFIT & LOSS for the year ended 31st March 2017

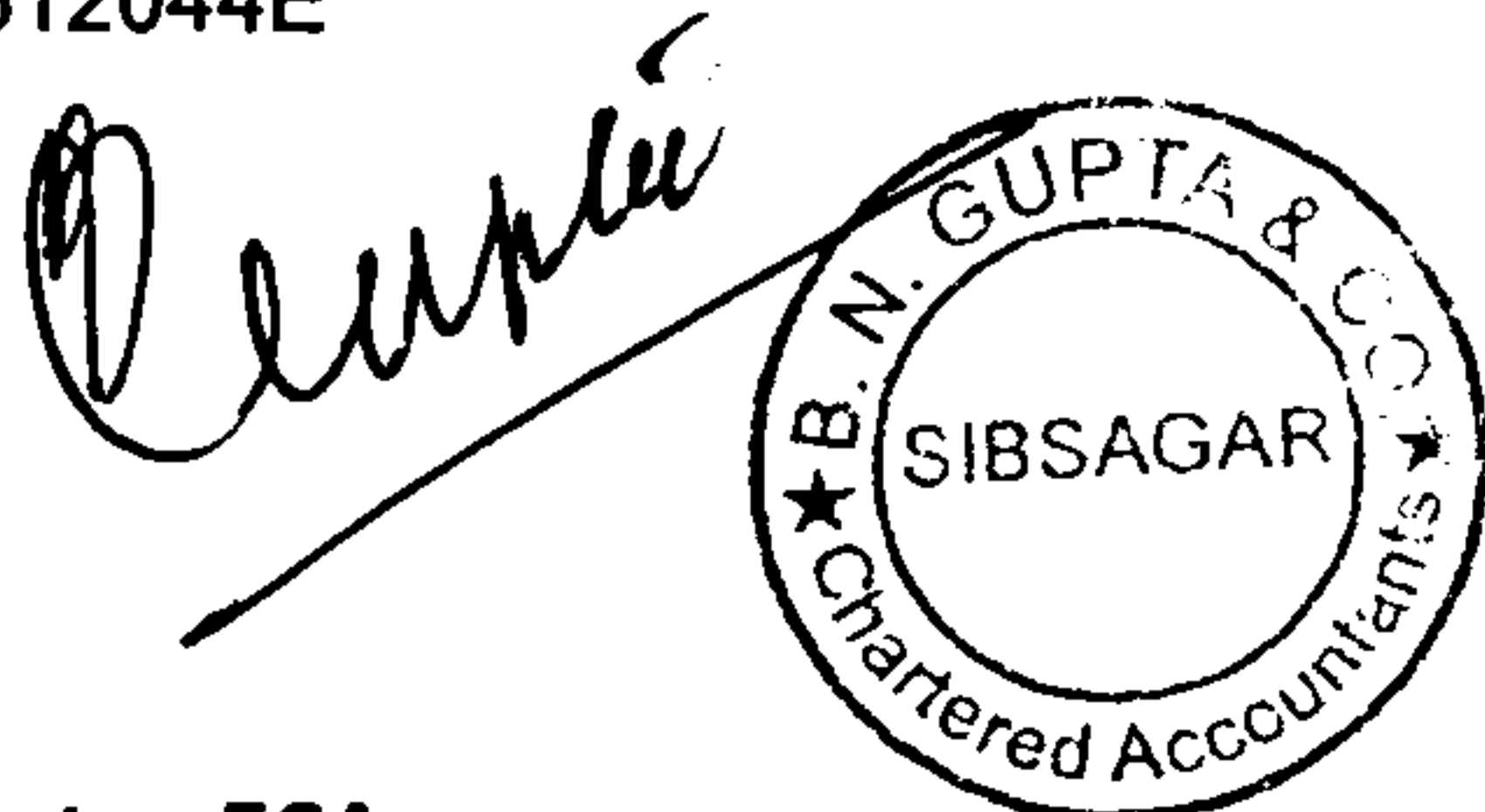
<u>INCOME</u>	Note No.	For the year ended 31st March 2017	For the year ended 31st March 2016
		₹	₹
Revenue from Operations	2.15	6,32,77,144	7,54,52,214
Other Income	2.16	9,12,542	4,03,354
TOTAL		6,41,89,686	7,58,55,568
 EXPENSES			
Cost of Materials Consumed	2.17	-	-
(Increase)/ Decrease in Inventories of Finished Goods and Semi Finished Goods	2.18	(21,82,555)	(8,45,024)
Employee Benefits Expense	2.19	3,64,38,310	5,45,13,728
Finance Costs	2.20	60,78,736	49,83,795
Depreciation and Amortization Expense	2.21	42,81,685	51,10,412
Other Expenses	2.22	2,75,75,302	4,06,74,645
TOTAL		7,21,91,478	10,44,37,556
Profit/ (Loss) before Tax		(80,01,792)	(2,85,81,988)
 Tax Expense:			
Current Tax		-	-
Deferred Tax		-	-
Income Tax for earlier years		-	38,71,661
Profit/(Loss) for the year		(80,01,792)	(3,24,53,649)
 Basic & Diluted Earnings Per Share [nominal value ₹ 100 /-] (Refer Note No.2.23.H)		 (100.02)	 (405.67)

