



# Warren Tea Limited

WTL/SEC/S-2

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

The General Manager,  
Department of Corporate Services,  
BSE Limited,  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai 400 001  
- Scrip Code 508494

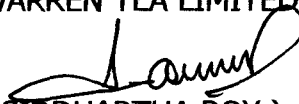
The Secretary  
The Calcutta Stock Exchange Limited ,  
7 Lyons Range,  
Calcutta 700 001  
- Scrip Code 33002

Dear Sir,

Re: Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Enclosed please find the Annual Report for the year ended 31<sup>st</sup> March 2018 which has been approved and adopted at the 41<sup>st</sup> Annual General Meeting of the Company held on 10<sup>th</sup> September, 2018 in compliance with the aforesaid Regulation.

Yours faithfully,  
WARREN TEA LIMITED

  
( SIDDHARTHA ROY )  
PRESIDENT-LEGAL  
& COMPANY SECRETARY  
Encl.: as above

CIN : L01132AS1977PLC001706 ■ website : [www.warrentea.com](http://www.warrentea.com)

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Corporate Office : 'Suvira House', 4B, Hungerford Street, Kolkata 700 017  
Telephone : 2287 2287, Fax : 2289 4444, E-mail : [corporate@warrentea.com](mailto:corporate@warrentea.com)  
Registered Office : Deohall Tea Estate, P.O. Hoogrijan, Dist. Tinsukia, Assam 786 601



Warren Tea Limited

## BOARD OF DIRECTORS

### Chairman

Vinay K. Goenka

### Managing Director

S. K. Ghosh

### Directors

S. Bhoopal

N. Dutta

L. Halwasiya

Mrs. A. K. Bindra

Mrs. S. Barman

### President-Legal & Company Secretary

Siddhartha Roy

### Chief Financial Officer

S. K. Mukhopadhyay

### AUDITORS

B M Chatrath & Co LLP

### COST AUDITORS

Shome & Banerjee

### BANKERS

State Bank of India  
HDFC Bank Limited  
Axis Bank Ltd

### REGISTERED OFFICE

Deohall Tea Estate  
P.O. Hoogrijan, Dist. Tinsukia  
Assam 786 601  
Tel : 0374 2911369

### CORPORATE OFFICE

Suvira House  
4B, Hungerford Street  
Kolkata 700 017  
Tel : 033 2287 2287

Web: [www.warrentea.com](http://www.warrentea.com) E-mail: [corporate@warrentea.com](mailto:corporate@warrentea.com)

CIN : L01132AS1977PLC001706

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<b>Contents</b>	<b>Page</b>
Notice to the Members	3
Directors' Report	13
Annexure to the Directors' Report	22
Independent Auditors' Report on the Standalone Financial Statements	60
Balance Sheet	68
Statement of Profit and Loss	70
Statement of Changes in Equity	71
Notes to the Financial Statements	72
Cash Flow Statement	106
Independent Auditors' Report on the Consolidated Financial Statements	108
Consolidated Balance Sheet	113
Consolidated Statement of Profit and Loss	115
Consolidated Statement of Changes in Equity	116
Notes to the Consolidated Financial Statements	117
Consolidated Cash Flow Statement	152
Form AOC - 1	154

## Notice

NOTICE is hereby given that the Forty-first Annual General Meeting of Warren Tea Limited will be held at the G S Ruia Memorial Complex at Deohall Tea Estate, P O Hoogrijan, Dist. - Tinsukia, Assam 786 601 on Monday, 10th September, 2018 at 10.30 am for the following purposes:

### ORDINARY BUSINESS

1. To consider and adopt the Financial Statements and Consolidated Financial Statements for the year ended 31st March, 2018 and the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr Vinay K Goenka (DIN 00043124) who retires by rotation and being eligible, offer himself for reappointment.

### SPECIAL BUSINESS

To consider and, if thought fit, to pass the following Resolutions as Special Resolutions:

3. "RESOLVED THAT approval be and is hereby accorded pursuant to Section 149 of the Companies Act, 2013 and Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for reappointment of Mr Sriprakash Bhoopal (DIN 00042977) as an Independent Director of the Company whose term of office expires on 31st March, 2019 for a further period of five years with effect from 1st April, 2019."
4. "RESOLVED THAT approval be and is hereby accorded pursuant to Section 149 of the Companies Act, 2013 for reappointment of Mr Nilotpal Dutta (DIN 00045667) as an Independent Director of the Company whose term of office expires on 31st March, 2019 for a further period of five years with effect from 1st April, 2019."
5. "RESOLVED THAT approval be and is hereby accorded pursuant to Section 149 of the Companies Act, 2013 and Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 for reappointment of Mrs Anup Kaur Bindra (DIN 03391125) as an Independent Director of the Company whose term of office expires on 28th May, 2019 for a further period of five years with effect from 29th May, 2019."
6. "RESOLVED THAT approval be and is hereby accorded pursuant to Section 149 of the Companies Act, 2013 for reappointment of Mr Lalit Kumar Halwasiya (DIN 00211756) as an Independent Director of the Company whose term of office expires on 28th May, 2019 for a further period of five years with effect from 29th May, 2019."
7. "RESOLVED THAT approval be and is hereby accorded pursuant to Section 149 of the Companies Act, 2013 for reappointment of Mrs Sonia Barman (DIN 06910929) as an Independent Director of the Company whose term of office expires on 21st September, 2019 for a further period of five years with effect from 22nd September, 2019."

To consider and if thought fit, to pass with or without modifications the following Resolutions as Ordinary Resolutions:

8. "RESOLVED THAT approval be and is hereby accorded for payment of remuneration of ₹1,00,000 together with reimbursement of applicable taxes and out of pocket expenses, if any, to M/s Shome & Banerjee, Cost Accountants (FRN 000001) for audit of the cost records of the Company for the financial year 2018-19."

**Notice (Continued)**

9. “ RESOLVED THAT pursuant to Regulation 31A of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions and subject to requisite approvals, the entities belonging to a former promoter group of the Company headed by Mr Anil Kumar Ruia be reclassified as public .”

Suvira House  
4B, Hungerford Street  
Kolkata 700017  
26th May, 2018

By Order of the Board  
Siddhartha Roy  
*President-Legal  
& Company Secretary*

**Notes :**

1. The Members may exercise their rights to vote on the Resolutions contained in the Notice by electronic means for which necessary facility has been provided and the instructions therefor are attached.
2. In terms of Section 105(2) of the Companies Act, 2013 intimation is hereby given that a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the Company.  

A Proxy, in order to be effective, must be received at the Company's Registered Office at Deohall Tea Estate, PO Hoogrija n, Dist. Tinsukia, Assam 786 601 not less than forty eighth ours before the Meeting.
3. Relevant details in respect of Item No. 2 of the Notice pursuant to Secretarial Standard on General Meetings (SS-2) and Regulation 36 of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 are given hereinafter and details in respect of Item Nos. 3 to 9 of the Notice are included in the Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 given hereinafter.
4. The Register of Members and Share Transfer Books will remain closed from 4th September, 2018 to 10th September, 2018 (both days inclusive) for the purpose of the Annual General Meeting.
5. In view of the amendment to Section 139 of the Companies Act, 2013 with effect from 7th May, 2018, annual ratification of appointment of Statutory Auditors is no longer required and hence no resolution is being proposed for the same.
6. Pursuant to Section 136 of the Companies Act, 2013, printed abridged financial statements are being sent to the Shareholders. Shareholders requiring a copy of the full Annual Report may write to the Company's Registrar and Share Transfer Agent.
7. The Company is registered with National Securities Depository Ltd. and Central Depository Services (India) Ltd. for dematerialization of its Equity Shares which has been allotted the ISIN INE712A01012. CB Management Services (P) Limited having their office at P-22 Bondel Road, Kolkata 700 019 are the Registrar and Share Transfer Agent of the Company.
8. Members are requested to intimate their e-mail ID in the attached form.

**Notice (Continued)**

9. Members holding shares in physical form are requested to:
  - a. notify any change in their addresses and communicate on all matters pertaining to their shareholdings with the Company's Registrar and Share Transfer Agent at Kolkata, quoting their respective Ledger Folio Numbers;
  - b. note that as per provisions of the Companies Act, 2013 facility for making nominations is available for shareholders in respect of Equity Shares held by them.
  - c. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN/Bank Account particulars to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN/Bank Account Particulars details to the Company/RTA.
10.
  - i. Pursuant to Section 205A of the Companies Act, 1956 all dividends declared and related dividend warrants posted upto and including the Dividend for the year 1993-94 paid on 8th November, 1994 and remaining unclaimed by members have been transferred to the General Revenue Account of the Central Government. Shareholders who have not encashed their dividend warrants in respect of the said period are requested to prefer their claims to the Registrar of Companies, North Eastern Region, at Morello Building, Shillong 793 001, Meghalaya. In case any assistance is required, shareholders are requested to write to the Company's Registrar and Share Transfer Agent.
  - ii. Pursuant to Section 205A of the Companies Act, 1956 dividends declared from 1994-95 upto 2002-03 and remaining unclaimed by the members have been transferred to the Investor Education and Protection Fund constituted by the Central Government under Section 205C of the said Act.

**EXPLANATORY STATEMENT**  
**(Pursuant to Section 102 of the Companies Act, 2013)**

**Item No.: 3, 4, 5, 6 & 7**

Mr Sriprakash Bhoopal ('Mr Bhoopal') (DIN 00042977), Mr Nilotpal Dutta ('Mr Dutta') (DIN 00045667), Mrs Anup Kaur Bindra ('Mrs Bindra') (DIN 03391125), Mr Lalit Kumar Halwasiya ('Mr Halwasiya') (DIN 00211756) and Mrs Sonia Barman ('Mrs Barman') (DIN 06910929) are Non-executive Independent Directors of the Company.

Mr Bhoopal and Mr Dutta both joined the Board of Directors of the Company with effect from 17th October, 2003 and at the Thirty-seventh Annual General Meeting held on 10th September, 2014, continuance of both of them as Independent Directors of the Company was approved for five years upto 31st March, 2019. At the same Annual General Meeting, both Mrs Bindra and Mr Halwasiya were appointed as Independent Directors of the Company for a period of five years with effect from 29th May, 2014 which terms expire on 28th May, 2019. At the Thirty-eighth Annual General Meeting held on 26th September, 2015, Mrs Sonia Barman was appointed as an Independent Director for a period of five years with effect from 22nd September, 2014 which term expires on 21st September, 2019.

The Performance evaluation of all the Independent Directors were conducted by the entire Board (excluding the Director being evaluated) on the basis of criteria such as transparency, analytical capability, advising,

**Notice (Continued)**

providing suggestion to the Company's management, level of skill and expertise etc. On the basis of said evaluation, the Board approved all their reappointments.

The Company has received declarations from all the Independent Directors confirming that they meet the criteria of Independence as prescribed under Section 149(6) of the Act and as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Brief resume, nature of expertise in specific functional areas and names of companies in which they hold directorships, memberships/chairmanships of Board Committees, shareholding and relationships between Directors inter-se, etc. are provided in the Annexure to this Notice.

In terms of Section 149 of the Act, an Independent Director shall hold office for a term of five consecutive years on the Board of the Company; and shall be eligible for reappointment on passing of a Special Resolution by the Company and disclosure of such appointment in the Board's Report. Further, Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 requires approval of the Shareholders for reappointments of Mr Bhoopal, who has attained the age of 75 years and Mrs Bindra, who would attain the age of 75 years during the course of her proposed period of reappointment, as Non-executive Independent Directors.

The Nomination and Remuneration Committee upon consideration has recommended reappointment for further terms of five years for all the Independent Directors. The Board considers that the continued association of all the Independent Directors would be beneficial to the Company and it is desirable to continue to avail of their services as Independent Directors for further periods of five years as aforesaid and that each of them fulfill the conditions required for such reappointment.

The Special Resolutions set out in Item Nos 3, 4, 5, 6 and 7 of the Convening Notice are to be considered accordingly and the Board recommends their acceptance.

Mr Bhoopal, Mr Dutta, Mrs Bindra, Mr Halwasiya and Mrs Barman are interested in Item Nos 3, 4, 5, 6 and 7, of the Convening Notice respectively. No other Director or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the Special Resolutions set out at Item Nos 3, 4, 5, 6, and 7 of the Convening Notice.

**Item No. 8**

Pursuant to Section 148(3) of the Companies Act, 2013 read with Rule 14(a) of the Companies (Audit and Auditors) Rules, 2014, the Board at their meeting held on 26th May, 2018, based on the recommendations of the Audit Committee, approved the appointment of M/s Shome & Banerjee, Cost Accountants (FRN 000001) as Cost Auditors of the Company for the financial year 2018-19 at a fee of ₹1,00,000 together with reimbursement of applicable taxes and out of pocket expenses, if any, for conducting the audit of the cost records of the Company. In accordance with the said provision the remuneration payable to the Cost Auditors has to be approved by the shareholders.

The Resolution set out in Item No. 8 of the Convening Notice is to be considered accordingly and the Board recommends its acceptance.

No Director and Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the Resolution set out at Item No. 8 of the Convening Notice.

**Notice (Continued)**

**Item No.9**

Warren Tea Limited ('the Transferor Company') had undergone a demerger through a Scheme of Arrangement ('the Scheme') after obtaining requisite approvals from BSE Limited and the Calcutta Stock Exchange Limited by their Observation Letters dated 17th June, 2013 and 18th June, 2013 respectively and that of the Shareholders of the Company on 13th September, 2013. The said Scheme was effected by Order dated 16th December, 2013 of the Hon'ble Gauhati High Court filed with the Registrar of Companies, North Eastern Region.

Prior to the aforesaid demerger, there had been two groups of promoters, hereinafter called the "Goenka Group" headed by Mr Vinay K Goenka and the "Ruia Group" headed by Mr Anil Kumar Ruia, constituents of both of which had held shares in the Transferor Company.

In consideration of the demerger, the Shareholders of the Transferor Company were given 1 equity share of ₹ 10 each in the Transferee Company as fully paid up for every 1 equity share of ₹ 10 each held in the Transferor Company. The Scheme contemplated facilitation and eventual separation and realigning of promoters' interest in the Transferor Company and in the Transferee Company between the aforesaid two groups of promoters and to that end allowed the said two groups of promoters to transfer the shares in the Transferor Company and the Transferee Company between themselves pursuant to the Scheme in any manner whatsoever.

Following the Hon'ble High Court's Order, subsequent to the Scheme having come into effect, the two groups of promoters exchanged identical number of the shares in the Transferor Company and in the Transferee Company. Subsequent to such exchange, the Ruia Group have been completely dissociated from the Transferor Company in every way including that no representative of the Ruia Group is a Director of the Transferor Company and the two Companies and their respective promoter groups have stood totally independent of each other.

In the premises aforesaid, as all the transactions and transfers pursuant to the Scheme having been completed and since there has been complete dissociation between the two groups, it is legally inappropriate to consider the entities in the Ruia Group as 'Promoter' any longer but to treat and reclassify them as members of the public.

Both in terms of Regulation 31A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and applicable procedure of Stock Exchange, such reclassification require the approval of the Shareholders of the (Transferor) Company.

The Resolution set out in Item No.9 of the Convening Notice is to be considered accordingly and the Board recommends its acceptance.

No Director and Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the Resolution set out at Item No. 9 of the Convening Notice.

Suvira House  
4B, Hungerford Street  
Kolkata 700017  
26th May, 2018

By Order of the Board  
Siddhartha Roy  
President-Legal  
& Company Secretary



Notice (Continued)

**ANNEXURE TO THE NOTICE**

Disclosure required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2

(As on March 31, 2018)						
Name	Mr Sriprakash Bhoopal	Mr Nilotpal Dutta	Mrs Anup Kaur Bindra	Mr Lalit Kumar Halwasiya	Mrs Sonia Barman	Mr Vinay K Goenka
<b>Director Identification Number</b>	00042977	00045667	03391125	00211756	06910929	00043124
<b>Date of Birth Age (Years)</b>	01/09/1942 76	27/05/1967 51	15/03/1949 69	14/03/1955 63	10/05/1951 67	05/07/1958 59
<b>Date of first Appointment on the Board</b>	17/10/2003	17/10/2003	29/05/2014	29/05/2014	22/09/2014	04/04/1983
<b>Experience in Specific Functional Area</b>	Plantation, Manufacturing, Tasting and Marketing of Tea	Plantation, Manufacturing, Tasting and Marketing of Tea	Specialised in Shellac Aleuritic Powder and Shellac related products	Petroleum refining and Petroleum products	Specialised in nur turing young children	Plantation, Manufacturing, Marketing and Export of Tea
<b>Qualifications and Experience</b>	Commerce Graduate from Calcutta University and has done tea tasting training with J.Thomas & Co.P. Ltd., Kolkata. Many decades of experience of the tea industry.	Commerce Graduate from North Eastern Hill University, Shillong. Undergone tea tasting and marketing training with J.Thomas & Co.P. Ltd. and Contemporary Brokers Pvt. Ltd., Kolkata. Experience in tea industry for over 3 decades	Science Graduate from Punjab University. Around 25 years of business experience.	Commerce Graduate from Calcutta University and MBA from University of South Dakota , U.S.A. More than 4 decades of wide business experience.	Graduate from Meerut University. Several decades of experience in field of education.	Graduated with B Sc (Botany). Four decades of business experience in areas including Plantation, Manufacturing, Marketing and Export of Tea.
<b>No. of Shares held in the Company</b>	1	10	NI	NI	NI	3601229

**Notice (Continued)**

(As on March 31, 2018)						
Name	Mr Sriprakash Bhoopal	Mr Nilotpal Dutta	Mrs Anup Kaur Bindra	Mr Lalit Kumar Halwasiya	Mrs Sonia Barman	Mr Vinay K Goenka
<b>Number of meetings of the Board attended during the year</b>	5	2	4	4	4	5
<b>Directorship in Companies</b>	Amarawati Tea Co. Ltd. Marangi Pvt. Ltd. Jalan Pipes Ltd. Good Team Investment & Trading Co.Ltd. Patodi a Consultants Ltd. H.P. Barua Tea Estates Pvt. Ltd. Mouchak Agro Pvt.Ltd.	Contec Aviation Pvt. Ltd.	Dip Software Solutions (P) Ltd.	Vermillion Petrochem (P) Ltd.  Owners Court Cooperative Housing Society Ltd.	—	—
<b>Chairman/ Member in the Committees of the Boards of (other) companies</b>	NI	NI	NI	NI	NI	NI
<b>Terms and Conditions of Appointment / Reappointment</b>	In accordance with applicable provisions of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015					
<b>Details of remuneration sought to be paid</b>	No remuneration payable other than Sitting Fees.					Not Applicable
<b>Last drawn remuneration</b>						
<b>Relationship with other Directors and Key Managerial Personnel</b>	None of them are related to any other Director or Key Managerial Personnel.					

**Notice** (Continued)

**INSTRUCTIONS FOR VOTING THROUGH ELECTRONIC MEANS**

- 1) In compliance with the provisions of the Companies Act, 2013 and the Rules framed thereunder the Company is pleased to provide the Members facility of voting by electronic means in respect of business to be transacted at the Annual General Meeting (Meeting) which includes remote e-voting (i.e. voting electronically from a place other than the venue of the Meeting) by using the electronic voting facility provided by Central Depository Services (India) Limited (CDSL). The facility for voting through Ballot (Polling) paper shall be made available at the Meeting and Members attending the Meeting who have not cast their vote by remote e-voting shall be eligible to exercise their right to vote at the Meeting through Polling paper.
- 2) Persons who have acquired shares and became Members after the dispatch of the Notice of the Meeting but before the 'Cut-off Date' of 3rd September, 2018 may obtain their UserID and Password for remote e-voting by sending a request to the Company's Registrar & Share Transfer Agent, C B Management Services (P) Ltd., P-22, Bon del Road, Kolkata – 700 019 at [rta@cbmsl.com](mailto:rta@cbmsl.com) quoting DP ID/CL ID/Folio No. as the case may be along with PAN No.
- 3) The e-voting period commences on 6th September, 2018 at 9.00 am and ends on 9th September, 2018 at 5.00 pm.