Significant Accounting Policies 1

The accompanying notes 2.1 to 2.23 are an integral part of the Financial Statements.

As per our report of even date annexed.

For and on behalf of
B.N.GUPTA & CO.
Chartered Accountants
FRN : 312044E



B.N.Gupta , FCA

Proprietor

Membership No.050504

Kolkata

Dated : 3rd May , 2017

MKD
M. K. D.

KLM
Kailash Mohata

SB
Shrawad Bagel

Particulars	2016-2017		2015-2016	
	Amount	Amount	Amount	Amount
A) CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before Tax and extra ordinary items		(80,01,792)		(2,85,81,988)
Adjustments for :				
Depreciation	42,81,685		51,10,412	
Interest Income	(61,030)		(57,870)	
Finance Cost	60,78,736		49,83,795	
Sundry Credit bal. no longer required written back	(8,46,702)		-	
Bad Debts & Provision for doubtful debts/ Advances (Net)	29,81,789	1,24,34,478	71,70,425	1,72,06,762
Operating Profit before working capital changes		44,32,686		(1,13,75,226)
Adjustments for :				
Trade Receivables, Current Assets and Loans & Advances	(44,47,692)		6,65,070	
Inventories	(53,58,074)		35,10,919	
Trade Payables , Current Liabilities and Provisions	7,80,665	(90,25,101)	50,35,518	92,11,507
Cash Generated from Operations		(45,92,415)		(21,63,719)
Direct Taxes (Paid)/Refund received (Net)		(1,994)		(5,44,256)
Net Cash from operating activities		(45,94,409)		(27,07,975)
B) CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets/CWIP/ Capital Advance	(20,88,040)		(8,51,282)	
Sale of Fixed Assets	-		5,89,269	
Advance from holding company	2,67,05,147		-	
Interest Received	43,088		23,625	
Net cash used in Investing Activities		2,46,60,195		(2,38,388)
		2,00,65,786		(29,46,363)
C) CASH FLOW FROM FINANCING ACTIVITIES				
Payments of Long Term Borrowings	(73,86,003)		(10,63,593)	
Proceeds from Other Borrowings (Net)	(1,07,15,698)		90,10,690	
Interest paid	(60,78,736)		(54,18,373)	
Net Cash from/(used in) Financing Activities		(2,41,80,437)		25,28,724
Net Change in Cash and Cash Equivalents		(41,14,651)		(4,17,639)
Cash and Cash Equivalents - Opening Balance	43,54,910		47,72,549	
Cash and Cash Equivalents - Closing Balance	2,40,259		43,54,910	

Notes :

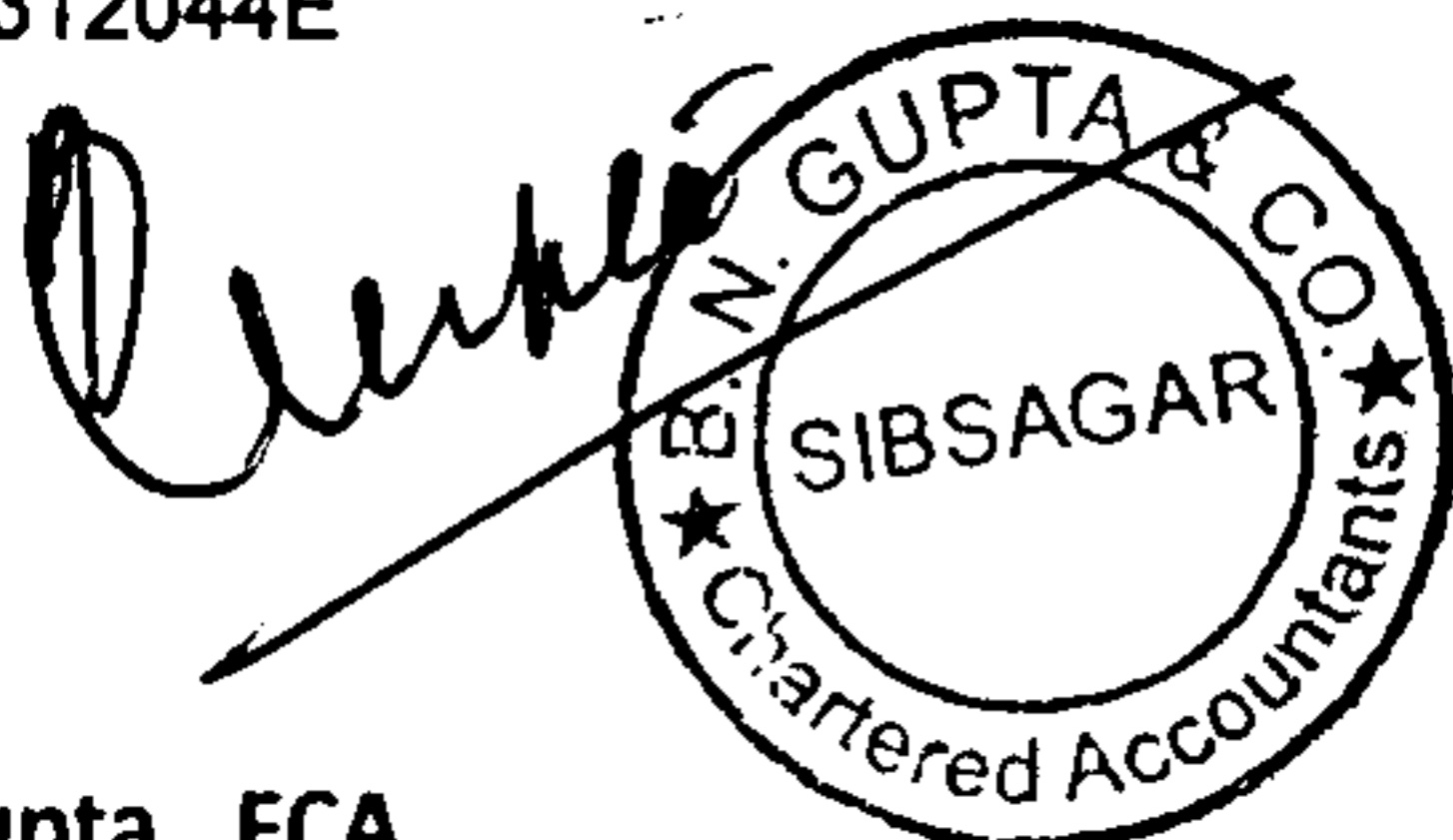
- Cash and cash equivalents consists of cash on Hand and balances with banks in current / Cash Credit accounts as per note 2.13
- Previous year's figures have been regrouped/rearranged wherever necessary
- Cash and cash equivalents consists of:

Particulars	2016-2017	2015-2016
Cash on hand	84,322	40,71,066
Bank Balance	1,55,937	2,83,844
Total	2,40,259	43,54,910

This is the Cash Flow Statement referred to in our report of even date.

As per our report of even date annexed.