The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder he shall not be allowed to change it subsequently.

The instructions for shareholders voting electronically are as under :

- (i) The voting period begins on 6th September, 2018 (9.00 am) and ends on 9th September, 2018 (5.00 pm). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 3rd September, 2018, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. The facility for voting through Polling paper shall be made available at the Meeting and the members attending the Meeting who have not cast the vote by remote e-voting shall be able to exercise their right to vote at the Meeting through Polling paper.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com) during the voting period.
- (iii) Click on "shareholders" tab.
- (iv) Now enter your User ID
  - a. For CDSL : 16 digits beneficiary ID,
  - b. For NSDL : 8 Character DP ID followed by 8 digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then on your existing password is to be used.

**Notice (Continued)**

(vii) If you are a first time user the steps given below :

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>● Members who have not updated their PAN with the Company/Depository Participant are required to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. The sequence number has been sent separately along with these instructions.</li> <li>● In case the sequence number is less than 8 digits enter the applicable number of '0's before the number after the first two characters of the name in CAPITAL letters e.g. if your name is Satish Kumar with sequence number 1 then enter SA00000001 in the PAN field.</li> </ul>
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio.</p> <ul style="list-style-type: none"> <li>● Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or Company, please enter the Member ID /Folio Number in the Dividend Bank details field as mentioned in instruction (vii).</li> </ul>

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then directly reach 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. 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 another person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for the relevant 'Company Name' on which you choose to vote.

(xii) 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.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish the entire resolution details.

(xiv) 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.

**Notice (Continued)**

- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the voting page.
- (xvii) If Demat account holder has forgotten the same password then enter the User ID and the image Verification code and click on ‘Forgot Password’ and enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) Note for Institutional Shareholders
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and signature of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they have to create ‘Compliance user’ which 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 in.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto: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 favour 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](http://www.evotingindia.com) under Help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- (xx) The e-voting period commences on 6th September, 2018 (9.00 am) and ends on 9th September, 2018 (5.00 pm). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form may cast their vote electronically. The voting rights of shareholders shall be in proportion to their shares in the paid up equity share capital of the Company as on the cut-off date of 3rd September, 2018.

Mr Raj Kumar Banthia, Company Secretary in Practice has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

The Scrutinizer shall unblock the votes cast through remote e-voting, after counting the votes cast at the meeting in the presence of at least two (2) witnesses not in the employment of the Company and submit a consolidated Scrutinizer’s Report of the votes cast in favour or against, if any forthwith to the Chairman of the Company.

The Results shall be declared in accordance with applicable regulations and the same along with the Scrutinizer’s Report shall be placed on the website of the Company and CDSL immediately after the result is declared by the Chairman; the Results shall also be forwarded to the Stock Exchanges where the shares of the Company are listed.

## **Directors' Report**

The Directors present their Forty-first Annual Report with the Audited Financial Statements of your Company for the year ended 31st March, 2018.

### **Extract of Annual Return**

An extract of the Annual Return as provided under Section 92(3) of the Companies Act, 2013 read with rule 12(1) of the Companies (Management and Administration) Rules, 2014, is given in MGT-9 which is attached as Annexure A to this Report.

### **Board Meetings**

The Board of Directors met 5 (Five) times on various dates during the financial year 2017-18. The details have been provided in the Corporate Governance Report pursuant to Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 which is annexed as Annexure G to this Report.

### **Directors' Responsibility Statement**

Pursuant to the requirements of Section 134(3)(c) read with Section 134(5) of the Companies Act, 2013 the Directors would like to state that:

- (a) in the preparation of the annual accounts, the applicable Indian Accounting Standards (Ind AS) have been followed and there are no material departures therefrom;
- (b) the Directors had selected such accounting policies and applied them consistently in accordance with applicable provisions and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that period;
- (c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Directors had prepared the annual accounts on a going concern basis;
- (e) the Directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **Independent Directors' Declaration**

All the Independent Directors have given declarations required under Section 149(7) of the Companies Act, 2013 confirming that they meet the criteria of independence under Section 149(6) of the Companies Act, 2013, which were duly received by the Company.

### **Particulars of loans, guarantees and investments**

The particulars of loans made by the Company are covered in Notes 4 & 12 of the Notes to the Financial Statements.

The Company has not given any guarantee.

Particulars of investments made by the Company is given in Note 3 of the Notes to the Financial Statements.

**Directors' Report (Continued)**
**Related Party Contracts**

The particulars of contracts or arrangements made with related parties is attached to this Report as Annexure B.

**State of the Company's Affairs**

	Current Year (₹ in Lakhs)	Previous Year (₹ in Lakhs)
Profit/(Loss) before Depreciation and Tax	(714.03)	(2008.36)
Less: Depreciation and Amortization	<u>363.87</u>	<u>361.91</u>
Profit/(Loss) for the period	(1077.90)	(2370.27)
Tax Expense		
Current Tax	—	—
Deferred Tax	<u>(288.66)</u>	<u>(742.01)</u>
Profit/(Loss) for the Year	(789.24)	(1628.26)
Other Comprehensive Income	<u>374.64</u>	<u>(131.91)</u>
Total Comprehensive Income	(414.60)	(1760.17)
Balance brought forward from Previous Year	<u>5687.72</u>	<u>7447.89</u>
Balance carried to Balance Sheet	<u>5273.12</u>	<u>5687.72</u>

The financial statements for the year ended 31st March, 2018 are the first financial statements of the Company under Indian Accounting Standards. Comparative figures relating to previous year and on the date of transition i.e. 1st April, 2016 have also been prepared in accordance with the Ind AS.

There were no companies which have become/ceased to be Subsidiaries, Joint Ventures and Associate Companies during the year.

Maple Hotels & Resorts Limited ('Maple') continues to remain an Associate Company whose financial statements for the year ended 31st March, 2018 are the first financial statements of that company under Indian Accounting Standards; comparative figures relating to previous year and on the date of transition i.e. 1st April, 2016 have also been prepared in accordance with the Ind AS. During the year ended 31st March, 2018, Maple recorded an increase of about 21.07% in its turnover to ₹ 1860.88 Lakhs from ₹ 1537.08 Lakhs in the previous year which has resulted in profit before Exceptional Items and Tax at ₹ 182.87 Lakhs during the year under review as against a loss of ₹ 161.00 Lakhs in the previous year.

As required under Section 129(3) of the Companies Act, 2013 consolidated Financial Statements together with a statement containing the salient features of the Financial Statements of Maple forms a part of this Annual Report.

**Deposits**

The Company has not accepted any deposits within the meaning of Chapter V of the Companies Act, 2013.

**Regulatory Orders**

There is no significant and material order passed by Regulators/Courts/Tribunals impacting the going concern status and Company's operations in future.

## **Directors' Report (Continued)**

### **Internal Control Systems**

Your Company has adequate Internal Financial Control systems at all levels of Management and they are reviewed from time to time by firms of practising Chartered Accountants who submit Reports upon completion of audit for consideration by the Directors. The details of the Internal Control Systems and their adequacy are set out in the Management Discussion and Analysis Report forming part of the Board's Report. The Audit Committee of the Board looks into the Auditors' review which is deliberated upon and corrective action taken, wherever required.

### **Auditors' Report**

Messrs B M Charath & Co LLP, Statutory Auditors have submitted their Report in respect of the financial year 2017-18 under Section 143 of the Companies Act, 2013.

The report of the Statutory Auditors during the year under review does not contain any qualification, reservation or adverse remark or disclaimer, which requires any further comments or explanations in this report.

The Notes to the Financial Statements are also self-explanatory and do not call for any further comments.

### **Cost Audit**

For the year ended 31st March, 2017, the Cost Audit had been completed by Messrs Shome and Banerjee, Cost Accountants. The Cost Audit Report had been submitted by the Cost Auditors to the appropriate authorities within the stipulated time on 4th October, 2017.

### **Secretarial Audit**

In terms of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Messrs MKB & Associates, Practising Company Secretaries had been appointed as the Secretarial Auditor of the Company to carry out the Secretarial Audit for the year 2017-18.

The Secretarial Audit Report given by Messrs MKB & Associates, Company Secretaries in Practice is annexed to this Report as Annexure C which is self-explanatory and does not contain any qualification, reservation or adverse remark or disclaimer, which requires any further comments or explanation.

### **Resumé of Performance**

During the year under review, climatic conditions arising primarily from global climatic changes generally remained below the levels desirable to result in augmented volume of crop produced which continued to be affected by pest attacks. As your Company continues with its emphasis on tea as health drink, in consonance with its integrated Pest Management Policy it does not use strong pesticides thereby also maintain Maximum Residual Levels and accordingly it has adopted appropriate measures to counter pest. Production for the year has increased resulting in improved bottom-line. You would be happy to note that the Company's revenue improved to ₹ 12037.54 Lakhs from ₹ 11155.36 Lakhs in the previous year and the loss for the year was ₹ 414.60 Lakhs which was a substantial reduction from ₹ 1760.17 Lakhs in the previous year.

### **Crop**

Your Company's saleable crop was higher at 6.71 Million Kgs. as compared to the previous year's production of 6.09 Million Kgs.



**Directors' Report (Continued)**

Comparative Crop figures during the past five years for its seven tea estates are given below:

Year Ended on	Saleable Crop In Million Kgs.
31.03.2018	6.71
31.03.2017	6.09
31.03.2016	7.18
31.03.2015	6.58
31.03.2014	7.77

**Sales**

Proceeds from sale of tea increased to ₹ 11845.39 Lakhs for the year under review as against ₹ 10878.26 Lakhs in the previous year.

**Quality**

Your Company's policy of manufacture only from its own leaf together with good agricultural practices continue to contribute to Quality.

Your Directors remain steadfast in their endeavour that the teas of your Company are produced in a socially responsible manner. All tea estates of your Company continue to have Rainforest Alliance Certification, ISO 22000:2005 Certification as well as Trustea Verification Certification apart from continuing to be participants of the Ethical Tea Partnership Programme of UK. The Company's Integrated Pest Management Policy for agro inputs are in consonance with the Plant Protection Code of the Tea Board of India. Your Company and its Management continues to be ever watchful on the issues of Maximum (Permissible Chemicals) Residue Limits.

**Exports**

Exports for the year was ₹ 479.21 Lakhs against ₹ 953.88 Lakhs for the previous year.

**Prospects**

Your Directors have taken diverse steps for improving production both in terms of quality and quantity and it is expected that with average growing conditions, the Company's performance would improve further. Your Directors are pleased to report that during the current year there is marked improvement in quality resulting in higher unit price realizations.

**Shareholders**

Your Directors are of the view that considering the loss for the year, it would not be prudent to declare any dividend for the year under review.

It is proposed to reclassify as public the entities belonging to a former promoter group. For the purpose, necessary approvals would be sought including that of the Shareholders at the forthcoming Annual General Meeting.

**Directors' Report (Continued)****Material changes and commitments consequent to year end**

Your Directors confirm that there were no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year to which the financial statement relates and the date of this report.

**Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo**

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

**(A) Conservation of energy**

- (i) The steps taken or impact on conservation of energy:

The Company is ever sensible on conserving energy and reducing its consumption. The Company has been sensitive enough on this issue for several years and continues with its efforts to regulate consumption and conserve energy. Apart from the ecological impact, energy cost is one of the two major inputs in the production cost, other being the labour cost. The Company with the view to reduce the major item of cost, is continuously trying to explore avenues to reduce consumption of energy.

As a policy, the old and existing equipment are being replaced with newer/energy efficient equipment. To become more energy efficient, the processes are being reviewed and necessary changes are being carried out wherever possible with a view to conserve and make efficient use of energy.

The process of replacing incandescent bulbs with CFL/LED continues. The Company is continuously replacing the traditional high gas consumption burners with more efficient economical burners which have reduced energy consumption. All the estates of the Company are making efforts to optimize machinery output, resulting in power savings.

- (ii) The steps taken by the Company for utilizing alternate sources of energy:

During the year under review, no major steps were initiated for utilizing alternate sources of energy by your Company.

- (iii) The capital investment on energy conservation equipment:

The Company continues to invest, resulting in energy savings. Installation of VFBD and CFM together with economical burners and installation of conveyer system have increased production efficiently which has resulted in overall reduction of both energy consumption and manpower which has ultimately reduced the cost of production. Daily monitoring of both gas and electricity are being carried out and immediate corrective action, where necessary, is being taken to become more energy efficient.

**Directors' Report (Continued)**
**(B) Technology absorption:**

- (i) The efforts made towards technology absorption;
- (ii) The benefits derived like product improvement, cost reduction, product development or import substitution;
- (iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) -
  - (a) the details of technology imported;
  - (b) the year of import;
  - (c) whether the technology been fully absorbed;
  - (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and

Not Applicable

- (iv) The expenditure incurred on Research and Development:

The Company did not carry out any Research & Developmental activities on its own. However, during the year the Company subscribed a sum of ₹24.36 Lakhs to Tea Research Association (TRA) which has been set up for the purpose of carrying out research aimed at improving various aspects of tea plantations who derive benefit from such detailed work carried out by TRA. The expenses for such work are collectively borne by TRA from the contributions made by various tea companies.

**(C) Foreign exchange earnings and outgo:**

Foreign exchange	—	Earned (Gross)	—	₹496.07 Lakhs
	—	Outgo	—	₹ 24.64 Lakhs

**Risk Management**

The Company has developed and implemented a Risk Management Policy. The Risk Management Committee of the Board reviews the risk assessment and minimization procedure in the light of the Risk Management Policy of the Company. Details of Risk Management Committee are given separately in the Corporate Governance Report at Annexure G to this Report. In the opinion of the Board there is no such risk which may threaten the present existence of the Company.

**Corporate Social Responsibility**

The Corporate Social Responsibility Committee, comprises of Mrs S Barman as Chairperson and Mrs A K Bindra, Mr Vinay K Goenka and Mr S K Ghosh as Members with President-Legal & Company Secretary as its Secretary. The broad terms of reference of the Corporate Social Responsibility (CSR) Committee are:

- Formulate and recommend to the Board, the CSR Policy
- Recommend the amount of expenditure to be incurred on the activities undertaken
- Monitor the CSR Policy of the Company from time to time
- Review the performance of the Company in the area of CSR including the evaluation of the impact of the Company's CSR activities
- Review the Company's disclosure of CSR matters

### **Directors' Report (Continued)**

The Committee has framed the CSR Policy which is available on Company's web site at [www.warrentea.com](http://www.warrentea.com). The CSR Policy and related matters together with details of the Committee have been annexed as Annexure D to this Report.

### **Board Evaluation**

The Nomination and Remuneration Committee has earlier approved the Board Evaluation Policy. All the Directors including Independent Directors and the Non-Independent Directors have continued to contribute their inputs in the process of evaluation of the Directors. The Independent Directors and the Nomination and Remuneration Committee Members have continued to review the performance of all the Directors including the Chairman and the Managing Director and thence the performance of the Board as a whole. The Board in turn, with such inputs have carried out annual evaluation of its own performance, its Committees and individual Directors.

### **Audit Committee**

The Audit Committee of the Board consists of three Non-executive Independent Directors with Mr S Bhoopal as Chairman, Mr L K Halwasiya and Mr N Dutta as members. During the year under review, the Board accepted all the recommendations made by the Audit Committee. Further details of the Committee relating to their terms of reference, composition and meetings held during the year, are included in the report on Corporate Governance in Annexure G to this Report.

### **Vigil Mechanism Committee**

The Company has established a Vigil Mechanism for directors and employees to report their genuine concerns about unethical behavior, actual or suspected fraud or violation of Company's Code of Conduct or ethical policy. The Audit Committee of the Board monitors and oversees such Vigil Mechanism of the Company. The Vigil Mechanism provides the whistle blower to lodge Protected Disclosure in writing to the Committee in the form of a letter in a closed envelope or by e-mail to the dedicated address; protection to genuine whistle blowers would be given against any unfair treatment and any abuse of this protection will attract disciplinary action. The Company has also provided a direct access to the Chairman of the Audit Committee on reporting issues concerning the interests of the employees and the Company. The Vigil Mechanism/Whistle Blower Policy of the Company has been uploaded on the website of the Company and can be accessed at [www.warrentea.com](http://www.warrentea.com).

### **Nomination and Remuneration Committee and Policy**

The Committee consists of Mr S Bhoopal, Mrs S Barman and Mr N Dutta, all Non-executive Independent Directors with Mr S Bhoopal as Chairman. It recommends to the Board, inter alia, the Remuneration Package of Directors and Key Managerial Personnel. Further details relating to the Committee are set out in the Report on Corporate Governance in Annexure G to this Report.

The Nomination and Remuneration Committee has formulated a policy for evaluation of Directors which contains evaluation criteria; such criteria include contributing to, monitoring and reviewing etc. and has acted upon the same. The particulars required to be furnished relating to the Policy on Directors' appointment and remuneration including criteria for determining qualification, positive attributes and independence of a Director and other related matters including remuneration of employees has been uploaded on the website of the Company, which can be accessed under the weblink: [http://www.warrentea.com/Documents/nomination\\_remuneration\\_policy.pdf](http://www.warrentea.com/Documents/nomination_remuneration_policy.pdf).

**Directors' Report (Continued)**

The Company's Policy on Director's appointment and remuneration and other matters provided in Section 178(3) of the Act has been disclosed in the Corporate Governance Report.

**Stakeholders Relationship Committee**

The Committee consists of Mr S Bhoopal as the Chairman and Mrs A K Bindra, Mr Vinay K Goenka and Mr S K Ghosh as members. Details of the Committee are provided in the Report on Corporate Governance in Annexure G to this Report.

**Change in nature of Business, if any**

There has been no change in the nature of business of the Company.

**Statement of compliance of applicable Secretarial Standards**

Your Company has complied with applicable Secretarial Standards.

**Details of Directors/Key Managerial Personnel**

In accordance with the Articles of Association of the Company, Mr Vinay K Goenka (DIN 00043124), Chairman of the Company retires by rotation and being eligible has offered himself for reappointment.

On recommendation of the Nomination and Remuneration Committee, the Board of Directors have approved reappointment of all five Independent Directors of the Company subject to approval of the shareholders.

**Personnel**

In accordance with the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the particulars and information of the employees has been set out in Annexure E to this Report.

Your Company treats its human capital as its most important asset. The welfare and well-being of the workers are monitored closely and the Company maintains harmonious relationship with the employees.

Industrial relations remained peaceful throughout the year and your Board of Directors thank executives, staff and workers at all levels for their valuable service and support during the year. All estates of your Company are certified under the Rainforest Alliance as well as Trustea indicating firm commitment towards sustainability as well as workers' health, hygiene and safety. It is your Company's endeavour to provide safe, healthy and sustainable work environment in all the estates. The Company has always believed in a policy against sexual harassment which has also found its place in the governing Codes of Conduct and Ethics applicable to its employees which includes a mechanism to redress such complaints. Further, the Company has in place Internal Complaints Committees for Assam and Kolkata and during the year under review there were no complaints of sexual harassment at any of the units.

**Corporate Governance**

The Company has complied with the Corporate Governance requirements under the Act as stipulated under Regulation 17 to Regulation 27 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. A Management Discussion and Analysis Report is provided in Annexure F. A separate Report on Corporate Governance in terms of Regulation 34(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is also provided in Annexure G to this Report.



**Directors' Report** (Continued)

**Certifications**

A Declaration affirming compliance with the Code of Conduct of the Company and Auditor's Certificate of compliance with the conditions of Corporate Governance are collectively annexed and forms part of this Report.

**Auditors**

Messrs B M Chatrath & Co LLP, Chartered Accountants, were appointed as Statutory Auditors of the Company at the thirty-seventh Annual General Meeting held on 10th September, 2014 to hold office till the conclusion of the forty-second Annual General Meeting.

Messrs Shome & Banerjee, Cost Accountants have been reappointed for audit of Cost Accounts maintained by the Company for the year ending 31st March, 2019 and their remuneration is being placed for approval of the Shareholders at the forthcoming Annual General Meeting.

Kolkata  
26th May, 2018

Vinay K Goenka  
*Chairman*

**Annexure 'A to the Directors' Report**

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31.03.2018

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

**I. REGISTRATION AND OTHER DETAILS:**

- (i) CIN : L01132AS1977PLC001706
- (ii) Registration Date : 31.05.1977
- (iii) Name of the Company : WARRENTEA LIMITED
- (iv) Category/Sub-Category of the Company : Company Limited by shares
- (v) Address of the Registered office and contact details : Deohall Tea Estate, P.O. : Hoogrijan,  
Dist. : Tinsukia, Assam 786601  
Telephone No. : 0374 2911369
- (vi) Whether listed company : Yes
- (vii) Name, Address and Contact details of Registrar and Transfer Agent, if any : CB Management Services (P) Ltd.  
P-22 Bondel Road, Kolkata 700 019  
Telephone No. : 033-40116700/22806692/22823643/22870263

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

Sl. No.	Name and Description of main products/services	NIC Code of the Product/service	% to total turnover of the company
1.	Plantation of Tea	01271	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES-**

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary /Associate	% of shares held	Applicable Section
1.	Maple Hotels & Resorts Limited Suvira House, 4B Hungerford Street, Kolkata 700 017	U70101WB2000PLC091582	Associate Company	46.92%	2(6)

**Annexure 'A' to the Directors' Report (Continued)**
**IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**
**(f) Category-wise Shareholding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Dem at	Physical	Total	% of Total Shares	Dem at	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual / HUF	5486078	—	5486078	45.9055	5454489	—	5454489	45.6412	(0.2643)
b) Central Govt.	—	—	—	—	—	—	—	—	—
c) State Govt.(s)	—	—	—	—	—	—	—	—	—
d) Bodies Corp.	3355510	—	3355510	28.0777	3355510	—	3355510	28.0777	—
e) Banks/F.I.	—	—	—	—	—	—	—	—	—
f) Any Other	—	—	—	—	—	—	—	—	—
<b>Sub-total (A) (1)</b>	<b>8841588</b>	<b>—</b>	<b>8841588</b>	<b>73.9832</b>	<b>8809999</b>	<b>—</b>	<b>8809999</b>	<b>73.7189</b>	<b>(0.2643)</b>
<b>(2) Foreign</b>									
a) NRIs-Individuals	—	—	—	—	—	—	—	—	—
b) Other-Individuals	—	—	—	—	—	—	—	—	—
c) Bodies Corp.	106211	—	106211	0.8887	106211	—	106211	0.8887	—
d) Banks/F.I.	—	—	—	—	—	—	—	—	—
e) Any Other	—	—	—	—	—	—	—	—	—
<b>Sub-total (A) (2)</b>	<b>106211</b>	<b>—</b>	<b>106211</b>	<b>0.8887</b>	<b>106211</b>	<b>—</b>	<b>106211</b>	<b>0.8887</b>	<b>—</b>
<b>Total shareholding of Promoter (A) = (A)(1) + (A)(2)</b>	<b>8947799</b>	<b>—</b>	<b>8947799</b>	<b>74.8719</b>	<b>8916210</b>	<b>—</b>	<b>8916210</b>	<b>74.6076</b>	<b>(0.2643)</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	—	42	42	0.0004	—	42	42	0.0004	—
b) Banks/F.I.	79	178	257	0.0022	79	178	257	0.0022	—
c) Central Govt.	3	—	3	*	3	—	3	*	—
d) State Govt. (s)	—	—	—	—	—	—	—	—	—
e) Venture Capital Funds	—	—	—	—	—	—	—	—	—
f) Insurance Companies	—	178	178	0.0015	—	178	178	0.0015	—
g) FIs	—	—	—	—	—	—	—	—	—
h) Foreign Venture Capital Funds	—	—	—	—	—	—	—	—	—
i) Others	—	—	—	—	—	—	—	—	—
<b>Sub-total (B) (1)</b>	<b>82</b>	<b>398</b>	<b>480</b>	<b>0.0040</b>	<b>82</b>	<b>398</b>	<b>480</b>	<b>0.0040</b>	<b>—</b>



**Annexure 'A' to the Directors' Report (Continued)**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Dem at	Physical	Total	% of Total Shares	Dem at	Physical	Total	% of Total Shares	
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	104056	10362	114418	0.9574	955674	10322	965996	8.0831	7.1257
ii) Overseas	—	—	—	—	—	—	—	—	—
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	867596	382722	1250318	10.4622	909659	374080	1283739	10.7418	0.2796
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	1602225	34518	1636743	13.6957	749521	34518	784039	6.5606	(7.1351)
c) Qualified Foreign Investor	—	—	—	—	—	—	—	—	—
d) Others	—	—	—	—	—	—	—	—	—
e) Trust	1046	—	1046	0.0088	340	—	340	0.0028	(0.0059)
<b>Sub-total (B) (2)</b>	<b>2574923</b>	<b>427602</b>	<b>3002525</b>	<b>25.1240</b>	<b>2615194</b>	<b>418920</b>	<b>3034114</b>	<b>25.3884</b>	<b>0.2643</b>
<b>Total Public Shareholding (B) = (B)(1) + (B)(2)</b>	<b>2575005</b>	<b>428000</b>	<b>3003005</b>	<b>25.1281</b>	<b>2615276</b>	<b>419318</b>	<b>3034594</b>	<b>25.3924</b>	<b>0.2643</b>
<b>TOTAL (A) + (B)</b>	<b>11522804</b>	<b>428000</b>	<b>11950804</b>	<b>100.0000</b>	<b>11531486</b>	<b>419318</b>	<b>11950804</b>	<b>100.0000</b>	<b>—</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
1. Promoter and Promoter Group	—	—	—	—	—	—	—	—	—
2. Public	—	—	—	—	—	—	—	—	—
<b>Sub-Total (C)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Grand Total (A + B + C)</b>	<b>11522804</b>	<b>428000</b>	<b>11950804</b>	<b>100.0000</b>	<b>11531486</b>	<b>419318</b>	<b>11950804</b>	<b>100.0000</b>	<b>—</b>

**Annexure 'A' to the Directors' Report (Continued)**
**(ii) Shareholding of Promoters**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	
1.	Vinay Kumar Goenka	4009202	33.55	NIL	3977613	33.28	NIL	(0.27)
2.	Vivek Goenka	1476876	12.36	NIL	1476876	12.36	NIL	—
3.	Maple Hotels & Resorts Limited	3196448	26.75	NIL	3196448	26.75	NIL	—
4.	Sectra Plaza Private Limited	159062	1.33	NIL	159062	1.33	NIL	—
5.	Isis Enterprises Limited	91826	0.77	NIL	91826	0.77	NIL	—
6.	Woodcutter Limited	14385	0.12	NIL	14385	0.12	NIL	—
	<b>Total</b>	<b>8947799</b>	<b>74.88</b>	<b>NIL</b>	<b>8916210</b>	<b>74.61</b>	<b>NIL</b>	<b>(0.27)</b>

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

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	<b><u>Vinay Kumar Goenka</u></b> At the beginning of the year (01/04/2017)	4009202	33.55	4009202	33.55
	Date-wise Increase/Decrease during the year – Transfer				
	Decrease (08/12/2017)	21216	0.18	3987986	33.37
	Decrease (05/01/2018)	10373	0.09	3977613	33.28
	At the end of the year (or on the date of separation, if separated during the year) (31/03/2018)	3977613	33.28	3977613	33.28
2.	<b><u>Vivek Goenka</u></b> At the beginning of the year (01/04/2017)	1476876	12.36	1476876	12.36
	At the end of the year (or on the date of separation, if separated during the year) (31/03/2018)	1476876	12.36	1476876	12.36

**Annexure 'A' to the Directors' Report (Continued)**
**(iii) Change in Promoters' Shareholding (please specify if there is no change)**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
3.	<b>Maple Hotels &amp; Resorts Limited</b> At the beginning of the year (01/04/2017)	3196448	26.75	3196448	26.75
	At the end of the year (or on the date of separation, if separated during the year) (31/03/2018)	3196448	26.75	3196448	26.75
4.	<b>Sectra Plaza Private Limited</b> At the beginning of the year (01/04/2017)	159062	1.33	159062	1.33
	At the end of the year (or on the date of separation, if separated during the year) (31/03/2018)	159062	1.33	159062	1.33
5.	<b>Isis Enterprises Limited</b> At the beginning of the year (01/04/2017)	91826	0.77	91826	0.77
	At the end of the year (or on the date of separation, if separated during the year) (31/03/2018)	91826	0.77	91826	0.77
6.	<b>Woodcutter Limited</b> At the beginning of the year (01/04/2017)	14385	0.12	14385	0.12
	At the end of the year (or on the date of separation, if separated during the year) (31/03/2018)	14385	0.12	14385	0.12

**Annexure 'A' to the Directors' Report (Continued)**
**(iv) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	<b>For Each of the Top 10 Shareholders</b>				
1.	<b>Chandra Kumar Dhanuka, Pradip Kumar Khaitan, Dharampal Jindal</b> At the beginning of the year (01/04/2017)	1416074	11.85	1416074	11.85
	Date-wise Increase/ Decrease during the year - Transfer				
	Decrease (29/12/2017)	597524	5.00	818550	6.85
	Decrease (12/01/2018)	818550	6.85	0	0.00
	At the end of the year (or on the date of separation, if separated during the year) (31/03/2018)	0	0.00	0	0.00
2.	<b>Radhe Shyam Saraf</b> At the beginning of the year (01/04/2017)	44225	0.37	44225	0.37
	Date-wise Increase/ Decrease during the year – Transfer				
	Increase (19/01/2018)	818550	6.85	862775	7.22
	Decrease (16/02/2018)	100000	0.84	762775	6.38
	Decrease (02/03/2018)	200000	1.67	562775	4.71
	Decrease (09/03/2018)	300000	2.51	262775	2.20
	Decrease (16/03/2018)	213477	1.79	49298	0.41
	At the end of the year (or on the date of separation, if separated during the year) (31/03/2018)	49298	0.41	49298	0.41
3.	<b>Pradeep Kumar Saraf</b> At the beginning of the year (01/04/2017)	42061	0.35	42061	0.35
	Date-wise Increase/ Decrease during the year – Transfer				
	Decrease (08/12/2017)	1176	0.01	40885	0.34
	Increase (16/02/2017)	150	*	41035	0.34
	At the end of the year (or on the date of separation, if separated during the year) (31/03/2018)	41035	0.34	41035	0.34
4.	<b>Chandmull Batia</b> At the beginning of the year (01/04/2017)	34518	0.29	34518	0.29
	At the end of the year (or on the date of separation, if separated during the year) (31/03/2018)	34518	0.29	34518	0.29

**Annexure 'A' to the Directors' Report (Continued)**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	<b>For Each of the Top 10 Shareholders</b>				
5.	<b>Vinodchandra Mansukhlal Parekh</b> At the beginning of the year (01/04/2017)	33093	0.28	33093	0.28
	At the end of the year (or on the date of separation, if separated during the year) (31/03/2018)	33093	0.28	33093	0.28
6.	<b>Chandrika Vinodchandra Parekh</b> At the beginning of the year (01/04/2017)	28369	0.24	28369	0.24
	At the end of the year (or on the date of separation, if separated during the year) (31/03/2018)	28369	0.24	28369	0.24
7.	<b>Rathinasamy Narayanasamy Rubesh</b> At the beginning of the year (01/04/2017)	18575	0.16	18575	0.16
	At the end of the year (or on the date of separation, if separated during the year) (31/03/2018)	18575	0.16	18575	0.16
8.	<b>Sunil Kumar Gupta</b> At the beginning of the year (01/04/2017)	15000	0.13	15000	0.13
	At the end of the year (or on the date of separation, if separated during the year) (31/03/2018)	15000	0.13	15000	0.13
9.	<b>Henko Commodities Private Limited</b> At the beginning of the year (01/04/2017)	13827	0.12	13827	0.12
	Date-wise Increase/ Decrease during the year-Transfer Decrease (24/11/2017)	13827	0.12	0	0.00
	At the end of the year (or on the date of separation, if separated during the year) (31/03/2018)	0	0.00	0	0.00
10.	<b>Vinodchandra Mansukhlal Parekh</b> At the beginning of the year (01/04/2017)	13203	0.11	13203	0.11
	At the end of the year (or on the date of separation, if separated during the year) (31/03/2018)	13203	0.11	13203	0.11
11.	<b>Edelweiss Broking Ltd.</b> At the beginning of the year (01/04/2017)	519	*	519	*
	Date-wise Increase/ Decrease during the year – Transfer Increase (07/04/2017)	77	*	596	*
	Decrease (14/04/2017)	77	*	519	*
	Increase (28/04/2017)	94	*	613	0.01

**Annexure 'A' to the Directors' Report (Continued)**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	<b>For Each of the Top 10 Shareholders</b>				
	Decrease (05/05/2017)	100	*	513	*
	Increase (19/05/2017)	100	*	613	*
	Increase (26/05/2017)	100	*	713	*
	Decrease (02/06/2017)	700	0.01	13	*
	Increase (09/06/2017)	8	*	21	*
	Increase (16/06/2017)	8	*	29	*
	Increase (23/06/2017)	1133	0.01	1162	0.01
	Increase (30/06/2017)	95	*	1257	0.01
	Increase (28/07/2017)	10	*	1267	0.01
	Increase (04/08/2017)	10	*	1277	0.01
	Increase (11/08/2017)	5	*	1282	0.01
	Decrease (25/08/2017)	141	*	1141	0.01
	Increase (01/09/2017)	11	*	1152	0.01
	Increase (22/09/2017)	270	*	1422	0.01
	Increase (27/10/2017)	50	*	1472	0.01
	Decrease (10/11/2017)	6	*	1466	0.01
	Increase (17/11/2017)	600	0.01	2066	0.02
	Increase (24/11/2017)	3165	0.03	5231	0.04
	Decrease (01/12/2017)	3792	0.03	1439	0.01
	Increase (08/12/2017)	1484	0.01	2923	0.02
	Increase (15/12/2017)	2100	0.02	5023	0.04
	Increase (22/12/2017)	1116	0.01	6139	0.05
	Decrease (29/12/2017)	1136	0.01	5003	0.04
	Increase (05/01/2018)	1250	0.01	6253	0.05
	Increase (12/01/2018)	3150	0.03	9403	0.08
	Increase (19/01/2018)	7501	0.06	16904	0.14
	Increase (09/02/2018)	11	*	16915	0.14
	Increase (16/02/2018)	800	0.01	17715	0.15
	Increase (23/02/2018)	100906	0.84	118621	0.99
	Increase (02/03/2018)	101354	0.85	219975	1.84
	Increase (09/03/2018)	250000	2.09	469975	3.93
	Increase (16/03/2018)	1	*	469976	3.93
	Increase (30/03/2018)	193	*	470169	3.93
	At the end of the year (or on the date of separation, if separated during the year) (31/03/2018)	470169	3.93	470169	3.93
12.	<b>Sanidhya Mittal</b> At the beginning of the year (01/04/2017)	0	0.00	0	0.00
	Date-wise Increase/ Decrease during the year – Transfer Increase (12/01/2018)	55260	0.46	55260	0.46

**Annexure 'A' to the Directors' Report (Continued)**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	<b>For Each of the Top 10 Shareholders</b>				
	Increase (19/01/2018)	169740	1.42	225000	1.88
	Increase (09/03/2018)	50000	0.42	275000	2.30
	Increase (16/03/2018)	25000	0.21	300000	2.51
	At the end of the year (or on the date of separation, if separated during the year) (31/03/2018)	300000	2.51	300000	2.51
13.	<b><u>Karuna Mittal</u></b> At the beginning of the year (01/04/2017)	0	0.00	0	0.00
	Date-wise Increase/ Decrease during the year – Transfer				
	Increase (12/01/2018)	61200	0.51	61200	0.51
	Increase (19/01/2018)	40832	0.34	102032	0.85
	Increase (26/01/2018)	47968	0.40	150000	1.26
	Increase (02/02/2018)	72250	0.60	222250	1.86
	Increase (16/03/2018)	52750	0.44	275000	2.30
	At the end of the year (or on the date of separation, if separated during the year) (31/03/2018)	275000	2.30	275000	2.30
14.	<b><u>Lilly Exporters Private Limited</u></b> At the beginning of the year (01/04/2017)	0	0.00	0	0.00
	Date-wise Increase/ Decrease during the year – Transfer				
	Increase (30/03/2018)	118000	0.99	118000	0.99
	At the end of the year (or on the date of separation, if separated during the year) (31/03/2018)	118000	0.99	118000	0.99
15.	<b><u>Indistock Private Limited</u></b> At the beginning of the year (01/04/2017)	631	0.01	631	0.01
	Date-wise Increase/ Decrease during the year – Transfer				
	Decrease (17/11/2017)	3	*	628	0.01
	Increase (23/03/2018)	99372	0.83	100000	0.84
	At the end of the year (or on the date of separation, if separated during the year) (31/03/2018)	100000	0.84	100000	0.84

**Annexure 'A' to the Directors' Report (Continued)**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	<b>For Each of the Directors and KMP</b>				
1.	<b>Vinay Kumar Goenka — Chairman</b> At the beginning of the year (01/04/2017)	4009202	33.55	4009202	33.55
	Date-wise Increase/ Decrease during the year - Transfer				
	Decrease (08/12/2017)	21216	0.18	3987986	33.37
	Decrease (05/01/2018)	10373	0.09	3977613	33.28
	At the end of the year (or on the date of separation, if separated during the year) (31/03/2018)	3977613	33.28	3977613	33.28
2.	<b>S K Ghosh – Managing Director</b> At the beginning of the year (01/04/2017)	1	*	1	*
	At the end of the year (or on the date of separation, if separated during the year) (31/03/2018)	1	*	1	*
3.	<b>N Dutta – Director</b> At the beginning of the year (01/04/2017)	10	*	10	*
	At the end of the year (or on the date of separation, if separated during the year) (31/03/2018)	10	*	10	*
4.	<b>S B hoopal – Director</b> At the beginning of the year (01/04/2017)	1	*	1	*
	At the end of the year (or on the date of separation, if separated during the year) (31/03/2018)	1	*	1	*
5.	<b>S Roy – President -Legal &amp; Company Secretary</b> At the beginning of the year (01/04/2017)	1	*	1	*
	At the end of the year (or on the date of separation, if separated during the year) (31/03/2018)	1	*	1	*

Notes : 1)Where there was no movement of shares during the year, increase/decrease not separately indicated.

2)\* Indicates that percentages below the rounding off norm adopted by the Company.