For and on behalf of
B.N.GUPTA & CO.
Chartered Accountants
FRN : 312044E



B.N.Gupta , FCA

Proprietor

Membership No.050504

Kolkata

Dated : 3rd May , 2017

MKD
[Handwritten signature]

KLM
Kailash Molkta

SB
Sharad Bagel



KESHAVA PLANTATIONS PRIVATE LIMITED

Notes to Financial Statements for the year ended 31st March 2017

	As at 31st March 2017 ₹	As at 31st March 2016 ₹
2.1 : SHARE CAPITAL		
Authorized:		
Equity Shares:		
1,00,000 Equity Share of ₹ 100/- each	1,00,00,000	1,00,00,000
	<u>1,00,00,000</u>	<u>1,00,00,000</u>
Issued:		
80,000 Equity Shares of ₹ 100/- each (Previous year 80,000 Equity Shares of ₹ 100/- each)	80,00,000	80,00,000
	<u>80,00,000</u>	<u>80,00,000</u>
Subscribed and Paid up:		
80,000 Equity Shares of ₹ 100/- each fully paid up (Previous year 80,000 Equity Shares of ₹ 100/- each fully paid up)	80,00,000	80,00,000
	<u>80,00,000</u>	<u>80,00,000</u>

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

	<u>No. of Shares</u>	<u>No. of Shares</u>
Shares outstanding at the beginning of the year	80,000	80,000
Shares outstanding at the end of the year	<u>80,000</u>	<u>80,000</u>

b) The Company has only one class of issued shares i.e. Equity Shares having par value of ₹ 100/- per share. Each holder of Equity Shares is entitled to one vote per share. In the event of liquidation, the Equity shareholders are eligible to receive the remaining assets of the Company after payment of all preferential amounts, in proportion to their shareholding.

c) Entire shareholding of the company was acquired by M/S. Joonktollee Tea & Industries Limited on 5th April, 2016. By virtue of the same, M/S. Joonktollee Tea & Industries Limited has become the holding company of the company w.e.f. 5th April, 2016, and the company has become its wholly owned subsidiary.

d) Details of shareholders holding more than 5% shares in the Company:

	As at 31st March 2017		As at 31st March 2016	
	No. of Shares	%	No. of Shares	%
Equity Shares of ₹ 100 each fully paid up				
1) Joonktollee Tea & Industries Limited and its nominees	80,000	100.00%	-	-
2) Jaya Chaliha	-	-	49,000	61.25
3) Ruby Hazarika	-	-	10,000	12.50
4) Rekha Basu	-	-	10,000	12.50
5) Minakshi Basu	-	-	10,000	12.50

e) No Equity Shares have been reserved for issue under options and contracts/commitments for the sale of shares/disinvestment as at the Balance Sheet date.

f) No Equity Shares have been bought back by the Company during the period of 5 years preceding the date as at which the Balance Sheet is prepared.

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

h) No calls are unpaid by any Director or Officer of the Company during the year.



KESHAVA PLANTATIONS PRIVATE LIMITED

Notes to Financial Statements for the year ended 31st March 2017

	As at 31st March 2017 ₹	As at 31st March 2016 ₹
2.2 : RESERVES AND SURPLUS		
Capital Reserves		
As per the last Financial Statements	5,00,000	5,00,000
Other Reserve/Fund		
As per the last Financial Statements	40,00,000	40,00,000
	40,00,000	40,00,000
Surplus		
As per the last Financial Statements	(2,43,77,147)	80,76,502
Add : Profit/(Loss) for the year	(80,01,792)	(3,24,53,649)
	(3,23,78,939)	(2,43,77,147)
Total	(2,78,78,939)	(1,98,77,147)

	Non-current portion		Current Maturities	
	As at	As at	As at	As at
	31st March 2017	31st March 2016	31st March 2017	31st March 2016
	₹	₹	₹	₹
Unsecured				
Deposit from Directors & relatives	-	73,86,003	-	-
Total	-	73,86,003	-	-

	Long-term		Short-term	
	As at	As at	As at	As at
	31st March 2017	31st March 2016	31st March 2017	31st March 2016
	₹	₹	₹	₹
Provision for Employee Benefits				
Gratuity	-	-	1,02,74,957	1,14,71,000
Bonus	-	-	17,14,914	20,41,641
Total	-	-	1,19,89,871	1,35,12,641