**Annexure 'A' to the Directors' Report (Continued)**
**V. INDEBTEDNESS**
**Indebtedness of the Company including interest outstanding/accrued but not due for payment.**

(₹ in Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposit	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
(i) Principal Amount	2570.56	—	—	2570.56
(ii) Interest due but not paid	15.73	—	—	15.73
(iii) Interest accrued but not due	—	—	—	—
<b>Total (i+ii+iii)</b>	<b>2586.29</b>	<b>—</b>	<b>—</b>	<b>2586.29</b>
<b>Change in Indebtedness during the financial year</b>				
● Addition	1334.45	2700.00	—	4034.45
● Reduction	593.17	2700.00	—	3293.17
<b>Net Change</b>	<b>741.28</b>	<b>—</b>	<b>—</b>	<b>741.28</b>
<b>Indebtedness at the end of the financial year</b>				
(i) Principal Amount	3309.46	—	—	3309.46
(ii) Interest due but not paid	18.11	—	—	18.11
(iii) Interest accrued but not due	—	—	—	—
<b>Total (i+ii+iii)</b>	<b>3327.57</b>	<b>—</b>	<b>—</b>	<b>3327.57</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**
**A. Remuneration to Chairman and Managing Director:**

(₹ in Lakhs)

Sl. No.	Particulars of Remuneration	Vinay K Goenka (Chairman)	S K Ghosh (Managing Director)	Total Amount
1.	Gross Salary			
(a)	Salary as per provisions contained in section 17(1) of the Income-Tax Act, 1961	142.61	129.15	271.76
(b)	Value of perquisites u/s 17(2) of the Income-Tax Act, 1961	9.38	0.71	10.09
(c)	Profits in lieu of salary under section 17(3) of the Income-Tax Act, 1961	—	—	—
2.	Stock Option	—	—	—
3.	Sweat Equity	—	—	—
4.	Commission			
-	as % of profit	—	—	—
-	others	—	—	—
5.	Others	—	—	—
	<b>Total (A)</b>	<b>151.99</b>	<b>129.86</b>	<b>281.85</b>

**Annexure 'A' to the Directors' Report (Continued)**
**B. Remuneration to other Directors:**

(₹ in Lakhs)

Sl. No.	Particulars of Remuneration	Nilotpal Dutta	Sriprakash Bhoopal	Anup Kaur Bindra	Lalit Kumar Halwasiya	Sonia Barm an	Total Amount
1.	Independent Directors I Fee for attending board / committee meetings I Commission I Others, please specify	0.32 — —	1.03 — —	0.66 — —	0.47 — —	0.40 — —	2.87 — —
	<b>Total (1)</b>	<b>0.32</b>	<b>1.03</b>	<b>0.66</b>	<b>0.47</b>	<b>0.40</b>	<b>2.87</b>
2.	Other Non-executive Directors	—	—	—	—	—	—
	<b>Total (2)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
	<b>Total (B)=(1 +2)</b>	<b>0.32</b>	<b>1.03</b>	<b>0.66</b>	<b>0.47</b>	<b>0.40</b>	<b>2.87</b>
	<b>Total Managerial Remuneration</b>	<b>0.32</b>	<b>1.03</b>	<b>0.66</b>	<b>0.47</b>	<b>0.40</b>	<b>2.87</b>
	Overall Ceiling as per the Act	NOT APPLICABLE					

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

(₹ in Lakhs)

Sl. No.	Particulars of Remuneration	S Roy (President – Legal & Company Secretary)	S K Mukhopadhyay (Chief Financial Officer)	Total Amount
1.	Gross Salary			
(a)	Salary as per provisions contained in section 17(1) of the Income-Tax Act, 1961	23.57	24.88	48.45
(b)	Value of perquisites u/s 17(2) of the Income-Tax Act, 1961	3.98	0.26	4.24
(c)	Profits in lieu of salary under section 17(3) of the Income-Tax Act, 1961	—	—	—
2.	Stock Option	—	—	—
3.	Sweat Equity	—	—	—
4.	Commission - as % of profit - others, specify	— —	— —	— —
5.	Others	—	—	—
	<b>Total</b>	<b>27.55</b>	<b>25.14</b>	<b>52.69</b>

Annexure 'A' to the Directors' Report (Continued)

**VI. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/Compounding fees imposed	Authority [RD/NCLT/COURT]	Appeal made, if any (give details)
<b>A. WARREN TEA LIMITED</b>					
Penalty			NIL		
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			NIL		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			NIL		
Punishment					
Compounding					



**Annexure 'B' to the Directors' Report**

**Form No. AOC - 2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

1. Details of contracts or arrangements or transactions not at arm's length basis : Nil
2. Details of material contracts or arrangements or transactions at arm's length basis : No material contracts or arrangements or transactions has been entered into with Related Parties in terms of provisions of Section 188 (1) of the Companies Act, 2013.

**Annexure 'C' to the Directors' Report**

**FORM NO. MR-3  
SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2018**

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

To  
The Members,  
**WARREN TEA LIMITED**

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

The Company's Management is responsible for preparation and maintenance of secretarial and other records and for devising proper systems to ensure compliance with the provisions of applicable laws and Regulations.

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

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2018, to the extent applicable, 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 Rules made thereunder;
- iii) The Depositories Act, 1996 and Regulations and Bye-laws framed thereunder;
- iv) The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v) The Regulations and Guidelines prescribed under the Securities & Exchange Board of India Act, 1992 ("SEBI Act") or by SEBI, to the extent applicable:
  - a) The Securities & Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011
  - b) The Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015

**Annexure 'C' to the Directors' Report (Continued)**

- c) The Securities & Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
- d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014
- e) The Securities & Exchange Board of India (Issue and listing of Debt securities) Regulations, 2008
- f) The Securities & Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993
- g) The Securities & Exchange Board of India (Delisting of Equity Shares) Regulations, 2009
- h) The Securities & Exchange Board of India (Buyback of Securities) Regulations, 1998
- vi) Other than fiscal, labour and environmental laws which are generally applicable to all manufacturing companies, the following laws/acts are also, inter alia, applicable to the Company:
  - a) The Tea Act, 1953 and Rules there under
  - b) The Tea (Marketing) Control Order, 2003
  - c) The Tea (Distribution & Export) Control Order, 2005
  - d) The Tea Waste Control Order, 1959
  - e) The Plantations Labour Act, 1951
  - f) The Assam Plantations Labour Rules, 1956
  - g) The Legal Metrology Act, 2009
  - h) The Food Safety and Standards Act, 2006

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

- a) The Secretarial Standards issued by The Institute of Company Secretaries of India.
- b) Provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

We further report that

- a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-executive Directors and Independent Directors. No changes in the composition of the Board of Directors took place during the period under review.
- b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking



**Annexure 'C' to the Directors' Report (Continued)**

and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

- c) None of the directors in any meeting dissented on any resolution and hence there was no instance of recording any dissenting member's view in the minutes.

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

This report is to be read with our letter of even date which is annexed as **Annexure – 1** which forms an integral part of this report.

Date: 26.05.2018  
Place: Kolkata

For MKB & Associates  
Company Secretaries  
Manoj Kumar Banthia  
(Partner)  
ACSno. 11470  
COPno. 7596  
FRN: P2010WB042700



**Annexure 'C' to the Directors' Report (Continued)**

**Annexure - 1**

To  
The Members,  
**WARREN TEA LIMITED**

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

1. It is management's responsibility to identify the Laws, Rules, Regulations, Guidelines and Directions which are applicable to the Company depending upon the industry in which it operates and to comply and maintain those records with same in letter and in spirit. Our responsibility is to express an opinion on those records based on our audit.
2. We have followed the audit practices and process 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 process 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. Wherever required, we have obtained the Management's Representation about the compliance of Laws, Rules, Regulations, Guidelines and Directions and happening events, etc.
5. 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.

Date: 26.05.2018  
Place: Kolkata

For MKB & Associates  
Company Secretaries  
Manoj Kumar Banthia  
(Partner)  
ACSno. 11470  
COPno. 7596  
FRN: P2010WB042700



**Annexure 'D' to the Directors' Report****ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES****1. Outline of the Company's Policy**

The Company has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013 and it is placed on the Company's website. Your Company has been committed to do business while improving the quality of life of the workforce and their families as well as the community and society at large.

The Company is also deeply sensible of its responsibilities not only to its stakeholders but also to the society at large. The CSR initiative focuses on-

- Eradication of hunger and poverty
- Health care and hygiene and sanitation
- Education including vocational skills and livelihood enhancement
- Gender, social and economic equality
- Empowerment of Women
- Care for senior citizens
- Environmental sustainability
- Protection of national heritage, art and culture
- Benefit of armed forces veterans, war widows and their dependents
- Training for promotion of sports
- Contribution to funds approved by the Central Government
- Rural development

**2. Composition of the Committee**

The Company has a CSR Committee of directors comprising of Mrs S Barman as Chairperson and Mrs A K Bindra, Mr Vinay K Goenka and Mr S K Ghosh as Members with President-Legal & Company Secretary as its Secretary.

3. Average net profit/(loss) of the Company for last three financial years — ₹ (91.95) Lakhs

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above) — NIL

**5. Details of Payments**

(a) Total amount to be spent for the financial year — NIL

(b) Amount unspent — NIL

**Annexure 'D' to the Directors' Report (Continued)**

(c) Manner in which the amount spent during the financial year is detailed below:

Sl. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (a) Local area or other (b) Specify the state and district where project or programs were under-taken	Amount outlay (budget) project or programs wise	Amount spent on the projects Sub heads 1. Direct expenditure on projects or programs 2. Overheads	Cumulative expenditure upto the reporting period	Amount spent: Directly or through implementing agency
1. a)	Education to less privileged children	Education West Bengal	Howrah,	₹ 38.00 Lakhs	—	₹ 5.20 Lakhs	Chatrachhaya, 4/B Little Russell Street, Kolkata 700 071, a NGO registered as a Trust.
b)	Education to under privileged children	Education	Chetla, Kolkata, West Bengal	₹ 1.60 Lakhs per year	—	₹ 7.50 Lakhs	Women's Coordinating Council (WCC), 5/1 Red Cross Place, Kolkata 700 062, a NGO.
2.	Promoting Rural Education	Education	Bokul, Near Bokul Tea Estate's Hospital, P.O. Lahowal, Dibrugarh, Assam	₹ 36.00 Lakhs approx.	—	₹ 5.00 Lakhs	Purna Bikash Sanstha, Bokul (Near Bokul T.E. Hospital), P.O. Lahowal, Dibrugarh, Assam, a registered Charitable Trust.

**Annexure 'D' to the Directors' Report (Continued)**

(c) Manner in which the amount spent during the financial year is detailed below:

Sl. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (a) Local area or other (b) Specify the state and district where project or programs were under-taken	Amount outlay (budget) project or programs wise	Amount spent on the projects Sub heads 1. Direct expenditure on projects or programs 2. Overheads	Cumulative expenditure upto the reporting period	Amount spent: Directly or through implementing agency
3.	Construction of girls' hostel	Empowerment of Women	Kolkata, West Bengal	₹ 1500.00 Lakhs excluding cost of land	—	₹ 35.00 Lakhs	Dhanuka Dhunseri Foundation, a registered Charitable Trust
				<b>Total</b>	—	<b>₹ 52.70 Lakhs</b>	

6. As there has been a loss for the year with its consequential effect on cash flow, your Directors have decided that it would be essential to conserve funds for the Company's business and hence no contribution towards Corporate Social Responsibility activities could be made for the year.
7. The CSR Committee of the Company hereby confirms that the implementing and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

Vinay K Goenka  
Chairman

Sonia Barman  
Chairperson CSR Committee

**Annexure 'E' to the Directors' Report**
**Particulars of Employees**

a) Information as per Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1) The Ratio of remuneration paid to the Chairman and to the Managing Director to the median remuneration of the employees of the Company for the Financial Year is 157:1 and 134:1 respectively.

2) Remuneration of Key Management Personnel including Whole-time Directors :

<u>Names</u>	<u>Percentage increase in Remuneration during 2017-18 compared to 2016-17</u>
Vinay K Goenka, Chairman	16.60
S K Ghosh, Managing Director	17.09
S Roy, President–Legal & Company Secretary	(8.14)
S K Mukhopadhyay, Chief Financial Officer	16.29

3) Median remuneration of the employees during the financial year 2017-18 increased by 11.49% over that of financial year 2016-17.

4) Number of permanent employees on the rolls of the Company as on 31.03.2018 is 8704 which includes plantation workforce of 7827.

5) The average change in the salaries of the employees other than managerial personnel during the financial year 2017-18 is (13.28%). The average percentage of increase in managerial remuneration for the financial year 2017-18 is 16.82. The salary of the managerial personnel is paid on the basis of contractual agreement whereas the salary of other employees is non-contractual.

6) All remuneration paid by the Company are in accordance with the Remuneration Policy of the Company.

**Annexure 'E' to the Directors' Report (Continued)**
**b) Information as per Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

Sl. No.	Name	Designation	Gross Remuneration (₹ in Lakhs)	Qualification and Experience (Years)	Age (Years)	Date of Commencement of Employment	Last Employment held before joining the Company	Designation
1.	Arora U C	President – Marketing	32.42	B Com (42)	62	21.05.1984	Kanoi Plantations Pvt. Ltd.	Executive– Tea Department
2.	Barua A	Manager	14.72	B Com (31)	54	14.03.1987	—	—
3.	* Bhattacharyya B	Manager	19.00	M Sc (32)	58	15.07.1989	Jorhat Group Ltd.	Assistant Manager
4.	Ghosh S K	Managing Director	129.86	B Com (Hons), FCA (43)	64	02.05.1983	—	Consultant
5.	Goenka Vinay K	Chairman	151.98	B Sc (Botany) (42)	59	19.04.1983	The Eriabarie Tea Co. Pvt. Ltd.	Senior Executive
6.	Goenka Vivek	President	23.45	M A (F&I) (13)	35	15.09.2004	—	—
7.	Karmakar B	Senior Manager- Finance & Accounts (Assam)	20.86	B Com, ACA (25)	53	15.11.1996	M/s M. P. Bazari & Co.	Senior Audit Assistant
8.	Mukhopadhyay S K	Chief Financial Officer	25.13	B Com (Hons), FCA (40)	64	11.05.2009	—	Consultant
9.	Roy S	President – Legal & Company Secretary	27.55	B A (Hons), FCS, L I.B (37)	62	15.07.1996	—	Consultant
10.	* Sinha A N	General Manager- Assam	27.29	M Com (35)	56	15.04.1984	Murari Agarwal & Company	Audit Assistant

Notes : (1) The gross remuneration shown above is subject to tax and comprises of salary, bonus, allowances, monetary value of perquisites evaluated as per Income Tax Rules, Company's contributions to Provident Fund, Superannuation and Gratuity Funds subject to the relative Fund Rules.

(2) Appointments of Mr Vinay K Goenka, Chairman and Mr S K Ghosh, Managing Director are contractual; all other appointments are non-contractual.

(3) Mr Vinay K Goenka and Mr Vivek Goenka each holds more than 2% of the Equity Shares of the Company.

(4) Mr Vivek Goenka is a relative of Mr Vinay K Goenka, Chairman and except for him none of the others is a relative of any Director of the Company.

\* Since left

**Annexure 'F' to the Directors' Report****Management Discussion and Analysis Report**

Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 stipulates disclosure under specific heads which are given in the following paragraphs and which continue to be followed in the usual course of the Company's business over the years in discussion amongst the Directors and Senior Management Personnel.

**(a) Industry Structure and Developments**

Tea enjoys worldwide consumer preference. India is the world's second largest consumer and second largest tea producer, providing employment opportunities, both direct and indirect, to more than a million people.

Tea has always been a vital part of the country's culture. This is an area where the country can take a lot of pride in also because of its foreign exchange earnings with its consequential contribution to the Company's National Income. Tea is still the beverage of choice in India. Creative marketing and branding has also elevated the status of tea and brought it under the purview of a lifestyle choice.

**(b) Opportunities and threats**

Your Company's product and vision focuses on a natural beverage which also finds itself in the health and wellness segment. Significant increase in commodity input costs may lead to a dilution of margins which can limit the scope to innovate and expand. Tea is a valuable global agricultural commodity, both commercially and culturally. Assam, an agrarian state in northeast India, is the largest tea growing region in the world and the productivity (both in terms of quantity and quality) requires a specific range of enviro-climatic conditions. Climatic changes are occurring across the globe, effects of which are also felt in this country. In the last decades, India has come down to lower range in the export ladder due to stiff competition mainly from Sri Lanka, Kenya and China. Other threats are weather related which are not in the control of the industry. Nonetheless, good agricultural practices can reduce the effects of adverse climatic conditions to some extent. Your Company maintains the standards of its produce both in the domestic as well as overseas markets, due to its consistent thrust on quality and best agricultural practices. Your Company's estates are Rainforest Alliance, ISO 22000:2005 and also Trustea certified. In addition, Company's Integrated Pest Management Policy relating to agro inputs is in conformity with the Plant Protection Code of Tea Board of India.

**(c) Segment-wise or Product-wise Performance**

The Company does not have any separate primary business segment as it sells only black tea in bulk both in domestic and overseas markets.

**(d) Outlook**

Tea continues to be the most popular beverage in the country and is growing in significance as a health drink. The industry continues to be affected by steadily rising input costs, including labour and welfare costs. Besides these, climate change is also a factor likely to affect growing conditions and truly the quality and quantity of produce. Strategies should be adopted to infiltrate more into the market on the strength of quality and thereby increase demand. Your Directors continue in their emphasis on the "Quality" of tea as well as maintaining strict watch on MRL norms so as to make your Company's tea a truly health drink.

**Annexure 'F' to the Directors' Report (Continued)****(e) Risks & Concerns**

Weather, historically, has played an important role in the success or failure of any agro horticultural pursuits including plantations. With climatic changes, erratic rainfall and weather conditions, the tea bushes get affected which takes time to recover. Increasing input costs including wages, social costs, energy costs and other input costs remain a major constraint for the Indian Tea Industry. In the face of fluctuating growing conditions coupled with increasing costs, what is called for are good agricultural practices, an adaptive strategy to deal with climate change, suitable adaptations in the plantations including mechanized harvesting together with pro-active marketing efforts with a view to improving the performance of the industry, of which your Company is a part.

**(f) Internal Control Systems & their Adequacy**

There are adequate internal control systems at all levels of Management of the Company. These are reviewed from time to time and improved upon, where required. The Company has implemented internal control systems with a view to ensure that assets are safeguarded and protected against losses and transactions are recorded and reported correctly. These include comprehensive internal audit by external Chartered Accountants besides checks carried out by the Cost Auditors, the Secretarial Auditors and the Statutory Auditors during the course of their respective audits. Such systems are commensurate with the Company's size and nature of operations and provide reasonable assurance with regard to reliable data, compliances, securing its assets from unauthorized use or loss and ensuring that operations are carried out in consonance with the Company's policies. The different sets of auditors periodically visit the Company's units, their reports are looked into by the Management and by the Audit Committee for effecting corrective action/improvement as may be called for.

**(g) Financial Discussion on Performance with respect to Operational Performances**

Climatic conditions during the year under review continued to fall short of the levels conducive to result in desired quality and quantity of the crop produced. The Company's revenue improved from that of the previous year, which contributed to improvement in the bottom-line for the year under review. However, the Company continues with its focus in improvement both qualitative and quantitative terms and continues to follow good governance practices across all its operations.

**(h) Material Developments in Human Resources/Industrial Relations Front including number of people employed**

Human resources are the most valuable assets of the Company and thus adequate care is taken by the Company for their development and well being. Tea being an essentially labour intensive industry, the employees are the mainstay of its operations. All estates of your Company are certified under the Rainforest Alliance as well as Trustea indicating firm commitment towards sustainability as well as workers' health, hygiene and safety. It is your Company's endeavour to provide safe, healthy and sustainable work environment in all the estates. Your Company deeply appreciates the performance and cooperation of the employees for the year and looks forward to maintain cordial relations in the years to come. Your Company continues with its endeavours for ongoing training at various levels as well as with its efforts to bring down absenteeism. Your Company believes in employee empowerment across the entire organization in order to achieve organizational effectiveness.

**Annexure 'G' to the Directors' Report**
**REPORT ON CORPORATE GOVERNANCE**
**1. Company's Philosophy on Code of Governance**

The Company's philosophy on Corporate Governance is aimed at efficient conduct of its affairs. Your Board of Directors keenly support the principles of Corporate Governance. Your Company believes that good Corporate Governance emerges from the application of the best and sound management practices and compliance with laws coupled with adherence to the highest standards of professionalism and business ethics; great emphasis is placed on transparency in decision making process, integrity, fairness, honesty, accountability in dealings with its dealers, employees, customers, business associates, government and all its stakeholders. The labour and management practices are also followed in conformity with law and also for welfare of the employees so as to aim at optimum economic utilization of resources. The Company's overall philosophy is that of excellence.

**2. Board of Directors**

At present the Board of your Company comprises of a Chairman, a Managing Director and five Non-executive Independent Directors (including two Woman Directors). Particulars of the Directors as on 31st March, 2018 and attendance of each Directors at the meeting of the Board held during the year and at the last Annual General Meeting are given below:

Name	Category	Attendance		Directorships in other companies	Committee Positions in other companies	
		At Board Meetings	At last AGM		As Chairman	As Member
Mr Vinay K Goenka (Chairman)	Executive Director	5	Yes	—	—	—
Mr S K Ghosh (Managing Director)	Executive Director	5	Yes	—	—	—
Mr S Bhoopal	Non-executive Independent Director	5	Yes	7	—	—
Mr N Dutta	Non-executive Independent Director	2	Yes	1	—	—
Mr L K Halwasiya	Non-executive Independent Director	4	No	1	—	—
Mrs A K Bindra	Non-executive Independent Director	4	No	1	—	—
Mrs S Barman	Non-executive Independent Director	4	No	—	—	—



**Annexure 'G' to the Directors' Report (Continued)****Notes :**

- i) There is no inter-se relationship between any of the Directors of the Company.
- ii) Directorships and Committee Memberships exclude Directorships and Committee Memberships of Warren Tea Limited.

During the year under review, five Board Meetings were held on 30th May, 2017, 30th August, 2017, 18th September, 2017, 30th November, 2017 and 8th February, 2018.

The maximum interval between any two consecutive Meetings did not exceed 120 days.

Mr N Dutt holds 10 Equity Shares and Mr S Bhoopal holds 1 Equity Share in the Company. The Company has not issued any convertible instruments.

Mrs A K Bindra, Mr L K Halwasiya and Mrs S Barman do not hold any share in the Company.

**3. Audit Committee**

The Audit Committee of the Board as on 31st March, 2018 comprised of Mr S Bhoopal, Mr N Dutt and Mr L K Halwasiya, Non-executive Independent Directors who are persons of standing in the industry having experience and expertise to carry out their obligations with necessary adequate inputs from the Whole-time Directors. Mr S Bhoopal is the Chairman of the Audit Committee.

The terms of reference of the Audit Committee broadly cover the areas specified in Regulation 18(3) read with Schedule II, Part-C of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013 which are briefly described below:

- a) Review internal control systems, nature and scope of audit as well as post audit discussions;
- b) Review quarterly, half-yearly and annual financial statements with particular reference to matters to be included in the Directors' Responsibility Statement to be included in the Board's Report;
- c) Evaluation of internal financial control and risk management systems and ensure compliance with internal control systems;
- d) Recommend to the Board on any matter relating to financial management, including audit report;
- e) Oversee Company's financial reporting process and disclosure of financial information;
- f) Recommendation of appointment and remuneration of auditors;
- g) Review performance of statutory and internal auditors;
- h) Review with the management and monitor the Auditor's independence, performance of Statutory and Internal Auditors and adequacy of the internal control systems and effectiveness of audit process;
- i) Approval or any subsequent modification of transactions of the Company with related parties;
- j) Valuation of undertakings or assets of the Company wherever necessary;

**Annexure 'G' to the Directors' Report (Continued)**

- k) Monitoring the end use of funds raised through public offers and related matters;
- l) Approval of appointment of CFO after assessing the qualification, experience and background of the candidate;
- m) Oversee the establishment of Vigil Mechanism for Directors and employees to report concern about unethical behaviour, actual or suspected fraud or violation of Company's Code of Conduct or Ethics Policy.

During the year under review, five Meetings of the Audit Committee were held on 30th May, 2017, 30th August, 2017, 18th September, 2017, 30th November, 2017 and 8th February, 2018.

The composition and attendance of the members of the Audit Committee are as follows:

Name	Position Held	No. of Meetings	
		Held	Attended
Mr S Bhoopal	Chairman	5	5
Mr N Dutta	Member	5	2
Mr L K Halwasiya	Member	5	4

The Chief Financial Officer and the representatives of the Statutory, Cost and Internal Auditors attend the Meeting whenever required. The President-Legal & Company Secretary continues as the Secretary to the Committee. Mr S Bhoopal attended the last Annual General Meeting held on 11th September, 2017 as Chairman of the Audit Committee.

**4. Nomination and Remuneration Committee**

The Nomination and Remuneration Committee of the Board as on 31st March, 2018 comprised of Mr S Bhoopal, Mrs S Barman and Mr N Dutta, all of whom are Independent Directors. Mr S Bhoopal is the Chairman of the Nomination and Remuneration Committee and the President-Legal & Company Secretary is the Secretary to the Committee. During 2017-18 the Nomination and Remuneration Committee met on 3rd November, 2017, 8th February, 2018 and 12th March, 2018.

The details of meetings held and attended by the Directors during the year 2017-18 are as under:

Name	No. of Meetings	
	Held	Attended
Mr S Bhoopal	3	3
Mr N Dutta	3	2
Mrs S Barman	3	3

The terms of reference of the Nomination and Remuneration Committee inter-alia, include the following:

- i) To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board policies relating to the remuneration of the Directors, Key Managerial Personnel and other employees.

**Annexure 'G' to the Directors' Report (Continued)**

- ii) To formulate the criteria for evaluation of Independent Directors and the Board. The said Policy contains evaluation criteria for evaluation of all Directors.
- iii) To devise a policy on Board Diversity.
- iv) To identify and access potential individuals with respect to their skills, expertise, attributes for appointment, removal, reappointment of Directors and recommend to the Board of Directors.

Details of remuneration paid to the Executive Directors during the year under review are given below:

Name	Mr Vinay K Goenka (Chairman) (₹ in Lakhs)	Mr S K Ghosh (Managing Director) (₹ in Lakhs)
Salary	43.20	32.40
Contributions to Provident, Gratuity and Other Funds	16.47	13.86
Bonus	43.20	32.40
Other Benefits	49.12	51.20
<b>Total</b>	<b>151.99</b>	<b>129.86</b>

A New Service Agreement with Mr Vinay K Goenka as Chairman of the Company for a period of 3 years with effect from 1st April, 2016, was approved at the Annual General Meeting held on 1st August, 2016. As the remuneration is within the amended limits of Schedule V to the Companies Act, 2013, no approval of the Central Government is required. The Company also has a separate new Service Agreement with Mr S K Ghosh, Managing Director of the Company for a period of 3 years with effect from 1st April, 2017 which was approved by the Shareholders at the Annual General Meeting held on 11th September, 2017. There is no severance compensation other than six months remuneration in absence of any notice, the period being six months in writing for both the Chairman and the Managing Director, none of whom are entitled to any Stock Option or Performance Linked Incentive. Only Sitting Fees for attending the meetings of the Board and Committees thereof are paid to the Non-executive Directors. Particulars of sitting fees paid to the Non-executive Directors during the year 2017-18 are as under:

Name	Board Fees (₹)	Committee Fees (₹)	Total Fees (₹ in Lakhs)
Mr S Bhoopal	25750	77250	1.03
Mr N Dutta	10750	20750	0.32
Mr L K Halwasiya	20750	25750	0.47
Mrs A K Bindra	20000	46500	0.66
Mrs S Barman	20000	20000	0.40

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**Annexure 'G' to the Directors' Report (Continued)**

The criteria of making payments to Non-executive Directors has been put up on the website of the Company at weblink : [http://www.warrentea.com/Documents/nomination\\_remuneration\\_policy.pdf](http://www.warrentea.com/Documents/nomination_remuneration_policy.pdf) .

**5. Stakeholders Relationship Committee**

The Stakeholders Relationship Committee is responsible for the satisfactory redressal of investor's complaints and recommends for overall improvements in the quality of investor services. The Committee presently comprises of Mr S Bhoopal as Chairman and Mrs A K Bindra, Mr Vinay K Goenka and Mr S K Ghosh as Members with Mr S Roy, President-Legal & Company Secretary as the Secretary.

Share Transfer formalities are complied with the power to approve the same being delegated jointly and severally to Mr Vinay K Goenka, Mr S K Ghosh and Mr S Roy.

Mr S Roy, President-Legal & Company Secretary is the Compliance Officer.

During the year under review, the Committee had seven meetings which were held on 7th April, 2017, 16th June, 2017, 3rd November, 2017, 27th November, 2017, 22nd December, 2017, 29th January, 2018 and 28th February, 2018.

Mr S Bhoopal attended the last Annual General Meeting on 11th September, 2017 as Chairman of the Stakeholders Relationship Committee.

E-mail ID pursuant to Regulation 46 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015: [investors@warrentea.com](mailto:investors@warrentea.com) .

The detailed particulars of investors' complaints handled by the Company and its Registrar and Share Transfer Agent during the year are as under:

No. of complaints remaining unresolved as on 01.04.2017	:	Nil
No. of complaints received during the year and dealt with	:	One
No. of complaints pending as on 31st March, 2018	:	Nil
No. of pending share transfers as on 31st March, 2018	:	Nil

**6. Risk Management Committee**

The Risk Management Committee of the Board is composed of Mr S K Ghosh, Managing Director, as Chairman and Mr L K Halwasiya and Mrs A K Bindra, Independent Directors, Mr U C Arora, President-Marketing and Mr S K Mukhopadhyay, Chief Financial Officer; Mr S Roy, President-Legal & Company Secretary is the Secretary of the Committee. During 2017-18, the Committee met once during the year on 16th March, 2018 and all Members of the Committee attended the same.

**7. Meeting of Independent Directors**

The Company's Independent Directors had met twice during the year without the presence of the Non-Independent Directors and the Management Team to discharge duties enjoined on them. All the Independent Directors were present in both the meetings.

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**Annexure 'G' to the Directors' Report (Continued)**
**8. General Body Meetings**

Location and time where last three Annual General Meetings were held:

Date	Location	Time
26th September, 2015	G S Ruia Memorial Complex at Deohall Tea Estate, P O Hoogrijan, Dist. Tinsukia, Assam 786 601	11.00 AM
1st August, 2016	G S Ruia Memorial Complex at Deohall Tea Estate, P O Hoogrijan, Dist. Tinsukia, Assam 786 601	10.30 AM
11th September, 2017	G S Ruia Memorial Complex at Deohall Tea Estate, P O Hoogrijan, Dist. Tinsukia, Assam 786 601	10.30 AM

Three Special Resolutions were passed at the Annual General Meeting held on 26th September, 2015 for the purpose of:

- i) Payment of remuneration to Mr Vinay K Goenka, Chairman, in the absence or inadequacy of profits in any year.
- ii) Payment of remuneration to Mr S K Ghosh, Managing Director, in the absence or inadequacy of profits in any year.
- iii) To borrow in excess of paid up capital and free reserves.

Three Special Resolutions were passed at the Annual General Meeting held on 1st August, 2016 for the purpose of:

- 1) Payment of full contractual remuneration (including bonus) for 2015-16 to Mr Vinay K Goenka (DIN 00043124).
- 2) Payment of full contractual remuneration (including bonus) for 2015-16 and 2016-17 to Mr S K Ghosh (DIN 00042335).
- 3) Reappointment and remuneration payable to Mr Vinay K Goenka (DIN 00043124) as Chairman for 3 years from 1st April, 2016.

One Special Resolution was passed at the Annual General Meeting held on 11th September, 2017 for the purpose of reappointment and remuneration payable to Mr Subhjit Kumar Ghosh (DIN 00042335) as Managing Director for 3 years from 1st April, 2017.

No Special Resolution is proposed to be conducted through postal ballot.

Resume' and other information on the Directors appointed or reappointed as required under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given in the Notice of the Annual General Meeting.

**Annexure 'G' to the Directors' Report (Continued)****9. Disclosures**

- a) Related party matters – The Company has not entered into any transactions of material nature with its promoters, directors, the management, subsidiary companies or relatives, etc. that have potential conflict with its interest during the year under review. However, the list of related party relationships and transactions as required to be disclosed in accordance with Accounting Standard as provided in the (Indian Accounting Standards) Rules, 2015 has been given in Note 30(22) to the Financial Statements for the year ended 31st March, 2018. As required under Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated a Related Party Transactions Policy which has been put up on the website of the Company at weblink: <http://www.warrentea.com/Documents/relatedparty.pdf> .
- b) No penalties/strictures have been imposed on the Company by any regulatory authority for non-compliance of any laws or any matter relating to capital markets during the last three years.
- c) Vigil Mechanism/Whistle-Blower Policy – The Company has established a Whistle-Blower Policy/Vigil Mechanism for Directors and employees to report genuine concerns regarding unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct and Ethics Policy. The said mechanism also provides for adequate safeguards against victimization of persons who use such mechanism and makes provision for direct access to the chairperson of the Audit Committee in appropriate and exceptional cases. It is affirmed that no person has been denied access to the Audit Committee during the year under review.
- d) The Company has complied with all the mandatory requirements under Schedule II of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015. The Company continues in its efforts on improvement, consolidation and documentation of methods of internal control for financial reporting and its effectiveness.
- e) The Company has complied with the requirements specified in Regulation 17 to 27 including some of the Discretionary Requirements and clauses (b) to (i) of Sub-regulation (2) of Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- f) During the year under review there are no shares in the demat suspense account or unclaimed suspense account of the Company.

**10. Familiarization Programme for Independent Directors**

The Company continues in its efforts to familiarize Independent Directors with the Company, its business, the industry and their interface with the Company. To that end the Independent Directors periodically visit the Company's tea estates and its Registered Office in Assam. The Company's Policy of conducting the Familiarization Programme has been disclosed on the website of the Company at weblink : <http://www.warrentea.com/Documents/familiarisation.pdf> .

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**Annexure 'G' to the Directors' Report (Continued)**
**11. Means of Communication**

- a) Unaudited half-yearly and quarterly results alongwith Limited Review Report as well as the Audited Annual Results are submitted to the Stock Exchanges after they are approved by the Board of Directors in compliance with Regulations 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and published in newspapers namely North East Times/Amar Asom having wide circulation in Assam, where the Registered Office of the Company is situate and in Business Standard in terms of Regulation 47 of the said Regulations. The quarterly results are simultaneously posted on the website of the Company, [www.warrentea.com](http://www.warrentea.com). Results are also sent to the Stock Exchanges for display on their websites.
- b) During the year, the Long Term Rating for the Company's Line of Credit has been revised to [ICRA] BBB+ from [ICRA] A and the Short Term Rating to [ICRA] A2 from [ICRA] A1.
- c) The document on Management Discussion and Analysis Report is annexed to the Directors' Report.

**12. General Shareholder Information**

- a) Annual General Meeting : date, time and venue:  
10th September, 2018 at 10.30 am at the G S Ruia Memorial Complex, Deohall Tea Estate, PO Hoogrija, Dist. Tinsukia, Assam 786 601.
- b) Financial Year : 1st April 2017 to 31st March 2018
- c) Dividend Payment Date : Not Applicable
- d) Listing on Stock Exchanges and Stock Codes : The shares of the Company are listed at the Stock Exchanges given hereinafter :

<u>Stock Exchange</u>	<u>Stock Code</u>
(i) BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai 400 023	508494
(ii) The Calcutta Stock Exchange Limited 7 Lyons Range, Kolkata 700 001	33002

Listing Fees as prescribed have been paid to the aforesaid Stock Exchanges up to 31st March, 2019.

ISIN Code No. allotted by NSDL & CDSL : INE712A01012

**Annexure 'G' to the Directors' Report (Continued)**

e) Stock Price Data for 2017-18

i) BSE Limited

Month	High (₹)	Low (₹)
April, 2017	144.50	121.85
May, 2017	144.00	118.00
June, 2017	125.00	112.00
July, 2017	125.00	105.00
August, 2017	122.00	101.25
September, 2017	117.90	100.40
October, 2017	122.00	105.30
November, 2017	183.25	112.45
December, 2017	181.80	131.00
January, 2018	139.50	115.60
February, 2018	122.80	103.00
March, 2018	120.00	102.70

ii) The Calcutta Stock Exchange Limited : No Trade

f) Stock Performance:

Share Price Performance in comparison to BSE SENSEX : (April, 2017 to March, 2018)

Company's Share Price	on 01.04.2017	:	₹ 129.00 (Open)
	on 31.03.2018	:	₹ 105.50 (Close)
Change		:	(-) 18.22%
Indices	on 01.04.2017	:	29737.73 (Open)
	on 31.03.2018	:	32968.68 (Close)
Change		:	(+) 10.86%

g) Share Transfer System:

All transfers, transmissions or transpositions of the shares of the Company are completed in compliance with the requirement of Regulation 40 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Share transfer requests, valid and complete in all respects are normally processed within a maximum period of 15 days. The shares of the Company are compulsorily traded in dematerialized form for all shareholders with effect from 28th August, 2000.

h) Dematerialization of shares & liquidity:

CB Management Services (P) Limited having their office at P-22 Bondel Road, Kolkata 700 019 are the Registrars and Share Transfer Agents of the Company. As on 31st March, 2018, 96.49% of the total number of shares relating to 52.27% shareholders stood dematerialized.

i) Outstanding GDR/ADR/Warrants or any convertible instruments: No such instruments have been issued.

j) Commodity price risk or foreign exchange risk and hedging activities: Subject to usual market risks; no hedging activities undertaken.



**Annexure 'G' to the Directors' Report (Continued)**

k) (A) Distribution of Shareholding as on 31st March, 2018:

Break-up of Equity Shares held	No. of Shareholders	Percentage of Shareholders	No. of Equity Shares held	Percentage of Equity Shares
1 - 500	10788	96.57	868224	7.27
501 - 1000	219	1.96	163792	1.37
1001 - 2000	72	0.64	105512	0.88
2001 - 3000	28	0.25	70423	0.59
3001 - 4000	8	0.07	28842	0.24
4001 - 5000	10	0.09	45409	0.38
5001 - 10000	14	0.13	109053	0.91
10001 - 50000	19	0.17	394761	3.30
50001 - 100000	3	0.03	257546	2.16
100001 and above	10	0.09	9907242	82.90
<b>Total</b>	<b>11171</b>	<b>100.00</b>	<b>11950804</b>	<b>100.00</b>

(B) Shareholding Pattern as on 31st March, 2018 :

	Category	No. of Shares held	Percentage of Shareholding
A	Promoters' Holding		
	1. Promoters		
	- Indian Promoters	8809999	73.72
	- Foreign Promoters	106211	0.89
2. Persons acting in concert	—	—	
	<b>Total (A)</b>	<b>8916210</b>	<b>74.61</b>
B	Non-Promoters' Holding		
	1. Institutional Investors		
	a) Mutual Funds and UTI	42	—
	b) Banks, Financial Institutions, Insurance Companies, (Central/State Government Institutions/Non-Government Institutions)	438	—
	c) FII's	—	—
	Sub-Total	480	—
	2. Others		
	a) Private Corporate Bodies	965996	8.08
b) Individuals	2068118	17.31	
	Sub-Total	3034114	25.39
	<b>Total (B)</b>	<b>3034594</b>	<b>25.39</b>
	<b>Grand Total (A+B)</b>	<b>11950804</b>	<b>100.00</b>

**Annexure 'G' to the Directors' Report (Continued)**

l) Plant locations : The Company owns seven Tea Estates in the Sub-districts of Assam as under:

<u>Tea Estates</u>	<u>Sub-districts</u>
Deohall	Tingri
Hatimara	Tingri
Balijan North	Panitola
Sealkotee	Panitola
Duamara	Doom Dooma
Rupai	Doom Dooma
Tara	Doom Dooma

m) Address for Correspondence :

Corporate Office : Suvira House  
4B, Hungerford Street  
Kolkata 700 017  
Tel No. : 2287 2287  
Fax No. : 2289 0302  
E-mail ID : investors@warrentea.com

Signatures to Annexures A to G

Kolkata  
26th May, 2018

Vinay K Goenka  
*Chairman*



**Annexure 'G' to the Directors' Report** (Continued)

DECLARATION BY THE CEO ON AFFIRMATION OF COMPLIANCE

WITH THE CODE OF CONDUCT OF THE COMPANY

To the Members of

**Warren Tea Limited**

Pursuant to Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges, I hereby declare that all Directors of the Company and Members of the Management Staff (other than those who have retired or resigned from the services of the Company) have affirmed compliance with the Code of Conduct of the Company, for the year ended 31st March, 2018.