	31st March 2017	31st March 2016
	₹	₹
	2.5 : SHORT TERM BORROWINGS	
Secured		
Working Capital Borrowings		
From Federal Bank Limited	2,57,23,698	2,77,65,599
(Secured by equitable mortgage of Azizbagh Tea Estate and also by way of hypothecation of standing tea crop, tea in process, finished tea in factory etc. and book debts of the company)		
Unsecured		
From Holding Company	2,67,05,147	70,22,770
From Others	-	16,51,027
Total	5,24,28,845	3,64,39,396

	31st March 2017	31st March 2016
	₹	₹
	2.6 : TRADE PAYABLES	
For Goods and Services		
- towards dues to Micro Enterprises & Small Enterprises (Refer note no. 2.23 A)	-	-
- others	38,39,016	33,04,258
Total	38,39,016	33,04,258



KESHAVA PLANTATIONS PRIVATE LIMITED

Notes to Financial Statements for the year ended 31st March 2017

2.7 : OTHER CURRENT LIABILITIES

	As at 31st March 2017	As at 31st March 2016
	₹	₹
Employee Related Liability	8,22,581	9,17,228
Statutory Dues Payable	12,73,583	6,42,169
Advances Received from Customers	3,85,208	-
Total	24,81,372	15,59,397

2.10 : LOANS & ADVANCES

(Unsecured & Considered good unless otherwise mentioned)

	Long-term		Short-term	
	As at 31st March 2017	As at 31st March 2016	As at 31st March 2017	As at 31st March 2016
	₹	₹	₹	₹
Secured, considered good	-	-	-	-
Security Deposits	27,12,282	27,12,282	-	-
	27,12,282	27,12,282	-	-
Other Loans and Advances				
Deposit with Nabard	-	-	3,62,465	3,62,465
Advance Tax and TDS (Net of provisions)	11,32,341	11,30,347	-	-
Advance Receivable in cash or in kind	-	-	35,335	1,77,211
Prepaid Expenses	-	-	1,87,860	-
Loan / Advance to Employees	-	-	1,51,768	2,70,207
Balances with Government & Statutory Authorities	-	-	17,706	4,770
TDS Receivables	-	-	99,776	-
	11,32,341	11,30,347	8,54,910	8,14,653
Total	38,44,623	38,42,629	8,54,910	8,14,653

2.11 : INVENTORIES

(As valued and certified by the Management)

	As at 31st March 2017	As at 31st March 2016
	₹	₹
Finished Goods	57,56,029	35,73,474
Stores and Spares	50,77,916	19,02,397
Total	1,08,33,945	54,75,871

Details of Inventories :

	Finished Goods	
	As at 31st March 2017	As at 31st March 2016
	₹	₹
Tea	57,56,029	35,73,474
Total	57,56,029	35,73,474

TRADE RECEIVABLES

	As at 31st March 2017	As at 31st March 2016
	₹	₹
Outstanding for a period exceeding six months Unsecured, considered good	-	29,81,789
Other Receivables Unsecured, considered good	44,07,435	-
Total	44,07,435	29,81,789



2.13 : CASH AND BANK BALANCES

	As at 31st March 2017	As at 31st March 2016
	₹	₹
Cash and Cash Equivalents		
Balances With Banks :		
In Current Account	1,55,937	2,83,844
Cash on hand	84,322	40,71,066
Total	2,40,259	43,54,910

2.14: OTHER CURRENT ASSETS

	As at 31st March 2017	As at 31st March 2016
	₹	₹
Interest receivable (NABARD)	52,187	34,245
Total	52,187	34,245

2.15: REVENUE FROM OPERATIONS

	For the Year ended	
	31st March 2017	31st March 2016
	₹	₹
Sale of Finished Goods	6,29,87,738	7,54,52,214
Other Operating Revenues		
Incentives & Subsidies	2,70,026	-
Insurance and Other Claims (Net)	19,380	-
	2,89,406	-
Total	6,32,77,144	7,54,52,214
Details of Sale of Finished Goods :		
Tea	6,29,87,738	7,54,52,214
Total	6,29,87,738	7,54,52,214