26th May, 2018

Vinay K Goenka  
*Chairman*

**Annexure to the Directors' Report (Continued)**

**Auditors' Certificate regarding compliance of conditions of Corporate Governance**

To the Members of

**Warren Tea Limited**

We have examined the compliance of conditions of Corporate Governance by **Warren Tea Limited** (the Company), for the year ended March 31, 2018 as per Regulations 17-27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an Audit nor an expression of opinion on the Financial Statements of the Company.

We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and other Assurance and Related Services Engagements.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as specified in Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and paragraphs C, D and E of Schedule V of the Listing Regulations, as applicable.

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

Place: Kolkata  
Date: 26 May, 2018

For B M Chatrath & Co LLP  
Chartered Accountants  
Firm Registration Number: 301011E/E300025  
Sukhpreet S. Sidhu  
*Partner*  
Membership Number 052187

## **INDEPENDENT AUDITORS' REPORT**

To the Members of  
Warren Tea Limited

### **Report on the Standalone Financial Statements**

We have audited the accompanying standalone Ind AS financial statements of **Warren Tea Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

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

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under and the order issued under Section 143(11) of the Act.

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

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

**Auditors' Report (Continued)**

fair view in order to design audit procedures that are appropriate in the circumstances. 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 standalone 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 standalone Ind AS financial statements.

**Opinion**

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

**Other Matter**

The financial information of the Company for the year ended March 31, 2017 and the transition date opening balance sheet as at April 1, 2016 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements for the years ended March 31, 2017 and March 31, 2016 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by us, on which we expressed an unmodified opinion dated May 30, 2017 and May 26, 2016 respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us.

Our opinion is not qualified in respect of this matter.

**Report on Other Legal And Regulatory Requirements**

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

ii) 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 Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

**Auditors' Report (Continued)**

- e) On the basis of the written representations received from the directors as on March 31, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls 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, as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements as referred to in Note No. 30 (11) to the financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts as at March 31, 2018 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.

For B M Chatrath & Co LLP  
Chartered Accountants  
Firm Registration Number: 301011E/E300025  
Sukhpreet S. Sidhu  
*Partner*  
Membership Number 052187

Place: Kolkata  
Date: 26 May, 2018

**Auditors' Report (Continued)****'ANNEXURE - A' TO THE AUDITORS' REPORT**

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone Ind AS financial statements for the year ended March 31, 2018 we report that:

1. In respect of fixed assets:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The fixed assets were physically verified during the year by the Management in a phased programme which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. And as per the information and explanations given 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 deed of immovable properties are held in the name of the Company as at the Balance Sheet date.

2. As explained to us, the inventory of the Company has been physically verified during the year by the Management. In our opinion, the frequency of such verification is reasonable and no material discrepancies were noticed on such verification.

3. The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Hence, clause 3(iii)(a), (iii)(b) & (iii)(c) of the order is not applicable to the company.

4. In our opinion and according to the information and explanations given to us, in respect of loans, guarantees, investments and security, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013.

5. The Company has not accepted any deposits from the public, hence the clause 3(v) of the order is not applicable to the company.

6. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148 of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.

7. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company has been regular in depositing the undisputed statutory dues including Provident Fund, Employees State Insurance, Income tax, Sales-tax, Service tax, Goods & Service Tax, Customs duty, Excise duty, Value added tax, Cess and other statutory dues as applicable, with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of the above items were in arrears as at March 31, 2018 for a period exceeding six months from the date they became payable.

(b) According to the information and explanation given to us and the records of the Company examined by us, the particulars of dues of Income-Tax, Sales Tax, Service Tax, Goods & Service Tax, Customs Duty, Excise duty, Value added tax as at March 31, 2018, which have not been deposited on account of Dispute are as follows:



**Auditors' Report (Continued)**

<b>Name of the Statute</b>	<b>Nature of the dues</b>	<b>Amount (Rs. in Lacs)</b>	<b>Period to which the amount relates</b>	<b>Forum where dispute is pending</b>
Income Tax Act, 1961	Income Tax	33.53	2014 - 2015	Deputy Commissioner of Income Tax
		0.09	2012- 2013	Commissioner of Income Tax - Appeals
		24.98	2013 - 2014	Commissioner of Income Tax - Appeals
Central Sales Tax Act, 1956	Assam General Sales Tax & Central Sales Tax	1.56	2008 - 2009	Deputy Commissioner of Taxes
		66.60	1998 - 1999	
	Assam General Sales Tax & Central Sales Tax	1.71	1997 - 1998	Commissioner of Taxes
		4.15	1998 - 1999	
Assam General Sales Tax Act, 1993	Assam General Sales Tax & Central Sales Tax	9.71	2004- 2005	Gauhati High Court
		0.94	1997 - 1998	
		6.95	2004- 2005	
Assam Land Revenue Reassessment Act, 1936	Land Revenue Tax	28.33	2003-2004 to 2007-2008	Additional Deputy Commissioner

8. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to any banks at the Balance Sheet date. The Company had neither any outstanding debenture nor has it issued any debenture during the year.

9. The Company has not raised money by way of initial public offer or further public offer (including debt instruments). Further, money raised by way of term loans, on an overall basis, have been applied for the purposes for which they were obtained.

10. During the course of our examination of the books and records of the company and according to the information and explanations given to us, we have neither come across any instances of material fraud on or by the Company by its officers or employees being noticed or reported during the year, nor have we been informed of such case by the Management.

**Auditors' Report** (Continued)

11. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for Managerial Remuneration in accordance with the requisite approvals of Shareholders/Central Government as mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.

12. The company is not a Nidhi Company as per the provisions of section 406 (1) of the Companies Act, 2013. Hence, clause 3 (xii) of the order is not applicable to the company.

13. According to the records of the Company examined by us and the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements as required by the applicable Indian Accounting Standards.

14. The company has not made any preferential allotment or private placement of shares or fully or partly paid debentures during the year under review. Hence, clause 3 (xiv) of the order is not applicable to the company.

15. The company has not entered into any non-cash transactions with directors or persons connected to its directors, and hence provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.

16. The company is not required to register itself under section 45-IA of the Reserve Bank of India Act, 1934.

For B M Chatrath & Co LLP  
Chartered Accountants  
Firm Registration Number: 301011E/E300025

Sukhpreet S. Sidhu  
*Partner*

Membership Number 052187

Place: Kolkata  
Date: 26 May, 2018

**Auditors' Report** (Continued)**'ANNEXURE – B' TO THE INDEPENDENT AUDITOR'S REPORT****Report on the Internal Financial Controls under Clause (f) 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 **Warren Tea Limited** ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone 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 Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

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

A company's internal financial control over financial reporting is a process designed to provide reasonable

**Auditors' Report (Continued)**

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 authorisations of the management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial control 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, and to the best of our information and according to the explanations given to us the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Kolkata  
Date: 26 May, 2018

For B M Chatrath & Co LLP  
Chartered Accountants  
Firm Registration Number: 301011E/E300025  
Sukhpreet S. Sidhu  
*Partner*  
Membership Number 052187

**BALANCE SHEET**  
**as at 31st March, 2018**

	Notes	As at 31st March, 2018 ₹ in Lakhs	As at 31st March, 2017 ₹ in Lakhs	As at 1st April, 2016 ₹ in Lakhs
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
Property, Plant and Equipment	1	6931.66	6891.40	6477.22
Capital Work-in-Progress		1516.90	1241.32	1017.03
Other Intangible Assets	2	1.93	6.07	11.31
Financial Assets				
Investments	3	3315.34	3280.44	3312.47
Loans	4	616.68	621.36	626.47
Other Financial Assets	5	3.80	177.75	797.63
Deferred Tax Assets - Liabilities (Net)	6	10.53	—	—
Other Non-Current Assets	7	379.54	296.91	348.76
		<u>12776.38</u>	<u>12515.25</u>	<u>12590.89</u>
<b>Current Assets</b>				
Inventories	8	825.67	894.18	959.20
Biological Assets other than Bearer Plants		161.60	69.19	67.07
Financial Assets				
Trade Receivables	9	3953.57	4606.41	3660.58
Cash and Cash Equivalents	10	8.65	10.21	1420.41
Other Bank Balances	11	1.19	1.19	1.19
Loans	12	7.99	8.59	5.48
Other Financial Assets	13	3.06	27.94	47.00
Other Current Assets	14	108.89	111.51	185.63
		<u>5070.62</u>	<u>5729.22</u>	<u>6346.56</u>
		<u>17847.00</u>	<u>18244.47</u>	<u>18937.45</u>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity Share Capital	15	1195.08	1195.08	1195.08
Other Equity		8375.04	8789.64	10549.81
		<u>9570.12</u>	<u>9984.72</u>	<u>11744.89</u>
<b>Liabilities</b>				
<b>Non-Current Liabilities</b>				
Financial Liabilities				
Borrowings	16	1800.00	1699.90	914.71
Trade Payables		110.00	110.00	122.07
Others	17	113.61	81.42	—
Deferred Tax Assets - Liabilities (Net)	6	—	114.90	914.64
Provisions	18	868.95	1255.78	1158.19
		<u>2892.56</u>	<u>3262.00</u>	<u>3109.61</u>

**BALANCE SHEET (Continued)**

	Notes	As at 31st March, 2018 ₹ in Lakhs	As at 31st March, 2017 ₹ in Lakhs	As at 1st April, 2016 ₹ in Lakhs
<b>Current Liabilities</b>				
Financial Liabilities				
Borrowings	19	1134.90	655.95	—
Trade Payables		1341.15	1204.66	926.93
Other Financial Liabilities	20	1196.71	1518.31	1547.68
Other Current Liabilities	21	6.00	81.12	82.37
Provisions	22	746.13	577.94	642.79
Current Tax Liabilities (Net)		<u>959.43</u>	<u>959.77</u>	<u>883.18</u>
		<u>5384.32</u>	<u>4997.75</u>	<u>4082.95</u>
		<u>17847.00</u>	<u>18244.47</u>	<u>18937.45</u>
<b>Notes to Financial Statements</b>	30			

The Notes referred to above form an integral part of the Financial Statements.

As per our report of even date.

B M Chatrath & Co LLP  
 Firm Registration Number - 301011E/E300025  
 Chartered Accountants  
 Sukhpreet S. Sidhu  
*Partner*  
 Membership Number - 052187  
 Kolkata, 26th May, 2018

S. Roy  
*Company Secretary*  
 S. K. Mukhopadhyay  
*Chief Financial Officer*

Vinay K. Goenka  
*Chairman*  
 S. K. Ghosh  
*Managing Director*

**STATEMENT OF PROFIT AND LOSS**  
**for the year ended 31st March, 2018**

	Notes	Current Year ₹ in Lakhs	Previous Year ₹ in Lakhs
<b>Income</b>			
Revenue from Operations	23	11899.11	10970.66
Other Income	24	138.43	184.70
<b>Total Income</b>		<u>12037.54</u>	<u>11155.36</u>
<b>Expenses</b>			
Changes in Inventories of Finished Goods	25	(72.02)	51.17
Employee Benefits Expense	26	8486.16	8943.01
Finance Costs	27	374.76	232.20
Depreciation and Amortisation Expense	28	363.87	361.91
Other Expenses	29	3962.67	3937.34
<b>Total Expenses</b>		<u>13115.44</u>	<u>13525.63</u>
<b>Loss before Tax</b>		(1077.90)	(2370.27)
Tax Expense			
Current Tax		—	—
Deferred Tax		(288.66)	(742.01)
<b>Loss for the Year</b>		<u>(789.24)</u>	<u>(1628.26)</u>
<b>Other Comprehensive Income</b>			
Items that will not be reclassified to Profit or Loss :			
Employee Benefits Expense		497.98	(184.47)
Effect for Change in Value of Investments		39.89	(5.17)
Income Tax relating to Items that will not be reclassified to Profit or Loss		(163.23)	57.73
		<u>374.64</u>	<u>(131.91)</u>
<b>Total Comprehensive Income</b>		<u>(414.60)</u>	<u>(1760.17)</u>
Basic and Diluted Earnings per Equity Share of ₹ 10 each (₹)		(6.60)	(13.62)

**Notes to Financial Statements** 30

The Notes referred to above form an integral part of the Financial Statements.

As per our report of even date.

B M Chatrath & Co LLP  
 Firm Registration Number - 301011E/E300025  
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*Managing Director*

**STATEMENT OF CHANGES IN EQUITY  
for the year ended 31st March, 2018**

(₹ in Lakhs)

**A. EQUITY SHARE CAPITAL**

Balance as at 01.04.2017	Changes in Equity Share Capital during the Year	Balance as at 31.03.2018
<u>1195.08</u>	<u>—</u>	<u>1195.08</u>

**B. OTHER EQUITY**

	Reserves and Surplus			Equity Instruments through other comprehensive Income	Total
	Securities Premium Reserve	General Reserve	Retained Earnings		
Balance as at 1st April, 2016	686.34	2415.58	7456.93	(9.04)	10549.81
Profit/ (Loss) for the Period	—	—	(1628.26)	—	(1628.26)
Other Comprehensive Income	—	—	(127.94)	(3.97)	(131.91)
Balance as at 31st March, 2017	<u>686.34</u>	<u>2415.58</u>	<u>5700.73</u>	<u>(13.01)</u>	<u>8789.64</u>
Profit/ (Loss) for the Period	—	—	(789.24)	—	(789.24)
Other Comprehensive Income	—	—	345.03	29.61	374.64
Balance as at 31st March, 2018	<u>686.34</u>	<u>2415.58</u>	<u>5256.52</u>	<u>16.60</u>	<u>8375.04</u>

As per our report of even date.

B M Chatrath & Co LLP  
Firm Registration Number - 301011E/E300025  
Chartered Accountants  
Sukhpreet S. Sidhu  
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Membership Number - 052187  
Kolkata, 26th May, 2018

S. Roy  
Company Secretary  
S. K. Mukhopadhyay  
Chief Financial Officer

Vinay K. Goenka  
Chairman  
S. K. Ghosh  
Managing Director





**Notes to the Financial Statements**

	As at 31st March, 2018 ₹ in Lakhs	As at 31st March, 2017 ₹ in Lakhs	As at 1st April, 2016 ₹ in Lakhs
<b>Note 3</b>			
<b>INVESTMENTS</b>			
<b>(NON-CURRENT ASSET)</b>			
(At Fair Value through Other Comprehensive Income)			
Unquoted - Equity Instruments			
10000 Equity Shares of ₹ 10/- each fully paid-up in ABC Tea Workers Welfare Services	*	*	*
150000 Equity Shares of ₹ 10/- each fully paid-up in Warren Steels Private Limited	167.05	127.36	133.36
Quoted - Equity Instruments			
15150 Equity Shares of ₹ 10/- each fully paid-up in Pal Peugeot Limited	*	*	*
35 Equity Shares of ₹ 10/- each fully paid-up in Hindusthan Engineering & Industries Limited	*	*	*
225 Equity Shares of ₹ 5/- each fully paid-up in McLeod Russel India Limited	0.32	0.37	0.42
864 Equity Shares of ₹ 10/- each fully paid-up in Syndicate Bank	0.50	0.62	0.58
100 Equity Shares of ₹ 10/- each fully paid-up in Goodricke Group Limited	0.32	0.27	0.17
100 Equity Shares of ₹ 10/- each fully paid-up in NTPC Limited	0.17	0.17	0.13
Nil (Previous Year - 2700) Equity Shares of ₹ 2/- each fully paid-up in Bank of Baroda	—	4.67	3.97
Nil Equity Shares of ₹ 1/- each fully paid-up in State Bank of India	—	—	3.89
Nil Equity Shares of ₹ 2/- each fully paid-up in Rain Industries Ltd.	—	—	5.21
Nil Equity Shares of ₹ 10/- each fully paid-up in Subex Ltd.	—	—	17.76
Quoted - Debenture and Bonds			
100 Debenture of ₹ 12.50 each fully paid-up in NTPC Limited	*	*	*
Carried forward	168.36	133.46	165.49

**Notes to the Financial Statements**

	As at 31st March, 2018 ₹ in Lakhs	As at 31st March, 2017 ₹ in Lakhs	As at 1st April, 2016 ₹ in Lakhs
<b>Note 3 (Continued)</b>			
Brought forward	168.36	133.46	165.49
Unquoted - Equity Instruments (At Cost)			
Investment in Associate			
6500000 Equity Shares of ₹ 10/- each fully paid-up in Maple Hotels & Resorts Limited	3146.98	3146.98	3146.98
	<u>3315.34</u>	<u>3280.44</u>	<u>3312.47</u>
Notes:			
1 Market Value of Quoted Investments	1.31	6.10	32.13
2 Aggregate Book Value of Quoted Investments	0.77	5.76	36.12
3 Aggregate Book Value of Unquoted Investments	3314.03	3274.34	3280.34
4 Aggregate Provision for diminution in the value of Investments	23.31	57.00	63.31
5 * Indicates that amounts below the rounding off norm adopted by the Company.			
<b>Note 4</b>			
<b>LOANS</b>			
<b>(NON-CURRENT ASSET)</b>			
(Unsecured - Considered Good)			
Security Deposits			
(Include Deposit to Related Party ₹ 430.80; Previous Year - ₹ 430.80; Transition date - ₹ 433.20) [Refer Note No. 30(22)]	611.45	607.42	608.59
Other Loans			
Loans to Employees for housing, vehicle and furniture [Refer Note No. 30(22)]	5.23	13.94	17.88
	<u>616.68</u>	<u>621.36</u>	<u>626.47</u>
<b>Note 5</b>			
<b>OTHER FINANCIAL ASSETS</b>			
<b>(NON-CURRENT ASSET)</b>			
Deposits with National Bank for Agriculture and Rural Development	3.80	177.75	797.63
	<u>3.80</u>	<u>177.75</u>	<u>797.63</u>

**Notes to the Financial Statements**

	As at 31st March, 2018 ₹ in Lakhs	As at 31st March, 2017 ₹ in Lakhs	As at 1st April, 2016 ₹ in Lakhs
<b>Note 6</b>			
<b>DEFERRED TAX ASSETS (NET)</b>			
<b>(NON-CURRENT ASSET)</b>			
Deferred Tax Assets			
Timing difference on account of :			
Expenses allowable on payment	118.27	147.55	3.51
Provision for Doubtful Debts	1.91	2.04	2.04
Business Loss	1130.14	873.00	—
Value of Inventory of Black Tea	—	12.51	37.77
Present Value of Loans to Employees	1.89	3.22	4.78
Fair Value of Investments	—	4.49	3.97
	<u>1252.21</u>	<u>1042.81</u>	<u>52.07</u>
Less : Deferred Tax Liabilities			
Timing difference on account of :			
Effect of change in Property, Plant & Equipment	836.79	808.07	693.45
Effect of change in Investments	11.29	—	—
Effect of change in Capital work-in-progress	393.60	349.64	273.26
	<u>10.53</u>	<u>(114.90)</u>	<u>(914.64)</u>
<b>Note 7</b>			
<b>OTHER ASSETS</b>			
<b>(NON-CURRENT ASSET)</b>			
(Unsecured - Considered Good)			
Deposits with Government Authorities and Others	5.10	4.87	5.69
Capital Advances	183.56	159.85	61.90
Other Advances	190.88	132.19	281.17
	<u>379.54</u>	<u>296.91</u>	<u>348.76</u>
<b>Note 8</b>			
<b>INVENTORIES</b>			
<b>(CURRENT ASSET)</b>			
(At lower of cost or net realisable value)			
Stock of Tea	440.93	368.91	420.08
Stock of Stores and Spares	384.74	525.27	539.12
	<u>825.67</u>	<u>894.18</u>	<u>959.20</u>