2.16 : OTHER INCOME

	For the Year ended	
	31st March 2017	31st March 2016
	₹	₹
Interest Income		
On Other Deposits	61,030	57,870
Other Non Operating Income		
Excess Liabilities and Unclaimed Balances written back	8,46,702	-
Miscellaneous Income	4,810	3,45,484
Total	9,12,542	4,03,354

2.17 : COST OF MATERIALS CONSUMED

	For the Year ended	
	31st March 2016	31st March 2015
	₹	₹
Purchase of Green Leaf	-	-
Total	-	-

2.18 : (INCREASE)/ DECREASE IN INVENTORIES OF FINISHED GOODS

	For the Year ended	
	31st March 2017	31st March 2016
	₹	₹
Inventories at the end of the year		
Tea	57,56,029	35,73,474
Total	57,56,029	35,73,474
Inventories at the beginning of the year		
Tea	35,73,474	27,28,450
Total	35,73,474	27,28,450
(Increase)/ Decrease in Inventories of Finished Goods	(21,82,555)	(8,45,024)



KESHAVA PLANTATIONS PRIVATE LIMITED

Notes to Financial Statements for the year ended 31st March 2017

2.19 : EMPLOYEE BENEFIT EXPENSE

	For the Year ended	
	31st March 2017	31st March 2016
	₹	₹
Salaries & Wages	2,90,60,298	3,49,69,152
Contribution to Provident Funds and Others	37,27,748	29,40,179
Contribution to Gratuity Fund	-	1,30,63,967
Staff Welfare Expenses	36,74,814	35,40,430
Less: Transferred to Bearer Plant	(24,550)	-
Total	3,64,38,310	5,45,13,728

2.20 : FINANCE COST

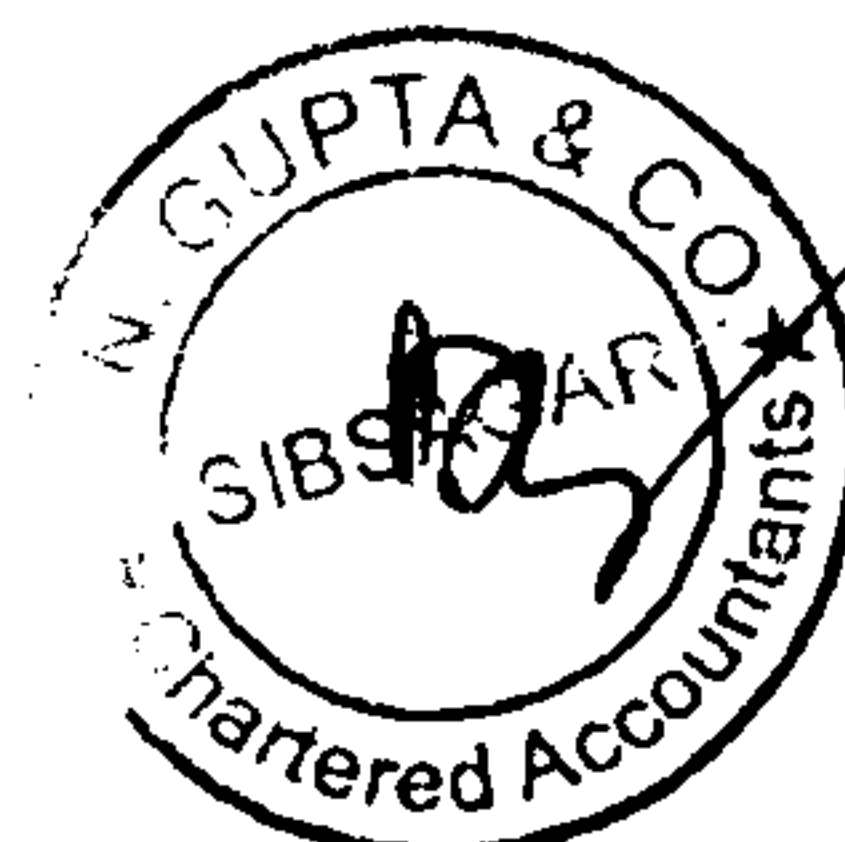
	For the Year ended	
	31st March 2017	31st March 2016
	₹	₹
Interest Expenses		
Term Loans	-	1,08,788
Working Capital Loans		
To Banks	28,85,346	38,03,715
To Holding Company	31,16,566	88,553
To Others	-	9,82,739
Other Borrowing Cost	1,00,625	-
Less: Borrowing Cost Capitalised	(23,801)	-
Total	60,78,736	49,83,795

2.21 : DEPRECIATION AND AMORTIZATION EXPENSES

	For the Year ended	
	31st March 2017	31st March 2016
	₹	₹
On Tangible Assets	37,62,131	51,10,412
On Intangible Assets	1,99,800	-
On Bearer Plant	3,19,754	-
Total	42,81,685	51,10,412

2.22 : OTHER EXPENSES

	For the Year ended	
	31st March 2017	31st March 2016
	₹	₹
MANUFACTURING EXPENSES		
Stores, Spare Parts & Packing Materials Consumed	9,62,825	5,09,096
Power & Fuel	71,42,520	1,07,28,414
Cultivations	69,72,100	1,06,76,926
Repairs to Buildings	6,09,823	12,18,220
Repairs to Machinery	19,70,526	13,28,614
Repairs to Other Assets	55,481	3,07,050
Tea Cess	2,03,850	2,47,113
Less: Transferred to Bearer Plant	(3,21,487)	-
	1,75,95,638	2,50,15,433
SELLING AND ADMINISTRATION		
Freight & Cartage	16,31,975	10,01,384
Commission, Brokerage & Discount	12,46,203	13,12,735
Rates & Taxes	11,76,802	11,06,355
Insurance	61,789	1,83,378
Vehicle Running & Maintenance Expense	10,03,466	21,88,473
Charity & Donation	-	2,02,334
Auditors' Remuneration -		
Statutory Auditors -		
Audit Fees	35,500	35,500
Issue of Certificates	-	39,100
Bad debts & advances written off	29,81,789	71,70,425
Travelling Expenses	-	6,82,737
Director Sitting Fees	1,00,000	-
Prior Period Expenses	39,613	-
Other Miscellaneous Expenses	17,02,527	17,36,791
	99,79,664	1,56,59,212
Total	2,75,75,302	4,06,74,645



KESHAVA PLANTATIONS PRIVATE LIMITED

Notes to Financial Statement for the year ended 31st March 2017

1. Significant Accounting Policies:

a) Accounting Convention

The financial statements have been prepared in accordance with historical cost convention, on accrual basis, in accordance with the generally accepted accounting principles in India, the applicable mandatory Accounting Standards and the relevant provisions of Companies Act, 2013.

b) Use of Estimates

The preparation of financial statements require estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between actual results and estimates are recognized in the period in which the results are known / materialized.

c) Property Plant & Equipment and Depreciation (Fixed Assets)

Fixed Assets

- i) Fixed Assets are stated at their original cost less depreciation. Cost includes incidental expenses. Profits or losses on sale of Fixed Assets are included in the statement of profit and loss and calculated as difference between the value realized and book value. Capital work-in-progress is stated at cost. Subsidies received in respect of Fixed Assets are deducted from the cost of respective assets.
- ii) Bearer plant which is used in the production or supply of agriculture produce and expected to bear produce for more than a period of twelve months are capitalized as part of property, plant & equipment. The cost of Bearer plant includes uprooting cost, replantation cost and upkeep expenses of young Bearer plant.
- iii) Land taken on perpetual lease is capitalized.

Depreciation

- iv) Depreciation on Fixed Assets other than land & Bearer Plant is provided on written down value method at the rates determined based on the useful lives of respective assets as prescribed in the Schedule II of the Companies Act, 2013 except as mentioned in (v) & (vi) below.
- v) In case of asset "Fences, wells, tube wells" & "Carpeted Roads - Other than RCC", depreciation has been provided on written down value method at the rates determined considering the useful lives of 15 years which is based on assessment carried out by external valuers and the management believes that the useful lives as considered above best represent the period over which the respective assets shall be expected in use.
- vi) Depreciation on Bearer plants has been provided on straight line basis at the rates determined considering useful life of tea bushes as 50 years to 60 years.. The Residual value in case of Bearer plant has been considered as NIL.
- vii) Land taken on perpetual lease is not amortized.
- viii) Intangible assets are being amortized over a period of 5 years.

d) Government Grants

Grants and subsidies from the Government are recognized when there is reasonable assurance that (i) the Company will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

Government grants related to specific Fixed Assets are deducted from gross value of related assets in arriving at their book value. Government grants related to revenue are recognized in the statement of profit and loss.