**Notes to the Financial Statements**

	As at 31st March, 2018 ₹ in Lakhs	As at 31st March, 2017 ₹ in Lakhs	As at 1st April, 2016 ₹ in Lakhs
<b>Note 9</b>			
<b>TRADE RECEIVABLES (CURRENT ASSET)</b>			
(Unsecured)			
Trade Receivables			
Considered Good	3953.57	4606.41	3660.58
Considered Doubtful	34.85	34.85	34.85
Less: Provision for Doubtful Debts	34.85	34.85	34.85
	<u>—</u>	<u>—</u>	<u>—</u>
	<u>3953.57</u>	<u>4606.41</u>	<u>3660.58</u>
<b>Note 10</b>			
<b>CASH AND CASH EQUIVALENTS (CURRENT ASSET)</b>			
Cash and Cash Equivalents			
Balances with Banks			
Current Accounts	4.77	6.37	65.91
Deposit Accounts with less than three months maturity	—	—	1350.00
Cash on hand	3.87	2.30	2.82
Cash with Garden Kayahs	0.01	1.54	1.68
	<u>8.65</u>	<u>10.21</u>	<u>1420.41</u>
<b>Note 11</b>			
<b>OTHER BANK BALANCES (CURRENT ASSET)</b>			
Deposit Accounts	1.19	1.19	1.19
	<u>1.19</u>	<u>1.19</u>	<u>1.19</u>
<b>Note 12</b>			
<b>LOANS (CURRENT ASSET)</b>			
(Unsecured - Considered Good)			
Loans to Employees for housing, vehicle and furniture [Refer Note No. 30(22)]	7.99	8.59	5.48
	<u>7.99</u>	<u>8.59</u>	<u>5.48</u>
<b>Note 13</b>			
<b>OTHER FINANCIAL ASSETS (CURRENT ASSET)</b>			
(Unsecured - Considered Good)			
Interest Accrued on Deposits	3.06	27.94	47.00
	<u>3.06</u>	<u>27.94</u>	<u>47.00</u>



## Notes to the Financial Statements

	As at 31st March, 2018 ₹ in Lakhs	As at 31st March, 2017 ₹ in Lakhs	As at 1st April, 2016 ₹ in Lakhs
--	--	--	---

### Note 14

#### OTHER ASSETS (CURRENT ASSET)

Deposits with Government Authorities and Others	1.28	3.45	2.98
Other Advances	53.78	41.04	113.34
Subsidy Receivable	—	—	5.06
Prepaid Expenses	53.83	67.02	64.25
	<u>108.89</u>	<u>111.51</u>	<u>185.63</u>

### Note 15

#### EQUITY SHARE CAPITAL

##### Authorised

2,00,00,000 Equity Shares of ₹10/- each	<u>2000.00</u>	<u>2000.00</u>	<u>2000.00</u>
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##### Issued, Subscribed and Fully Paid-up

1,19,50,804 Equity Shares of ₹10/- each (including Bonus Shares - 57,86,601)	<u>1195.08</u>	<u>1195.08</u>	<u>1195.08</u>
	<u>1195.08</u>	<u>1195.08</u>	<u>1195.08</u>

No. of Shares	No. of Shares	No. of Shares
---------------	---------------	---------------

Reconciliation of the number of Equity Shares Outstanding at the beginning and at the end of the year

<u>11950804</u>	<u>11950804</u>	<u>11950804</u>
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Shareholders holding more than 5% shares of the Company

Name	No. of Shares	%	No. of Shares	%	No. of Shares	%
Vinay K. Goenka	3977613	33.28	4009202	33.55	2004601	16.77
Maple Hotels & Resorts Limited	3196448	26.75	3196448	26.75	1598224	13.37
Vivek Goenka	1476876	12.36	1476876	12.36	738438	6.18
C. K. Dhanuka, P.K. Khaitan and D. P. Jindal (Jointly as Escrow Agents)	—	—	1416074	11.85	1416074	11.85
Ashden e Investments Ltd.	—	—	—	—	1181505	9.89
Isis Enterprises Ltd.	—	—	—	—	1102785	9.23
Maygrove Investments Ltd.	—	—	—	—	630106	5.27

Rights, preferences and restrictions attached to shares

The Company has only one class of shares being Equity Shares having a par value of ₹ 10/- each. All equity shares rank pari passu in all respects including voting rights, entitlement to dividend and repayment of capital.

**Notes to the Financial Statements**

	As at 31st March, 2018 ₹ in Lakhs	As at 31st March, 2017 ₹ in Lakhs	As at 1st April, 2016 ₹ in Lakhs
<b>Note 16</b>			
<b>BORROWINGS (NON-CURRENT LIABILITY- SECURED )</b>			
Term Loans from a Bank [Secured by joint equitable mortgage / first charge on the entire fixed assets of the Company, ranking pari passu amongst the Banks, repayable in quarterly instalments ending in July 2021]	500.00	700.00	900.00
Term Loans from a Bank [Secured by first charge on equitable mortgage of all the fixed assets, movable and immovable, and second charge on stock and book debts of the Company ranking pari passu amongst the banks, repayable in quarterly instalments with a moratorium of one year, ending in February 2023]	1300.00	999.90	—
Term Loan from a Bank [Secured by way of hypothecation of related car, repayable in monthly instalments]	—	—	14.71
	<u>1800.00</u>	<u>1699.90</u>	<u>914.71</u>
<b>Note 17</b>			
<b>OTHER FINANCIAL LIABILITIES (NON-CURRENT LIABILITY)</b>			
Deferred Income received from Government Authorities	113.61	81.42	—
	<u>113.61</u>	<u>81.42</u>	<u>—</u>
<b>Note 18</b>			
<b>PROVISIONS (NON-CURRENT LIABILITY)</b>			
Provision for Employee Benefits	868.95	1255.78	1158.19
	<u>868.95</u>	<u>1255.78</u>	<u>1158.19</u>

**Notes to the Financial Statements**

	As at 31st March, 2018 ₹ in Lakhs	As at 31st March, 2017 ₹ in Lakhs	As at 1st April, 2016 ₹ in Lakhs
<b>Note 19</b>			
<b>BORROWINGS</b>			
<b>(CURRENT LIABILITY - SECURED)</b>			
Working Capital Facilities from Banks [Secured by joint equitable mortgage/charge on the current assets and fixed assets, present and future, ranking pari passu amongst the Banks severally, repayable on demand]	1134.90	655.95	—
	<u>1134.90</u>	<u>655.95</u>	<u>—</u>
<b>Note 20</b>			
<b>OTHER FINANCIAL LIABILITIES</b>			
<b>(CURRENT LIABILITY)</b>			
Current Maturity of Long-Term Debt	400.00	214.71	116.11
Interest accrued and due on borrowings	18.11	15.73	8.79
Other Payables			
Employee Benefits Payable	771.94	1282.34	1418.04
Retention Money	6.66	5.53	4.74
	<u>1196.71</u>	<u>1518.31</u>	<u>1547.68</u>
<b>Note 21</b>			
<b>OTHER LIABILITIES</b>			
<b>(CURRENT LIABILITY)</b>			
Advance from Customers	0.88	3.43	2.54
Statutory Dues	5.12	77.69	79.83
	<u>6.00</u>	<u>81.12</u>	<u>82.37</u>
<b>Note 22</b>			
<b>PROVISIONS</b>			
<b>(CURRENT LIABILITY)</b>			
Provision for Employee Benefits	746.13	577.94	642.79
	<u>746.13</u>	<u>577.94</u>	<u>642.79</u>



**Notes to the Financial Statements**

	Current Year ₹ in Lakhs	Previous Year ₹ in Lakhs
<b>Note 23</b>		
<b>REVENUE FROM OPERATIONS</b>		
Sale of Products - Tea	11845.39	10878.26
Other Operating Revenues		
Sale of Tea Waste	15.59	—
Government Grant / Assistance	38.06	92.12
Sale of Scrap	0.07	0.28
	<u>11899.11</u>	<u>10970.66</u>
<b>Note 24</b>		
<b>OTHER INCOME</b>		
Changes in Fair value of Biological Assets other than Bearer Plants	92.41	2.12
Interest Income on Financial Assets on Deposit	4.19	50.83
Dividend Income from Non - Current Investments	0.01	0.24
Net Gain on Sale of Non - Current Investments	0.30	16.96
Net Gain on Sale of Current Investment	—	1.60
Other Non-operating Income		
Profit on Disposal of Property, Plant and Equipment (Net)	1.64	2.23
Insurance Claims	15.52	25.72
Miscellaneous Receipts	6.97	63.28
Liabilities no longer required written back	0.53	13.20
Net Gain on Foreign Currency Transactions and Translation	16.86	8.52
	<u>138.43</u>	<u>184.70</u>
<b>Note 25</b>		
<b>CHANGES IN INVENTORIES OF FINISHED GOODS</b>		
Opening Inventories	368.91	420.08
Less: Closing Inventories	440.93	368.91
	<u>(72.02)</u>	<u>51.17</u>
<b>Note 26</b>		
<b>EMPLOYEE BENEFITS EXPENSE</b>		
Salaries and Wages	6343.01	6722.53
Contributions to Provident and Other Funds	1036.00	1000.68
Staff Welfare Expenses	1107.15	1219.80
	<u>8486.16</u>	<u>8943.01</u>

**Notes to the Financial Statements**

	Current Year ₹ in Lakhs	Previous Year ₹ in Lakhs
<b>Note 27</b>		
<b>FINANCE COSTS</b>		
Interest Expense	358.09	212.60
Other Borrowing Costs	16.67	19.60
	<u>374.76</u>	<u>232.20</u>
<b>Note 28</b>		
<b>DEPRECIATION AND AMORTISATION EXPENSE</b>		
Depreciation on Property, Plant and Equipment	359.73	356.67
Amortisation on Intangible Assets	4.14	5.24
	<u>363.87</u>	<u>361.91</u>
<b>Note 29</b>		
<b>OTHER EXPENSES</b>		
Consumption of Stores and Spare Parts		
Packing Materials	132.14	128.09
Others	1304.14	1128.84
Power and Fuel	1121.50	1067.19
Rent	43.27	20.43
Repairs to Buildings	24.40	35.03
Repairs to Machinery	21.36	19.24
Insurance	25.14	21.49
Rates and Taxes	170.82	159.60
Tea Board Cess	7.41	31.03
Administrative Overheads	532.00	699.59
Selling		
Freight	320.13	309.12
Insurance	16.73	21.91
Other Selling Expenses	243.63	295.78
	<u>3962.67</u>	<u>3937.34</u>

## Notes to the Financial Statements

### Note 30

#### 1. Company Overview

Warren Tea Limited is engaged in the growing, harvesting, manufacture and sale of tea. The Company operates with seven tea estates situated in Assam and sells tea in bulk both in domestic and international markets. The Company is listed on the Bombay and Calcutta Stock Exchanges.

#### 2. Statement of Compliance with Ind AS

These financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) as contained in Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 and other relevant provisions of the Companies Act, 2013 (the Act). The financial statements up to the 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 financial statements for the year ended 31st March, 2018 are the first financial statements of the Company under Ind AS. Comparative figures relating to previous year and on the date of transition have also been prepared in accordance with Ind AS. The date of transition to Ind AS is 1st April, 2016.

#### 3. Significant Accounting Policies

##### 3.1 Classification of Current and Non-Current Assets and Liabilities

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 Schedule III to the Companies Act, 2013 and Ind AS 1. The Company has ascertained its operating cycle as twelve months for the purpose of classification of current and non-current assets and liabilities.

##### 3.2 Historical Cost Conventions

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 financial assets and liabilities that are measured at fair value;
- ii) Plan assets relating to defined benefit plans that are measured at fair value;
- iii) biological assets (including un-plucked green leaves) – measured at fair value less cost to sell.

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

Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

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

The preparation of financial statements in conformity with Ind AS requires management to make estimates based on its judgements, and assumptions that affect the application of the accounting policies and the

## Notes to the Financial Statements

### Note 30 (Continued)

reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period; they are recognised in the period of the revision as well as for future periods if the revision affects both current and future periods.

#### 3.3 Sales and Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of sales returns and trade discounts.

Revenue for Sale of Goods is recognised in the Income Statement when the title, risk and rewards of ownership passed to the buyer.

#### 3.4 Foreign Currency Transactions

Transactions in foreign currency are accounted for at the exchange rates prevailing on the date of transactions. Monetary assets and liabilities related to foreign currency transactions remaining unsettled at the end of the year are translated at year-end exchange rates. Exchange Gains or Losses arising out of fluctuations in the exchange rates on settlement or translation are recognised in the Statement of Profit and Loss in the period in which they arise.

#### 3.5 Government Grants/ Assistance

Government Grants/ Assistance (Grant) are recognised at their fair value where there is a reasonable assurance that the Grant will be received and the Company will comply with the conditions attached to them.

Grants relating to income are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the Grants are intended to compensate.

Grants relating to assets are presented as deferred income in the Balance Sheet and are recognised in profit or loss on a systematic basis over the useful life of the related assets.

#### 3.6 Property Plant and Equipment

##### (i) Bearer Plants

Bearer Plants have been recognised on 1st April, 2016 as an item of Property, Plant and Equipment in accordance with previous GAAP, on which depreciation has been provided. Expenses on replanting and young tea maintenance of Bearer Plants are considered as Capital Work-in-Progress. Depreciation on Bearer Plants is charged on estimated useful life of 77 years ascertained upon technical evaluation. Depreciation on Bearer Plants is recognised so as to write off its cost over useful lives, using the straight-line method. In accordance with Ind AS, Bearer Plants are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

##### (ii) Items Other than Bearer Plants

Freehold land is carried at historical cost. All other items are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the construction or acquisition of the items of the related property, plant and equipment.

## Notes to the Financial Statements

### Note 30 (Continued)

Properties in the course of construction for production, supply or administrative purposes are carried at cost less any recognised impairment loss. Depreciation of these assets, are on the same basis as other property assets, and commences when the assets are ready for their intended use.

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. All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from its use. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Items of Property, Plant and Equipment are depreciated in a manner that amortises the cost of the assets net of its residual value, over their useful lives on a straight line basis. For additions/ disposals of items during the course of the year, depreciation/amortisation is recognised on a pro-rata basis. Estimated useful lives of the assets are considered as specified in Schedule II of the Companies Act, 2013.

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

Compensation receivable for acquisition of Assets of the Company is accounted for upon acceptance of the Company's claim by the appropriate authorities.

#### Impairment of 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 in profit or loss for the amount by which the asset's carrying amount exceeds its recoverable amount. Assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

#### 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.

### 3.7 Intangible Assets

Intangible Assets of the Company are recognised when it is an identifiable non-monetary asset without physical substance. An Asset is recognised when it is expected to provide future economic benefits to flow to the Company. These assets are capitalised at the price what would be received to sale an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Useful life is determined as the period over which an asset is expected to be available for use by the Company. Depreciation on Intangible Assets is recognised so as to write-off its cost over the useful life.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its Intangible Assets recognised as of 1st April, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost.

## Notes to the Financial Statements

### Note 30 (Continued)

#### 3.8 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the relevant instrument and are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issues of financial assets and financial liabilities (other than financial assets and financial liabilities measured at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial assets or financial liabilities. Purchase or sale of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date when the Company commits to purchase or sell the asset.

##### (i) Financial Assets Recognition and Classification

The financial assets are classified at initial recognition in the following measurement categories as:

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

##### Subsequent Measurement

###### - Financial assets measured at amortised cost-

Financial assets which are held within the business model of collection of contractual cash flows and where those cash flows represent payments solely towards principal and interest on the principal amount outstanding are measured at amortised cost. A gain or loss on a financial asset that is measured at amortised cost is recognised in profit or loss when the asset is derecognised or impaired.

###### - Financial assets measured at fair value through other comprehensive income

Financial assets that are held within a business model of collection of contractual cash flows and for selling and where the assets' cash flow represents solely payment of principal and interest on the principal amount outstanding are measured at fair value through OCI. Movements in carrying amount are taken through OCI, except for recognition of impairment gains or losses.

When a financial asset, other than investment in equity instrument, is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to statement of profit and loss.

Classification of equity instruments, not being investments in subsidiaries, associates and joint arrangements, depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through OCI. When investment in such equity instrument is derecognised, the cumulative gains or losses recognised in OCI is transferred within equity on such derecognition.

###### - Financial assets measured at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. Movements in fair value of these instruments are taken in profit or loss.

##### Impairment of financial assets

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Impairment losses are recognised in the profit or loss where there is an objective

## Notes to the Financial Statements

### Note 30 (Continued)

evidence of impairment based on reasonable and supportable information that is available without undue cost or effort. The Company recognises loss allowances on trade receivables when there is objective evidence that the Company will not be able to collect all the due amounts depending on product categories and the payment mechanism prevailing in the industry.

#### **Income recognition on financial assets**

Interest income from financial assets is recognised in profit or loss using effective interest rate method, where applicable. Dividend income is recognised in profit or loss only when the Company's right to receive payments is established and the amount of dividend can be measured reliably.

#### **(ii) Financial Liabilities**

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

Financial liabilities are classified according to the substance of the contractual arrangements entered into. Financial liabilities are classified, at initial recognition, as subsequently measured at amortised cost unless they fulfill the requirement of measurement at fair value through profit or loss. Where the financial liability has been measured at amortised cost, the difference between the initial carrying amount of the financial liabilities and their redemption value is recognised in the statement of profit and loss over the contractual terms using the effective interest rate method.

Financial liabilities at fair value through profit or loss are carried at fair value with changes in fair value recognised in the finance income or finance cost in the statement of profit and loss.

#### **(iii) Derecognition of financial assets and financial liabilities**

Financial assets are derecognised when the rights to receive benefits have expired or been transferred, and the Company has transferred substantially all risks and rewards of ownership of such financial asset. Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

#### **(iv) Offsetting of 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.

### 3.9 Employee Benefits

#### **a) Short Term Employee Benefits**

These are recognised at the undiscounted amount as expense for the year and are expensed as the related service is provided.

#### **b) Other Long term Employment Benefits**

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.

## Notes to the Financial Statements

### Note 30 (Continued)

#### c) Post Employment Benefits

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

In case of 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.

(i) The Company operates defined Contribution Schemes of Provident Funds and makes regular contributions to Provident Funds which are fully funded and administered by the Trustees and are independent of the Company's finance. Such contributions are recognised in the Accounts on accrual basis. Interest accruing to the Fund administered by the Trustees are credited to respective members' accounts based on the rates stipulated by the Government and shortfall if any, recognised on the basis of actuarial valuation report in this regard, is borne by the Company.

(ii) The Company operates defined benefit Superannuation and Gratuity Schemes administered by the Trustees, which are independent of the Company's finance. Such obligations are recognised in the Accounts on the basis of actuarial valuation applying Projected Unit Credit Method including gains and losses at the year-end.

(iii) The Company operates a defined benefit Pension Scheme and Additional Retirement Benefit for certain categories of employees for which obligations are recognised in the Accounts based on actuarial valuation applying Projected Unit Credit Method including gains and losses at the year-end.

#### 3.10 Inventories

Inventories of Stores, as existing at the year-end, represent weighted average cost of procurements. Provision is made for obsolete and slow moving inventories whenever necessary in the Accounts. Finished goods produced from agricultural produce are valued at lower of cost, arrived at by adding the cost of conversion to the fair value of agricultural produce and the net realisable value. Net realisable value represents the estimated selling price for inventories less all selling costs.

#### 3.11 Biological Assets

Biological assets of the Company comprises un-harvested green tea leaves that are classified as current assets.

The Company recognises biological assets when, and only when, the Company controls the assets as a result of past events. It is probable that future economic benefits associated with such assets will flow to the Company and the fair value or cost of the assets can be measured reliably. Expenditure incurred on biological assets are measured on initial recognition and at the end of each reporting period at its fair value less costs to sell. The gain or loss arising from a change in fair value less costs to sell of biological



## Notes to the Financial Statements

### Note 30 (Continued)

assets are included in statement of profit and loss for the period in which it arises.

On transition to Ind AS the Company has recognised biological assets for the first time as required by Ind AS 101 at fair value less cost to sell as at 1st April, 2016 (transition date).

#### 3.12 Trade Receivables

Trade receivables are recognised at Fair Value less provision for impairment if any.

#### 3.13 Provision and Contingent Liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Contingent Liabilities are disclosed when there is a possible obligation which may arise from past events and 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 the obligation or reliable estimate of the amount cannot be made.