KESHAVA PLANTATIONS PRIVATE LIMITED

Notes to Financial Statement for the year ended 31st March 2017

e) Investment

Long term and unquoted investments are considered at cost, unless there is a permanent decline in value thereof, in which case, adequate provision is made in the accounts. Current investments are stated at lower of cost or market / fair value.

f) Inventories

- i) Stock of tea is valued at cost (determined on weighted average basis) or net realizable value whichever is lower.
- ii) Stock of stores and spare parts are valued at cost (using the weighted average cost basis) or net realizable value which ever is lower.
- iii) Cost comprises all direct and indirect expenses.
- iv) Net realizable value is the estimated selling price in ordinary course of business less estimated cost of completion and estimated cost necessary to make the sale.
- v) Materials and other items held for use in the production of inventories are not written down below the cost of the finished products in which they will be incorporated are expected to be sold at or above cost.
- vi) Provision is made for obsolete and slow moving stocks where necessary.

g) Foreign Currency Transactions

- i) Foreign currency transactions are recorded at the rate of exchange prevailing on the dates when the relevant transactions take place.
- ii) Year end balances of foreign currency transactions are translated at exchange rates prevailing at the end of the year.
- iii) Any income or expense on account of exchange difference either on settlement or translation is recognized in the Statement of Profit and Loss.

h) Revenue Recognition

Sales are recognized in the accounts on passing of titles of the goods, i.e. delivery as per terms of sales or completion of auction in case of auction sale. Other income with related tax credits and expenditure are accounted for on accrual basis.

i) Employee Benefits

Short Term Employees Benefits

The undiscounted amount of short term employee benefit expected to be paid in exchange for the services rendered by employee is recognized during the period when the employee rendered the service. This benefit includes salary, wages, short term compensatory absences and bonus.

Long Term Employee Benefits

Defined Contribution Scheme

This benefit includes contribution to provident fund schemes. The contribution is recognized during the period in which the employee renders service.



KESHAVA PLANTATIONS PRIVATE LIMITED

Notes to Financial Statement for the year ended 31st March 2017

Defined Benefit Scheme

For defined benefit scheme the cost of providing benefit is determined using the projected unit credit method with actuarial valuation being carried out at each balance sheet date. The benefit obligation recognized in the balance sheet represents value of defined benefit obligation determined at the end of the year. Actuarial gains and losses are recognized in full during the period in which they occur.

j) Borrowing Costs

Borrowing costs, if attributable to qualifying assets (i.e. assets that necessarily take substantial period of time to get ready for its intended use or sale) are capitalized. Other borrowing costs are charged to Statement of Profit and Loss in the period they are incurred.

k) Taxes on Income

Current tax comprise of Income Tax that would be payable based on computation of tax as per taxation laws under the Income Tax Act, 1961 and under the respective state Agricultural Income Tax Acts. Deferred Tax is recognised, subject to the consideration of prudence, on timing differences, between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred Tax assets are not recognised unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Tax credit for Minimum Alternate Tax (MAT) is recognized when there is convincing evidence of its realisability against future normal tax liability.

l) Leases

- i) For assets acquired under operating lease, rentals payable are charged to the Statement of Profit and Loss.
- ii) For assets acquired under finance lease/ hire purchase agreement, the assets are capitalized at lower of their respective fair value and present value of minimum lease payments after discounting them at an appropriate discount rate.
- iii) Hire purchase charges are being amortized based on a constant periodic rate of interest on the remaining balance of the liability of each period.

m) Impairment

An impairment loss is recognized where applicable when the carrying value of fixed assets exceeds its market value or value in use whichever is higher. Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the assets no longer exist or have decreased.

n) Provisions and Contingent Liabilities

The Company recognizes a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where 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 provided for or disclosed.