#### 3.14 Borrowing Cost

Interest and other borrowing costs attributable to qualifying assets are capitalised. Other Interest and Operational Borrowing Costs are recognised as Revenue Expenditure in the year in which these are incurred and are charged to Profit and Loss.

#### 3.15 Taxes on Income

Taxes on income comprises of current taxes and deferred taxes. Current Tax in the statement of profit and loss is determined as the amount of income-tax payable/recoverable in respect of the taxable income for the current period using tax rates and tax laws enacted during the period, together with any adjustment to tax payable in respect of previous years.

Deferred Tax is recognised on temporary differences between the carrying amount of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred Tax Assets are recognised subject to the consideration of prudence only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Such deferred tax assets and liabilities are not recognised if the temporary differences arise from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred

## Notes to the Financial Statements

### Note 30 (Continued)

tax are also recognised in other comprehensive income or directly in equity net of tax respectively.

#### 4. 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 date of Transition to Ind AS is 1st April, 2016.

The accounting policies set out above have been applied in preparing the financial statements for the year ended 31st March, 2018, 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 (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).

#### 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.

##### Ind AS Optional Exemptions

###### 4.1 Deemed cost

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

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 adjustments have been made for the same.

###### 4.2 Measurement of Investment in Associate

Ind AS 101 allows a first time adopter to measure investment in associate at cost determined in accordance with Ind AS 27 or at deemed cost i.e, fair value of such investments at the entity's date of transition or previous GAAP carrying amount at the date of transition. Accordingly, the Company has elected to apply this exemption and have adopted previous GAAP carrying amount of such investments at the company's date of transition as carrying amount of investment in Associate.

##### Ind AS Mandatory Exceptions

###### 4.3 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.

## Notes to the Financial Statements

### Note 30 (Continued)

#### 4.4 Classification and Measurement of Financial Assets

The Company undertook an assessment of classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS as required by Ind AS 101.

### 5. Notes to First-time Adoption

#### 5.1 Replanting Cost

Under the previous GAAP, replanting cost was charged off to profit and loss account as and when incurred. Under Ind AS, such cost is being recognised as Bearer Plant within the meaning of Ind AS 16 “Property, Plant and Equipment”.

#### 5.2 Depreciation on Bearer Plants

Under Ind AS, since bearer plants come within the ambit of Ind AS 16 “Property, Plant and Equipment”, depreciation is being provided on bearer plants.

#### 5.3 Fair valuation 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, except for investments in associates for which exemption with regard to carrying amount of such investments at the entity's date of transition as deemed cost is adopted.

#### 5.4 Inventories

##### Finished Goods :

Under previous GAAP, tea stock has been valued at the lower of cost and net realisable value. Cost of inventories comprise all costs of production of green leaf, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Under Ind AS, cost of inventories comprise fair value of green leaf at the time of harvest less cost to sell, conversion cost (i.e 40 % of factory cost) and other costs incurred in bringing the inventories to their present location and condition.

#### 5.5 Borrowings

Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the profit or loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method. Under previous GAAP, these transaction costs were charged to profit or loss as and when incurred.

#### 5.6 Remeasurements of post employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss.

#### 5.7 Retained Earnings

Retained earnings as at 1st April, 2016, the transition date, has been adjusted consequent to the above

## Notes to the Financial Statements

### Note 30 (Continued)

Ind AS transition adjustments.

#### 5.8 Other Comprehensive Income

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

## 6. Financial Instruments and Related Disclosures

### Capital Management

The Company's objective is to have a strong capital base in order to maximise the shareholders' wealth and to ensure the continuity of the business from its internal resources and if found necessary, from a judicious use of borrowing facilities to fund requirements during the peak season of working capital as well as requirements for a comprehensive growth of the Company.

### 7. Financial risk management objectives

The Company faces a variety of financial risks, including market risk, credit risk and liquidity risk. The Company continues to focus on business risk management. The Company management seeks to enable the early identification, evaluation and effective management of key risks facing the business. The Company has strong internal control systems resting on policies and procedures issued by appropriate authorities, process of regular audits and monitoring of risks.

#### a) Market risk

The Company's business, primarily agricultural in nature, future cash flows will fluctuate because of adverse weather conditions and lack of future markets. The Company closely monitors the changes in market conditions and select the sales strategies to mitigate its exposure to risk.

#### b) Foreign currency risk

The Company undertakes transactions denominated in foreign currency which results in exchange rate fluctuations. Such exchange rate risk primarily arises from transactions made in foreign exchange. A significant portion of these transactions are in US Dollar and Euro.

#### c) Foreign currency sensitivity

The impact of sensitivity analysis arising on account of outstanding foreign currency denominated assets and liabilities is insignificant.

#### d) Interest rate risk

Interest rate risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The objective of the Company is to lessen the impact of adverse interest rate movements on its earnings and cash flows and to minimise counterparty risks.

The Company is exposed to interest rate volatilities primarily with respect to its short term borrowings from banks as well as Financial Institutions.

The Company manages such risk by proper leverage of its internal resources.

## Notes to the Financial Statements

### Note 30 (Continued)

#### e) Interest rate sensitivity

Since the borrowings are all short term in nature, the possible volatility in the interest rate is minimal.

#### f) Liquidity risk

Liquidity risk is the risk that the Company may encounter difficulty including seasonality in meeting its obligations. The Company mitigates its liquidity risks by ensuring timely collections of its trade receivables, close monitoring of its credit cycle and ensuring optimal movements of its inventories.

#### g) Credit risk

Credit risk is the risk that counter party will not meet its obligations leading to a financial loss. The Company has its policies to limit its exposure to credit risk arising from outstanding receivables. Management regularly assess the credit quality of its customers. The credit risk of the Company is relatively low as the Company also sells largely its teas through the auction system which is on cash and carry basis and through exports which are mostly backed by letter or credit or on advance basis.

## 8. Fair value measurements

### Fair value hierarchy

Fair value of the financial instruments is classified in various fair value hierarchies based on the following three levels:

**Level 1:** Quoted prices in active market for identical assets or liabilities.

**Level 2:** Inputs other than quoted price including within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

**Level 3:** Inputs for the assets or liabilities that are not based on observable market data. If one or more of the significant inputs is not based on observable market data, the fair value is determined using generally accepted pricing models based on a discounted cash flow analysis, with the most significant input being the discount rate that reflects the credit risk of counterparty. This is the case with listed instruments where market is not liquid and for unlisted instruments.

The management consider that the carrying amounts of financial assets (other than those measured at fair values) and liabilities recognised in the financial statements approximate their fair value as on March 31, 2018, March 31, 2017 and April 1, 2016.

There has been no change in the valuation methodology for Level 3 inputs during the year. There were no transfers between Level 1 and Level 2 during the year.

**Notes to the Financial Statements**
**Note 30 (Continued)**

(₹ in Lakhs)

9 Under the Assam Fixation of Ceiling of Land Holding Act, 1956, undeveloped lands, approximately 2145 hectares (Previous Year - 2145 hectares) have been vested in the State Government. Necessary adjustments in respect of land compensation will be made in the accounts on settlement of the same.

	Current Year ₹	Previous Year ₹
10 Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of Advance)	36.01	24.00
11 Contingent Liabilities		
(a) Claims not acknowledged as debt	1.50	1.50
(b) Bank Guarantees	—	24.39
(c) Sales Tax Demands in dispute (under Appeals)	98.19	98.19
Cash outflows, if any, in respect of the above is not determinable at this stage.		
12 Unpaid Disputed Statutory Dues in respect of		
(a) Income-tax		
Forum : Deputy Commissioner of Income-Tax	33.53	33.53
Commissioner of Income-tax (Appeals)	25.07	25.07
(b) Sales tax		
Forum : Deputy Commissioner of Taxes (Appeals)	68.16	68.16
Commissioner of Taxes	5.86	5.86
Gauhati High Court	17.60	17.60
(c) Land Revenue		
Forum : Additional Deputy Commissioner	28.33	28.33
13 Loans and Advances to Employees include		
(i) Amounts due by a Director of the Company		
(a) On Long-Term	4.84	6.93
(b) On Short-Term	2.09	1.94
(Advanced to an employee since elevated as a Director)		
(ii) Amounts due by an Officer of the Company		
(a) On Long-Term	—	0.44
(b) On Short-Term	0.44	0.48
14 There are no outstanding dues of micro and small enterprises based on information available with the Company.		
15 Expenditure incurred on Corporate Social Responsibility activities		
(a) Gross Amount required to be spent by the Company during the year	—	33.48
(b) Amount spent during the year	—	—

**Notes to the Financial Statements**
**Note 30 (Continued)**

	Current Year		(₹ in Lakhs) Previous Year	
	₹		₹	
16 Amounts paid/payable to Auditors				
Statutory Auditors				
(a) Statutory Audit Fees	9.00		10.35	
(b) Tax Audit Fees	1.00		1.16	
(c) Limited Review & Other Matters	2.84		2.87	
(d) Out of Pocket Expenses	0.29		0.24	
17 Consumption of Stores and Spares		%		%
Indigenous	1427.27	99	1256.93	100
Imported	9.01	1	—	—
	<u>1436.28</u>	<u>100</u>	<u>1256.93</u>	<u>100</u>
18 Earnings in Foreign Exchange				
Exports on F.O.B. basis	496.07		956.97	
19 Expenditure in Foreign Currency				
(a) Subscription and Other Charges	1.68		1.88	
(b) Pension	1.37		1.48	
(c) Travelling	12.33		21.08	

**20 Post Employment Defined Benefit Plans**

The Company operates defined Benefit Schemes like Gratuity, Superannuation, Pension and Additional Retiral Benefit Plans based on current salaries in accordance with the Rules of the Funds/Plans.

In terms of Accounting Policies enumerated in Note 30 the following Table sets forth the particulars in respect of Defined Benefit Plans of the Company for the year ended 31st March, 2018 arising out of actuarial valuations:

**A) Funded Plans**
**I) Changes in Present Value of Obligation**

	Funded Plans			
	Gratuity		Superannuation	
	2017-18	2016-17	2017-18	2016-17
Present Value of Obligation as on last valuation	2853.91	2427.95	805.21	661.62
Current Service Cost	136.06	148.76	79.95	77.34
Past Service Cost	—	—	—	—
Interest Cost	212.17	172.27	58.04	49.62
Vested Portion at the end of the year (Past Service)	22.37	—	—	—
Actuarial (Gains)/Losses on Obligations due to change in Financial Assumption	(650.93)	115.11	(34.51)	10.22
Actuarial (Gains)/Losses on Obligations due to unexpected Experience	450.07	251.90	(14.79)	6.41
Benefits paid	(203.85)	(262.08)	(82.95)	—
Present Value of Obligation as on valuation date	<u>2819.80</u>	<u>2853.91</u>	<u>810.95</u>	<u>805.21</u>

**Notes to the Financial Statements**
**Note 30 (Continued)**

(₹ in Lakhs)

	Funded Plans			
	Gratuity		Superannuation	
	2017-18	2016-17	2017-18	2016-17
II) Changes in Fair Value of Plan Asset				
Fair value of Plan Assets at the beginning of the year	2373.67	1955.31	827.44	706.84
Interest Income	183.01	146.64	62.88	63.61
Return on Plan Asset excluding Interest Income	49.04	61.16	(13.23)	22.93
Actuarial Gains/(Losses)	—	—	—	—
Contributions	480.22	472.64	34.36	34.06
Benefits paid	(203.85)	(262.08)	(82.95)	—
Fair value of Plan Assets at the end of the measurement period	2882.09	2373.67	828.50	827.44
III) Reconciliation to Balance Sheet				
Funded Status				
Fund Asset	2882.09	2373.67	828.50	827.44
Fund Liability	2819.80	2853.91	810.95	805.21
	(62.29)	480.24	(17.55)	(22.23)
IV) Plan Assumptions				
Discount Rate%	7.71	7.50	7.60	7.50
Expected Return on Plan Asset (%)	7.71	7.50	7.60	9.00
Rate of Compensation Increase (Salary Inflation) (%)	5.00	5.00	5.00	5.00
Average Expected Future Service (Remaining working life)	21,12,2	18,9,3	10,8,2	10,8,2
Mortality Table	IALM 2006-2008	IALM 2006-2008	IALM 2009-2008 Ultimate	IALM 2009-2008 Ultimate
Superannuation at age - Male / Female	58,60,62	58,60,62	58,60,62	58,60,62
Early Retirement and Disablement (All Causes Combined) (%)	1.00	1.00	1.00	1.00
Mortality Table	IALM 2006-2008	IALM 2006-2008	IALM 2009-2008 Ultimate	IALM 2009-2008 Ultimate
Above age 45 (%)	0.06	0.06		
Between 29 to 45 (%)	0.03	0.03		
Below age 29 (%)	0.01	0.01		
Voluntary Retirement	Ignored	Ignored		



**Notes to the Financial Statements**
**Note 30 (Continued)**

(₹ in Lakhs)

	Funded Plans			
	Gratuity		Superannuation	
	2017-18	2016-17	2017-18	2016-17
V) Expenses recognised in the Statement of Profit and Loss				
Current Service Cost	136.06	148.76	79.95	77.34
Past Service Cost (vested)	22.37	—	—	—
Net Interest Cost	29.17	25.62	(4.84)	(13.99)
Benefit Cost (Expense recognised in Statement of Profit and Loss)	187.60	174.38	75.11	63.35
VI) Other Comprehensive Income				
Actuarial (Gains)/Losses on Obligations due to change in Financial Assumption	(650.93)	115.11	(34.51)	1022
Actuarial (Gains)/Losses on Obligations due to unexpected Experience	450.07	251.90	(14.79)	6.41
Total Actuarial (Gains)/Losses	(200.86)	367.01	(49.30)	16.63
Return on Plan Asset excluding Interest Income	49.04	61.16	(13.24)	22.93
Balance at the end of the year	(249.90)	305.85	(36.06)	(6.30)
Net (Income)/Expense for the period recognised in OCI	(249.90)	305.85	(36.06)	(6.30)
VII) Allocation of Plan Asset at end of measurement period				
Cash and Cash Equivalents	175.11	34.44	92.94	104.12
Special Deposit Scheme	105.20	105.20	53.06	53.06
State Government Securities	90.15	100.77	30.51	30.58
Government of India Assets	204.84	209.63	66.25	66.00
Corporate Bonds	1042.35	1232.09	256.97	257.17
Debt Securities	43.49	—	—	—
Annuity Contracts/Insurance Fund	697.35	652.72	301.98	280.66
Other Assets	523.61	38.83	26.79	35.85
	2882.10	2373.68	828.50	827.44
VIII) Allocation in % of Plan Asset at end of measurement period				
Cash and Cash Equivalents	6.08	1.45	11.22	12.58
Special Deposit Scheme	3.65	4.43	6.40	6.41
State Government Securities	3.13	4.25	3.68	3.70
Government of India Assets	7.09	8.82	8.00	7.98
Corporate Bonds	36.17	51.91	31.02	31.08
Debt Securities	1.51	—	—	—
Annuity Contracts/Insurance Fund	24.20	27.50	36.45	33.92
Other Assets	18.17	1.64	3.23	4.33
	100.00	100.00	100.00	100.00

**Notes to the Financial Statements**
**Note 30 (Continued)**

(₹ in Lakhs)

	Funded Plans			
	Gratuity		Superannuation	
	2017-18	2016-17	2017-18	2016-17
IX) Mortality Table				
	Age	Mortality (per annum)	Mortality (per annum)	
	25	0.000984	0.000984	
	30	0.001056	0.001056	
	35	0.001282	0.001282	
	40	0.001803	0.001803	
	45	0.002874	0.002874	
	50	0.004946	0.004946	
	55	0.007888	0.007888	
	60	0.011534	0.011534	
	65	0.017009	0.017009	
	70	0.025855	0.025855	

## X) Sensitivity Analysis

	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease
Impact for change in Discount Rate (-/+ 0.5%)	2400.44	2652.15	2737.67	3170.21	794.97	825.95	790.72	820.48
% change Compared to base due to sensitivity	-4.79%	5.19%	2.78%	19.02%	-1.97%	1.85%	-1.80%	1.90%
Impact for change in Salary growth (-/+ 0.5%)	2653.97	2397.86	2981.43	2735.34	824.66	797.81	820.30	790.86
% change Compared to base due to sensitivity	5.27%	-4.89%	11.93%	2.69%	1.69%	-1.62%	1.88%	-1.78%
Impact for change in Attrition growth (-/+ 0.5%)	2525.72	2516.64	2846.51	2816.34	810.79	811.11	803.92	806.49
% change Compared to base due to sensitivity	0.18%	-0.18%	6.87%	5.74%	0.02%	-0.02%	-0.16%	0.16%
Impact for change in Mortality Rate (-/+ 10%)	2540.52	2501.84	2818.21	2770.49	810.39	811.51	804.83	805.58
% change Compared to base due to sensitivity	0.77%	-0.77%	5.81%	4.01%	-0.07%	0.07%	-0.05%	0.05%

## XI) Estimated Future payments of Benefits ( Past Service )

Year		
1	471.56	169.08
2	112.01	75.37
3	237.58	53.74
4	183.96	55.08
5	218.55	35.43
6 to 10	1277.35	193.43
More than 10 years	4647.01	545.84
Total Undiscounted Payments related to Past Service	7148.03	1127.97
Less Discount for Interest	4328.23	317.02
Projected Benefit Obligation	2819.80	810.95

**Notes to the Financial Statements**

Note 30 (Continued)

(₹ in Lakhs)

	Funded Plans			
	Gratuity		Superannuation	
	2017-18	2016-17	2017-18	2016-17
XII) Outlook for Net Periodic Benefit Cost Next Year				
Current Service Cost (Employer portion only)				
Next period	141.31			
Interest Cost next period	176.20			
Expected Return on Plan Asset	222.21			
Benefit Cost	95.31			
XIII) Bifurcation of Net Liability				
Current Liability	465.25	561.03	162.99	150.29
Non Current Liability	2354.55	2292.87	647.96	654.92
Net Liability	2819.80	2853.90	810.95	805.21

**B) Unfunded Plans**
**I) Changes in Present Value of Obligation**

	Unfunded Plans			
	Pension		Additional Retirement Benefit	
Present Value of Obligation as on last valuation	1169.02	1153.44	64.66	64.64
Current Service Cost	31.47	65.80	3.81	4.10
Past Service Cost	—	—	—	—
Interest Cost	88.77	85.40	4.61	4.85
Vested Portion at the end of the year (Past Service)	—	—	11.21	—
Actuarial (Gains)/Losses on Obligations due to change in Financial Assumption	(159.72)	42.68	(5.82)	(2.25)
Actuarial (Gains)/Losses on Obligations due to unexpected Experience	(40.16)	(148.83)	(6.31)	(6.68)
Benefits paid	(35.23)	(29.47)	8.11	—
Present Value of Obligation as on valuation date	1054.15	1169.02	64.04	64.66

**II) Reconciliation to Balance Sheet**

Funded Status				
Fund Asset	—	—	—	—
Fund Liability	1054.15	1169.02	64.04	64.66

**Notes to the Financial Statements**
**Note 30 (Continued)**

(₹ in Lakhs)

	Unfunded Plans			
	Pension		Additional Retirement Benefit	
	2017-18	2016-17	2017-18	2016-17
III) Plan Assumptions				
Discount Rate (%)	7.71	7.50	7.60	7.50
Rate of Compensation Increase (Salary Inflation) (%)	1.50	5.00	5.00	5.00
Average Expected Future Service (Remaining working life)	11	8	12,9,2	12,9,3
	IALM 2009-2008 Ultimate	IALM 2009-2008 Ultimate	IALM 2006,2008	IALM 2006,2008
Mortality Table				
Superannuation at age - Male / Female	60	60	58,60,62	58,60,62
Early Retirement and Disablement (All Causes Combined) (%)	1.00	1.00	1.00	1.00
Above age 45 (%)			0.06	0.06
Between 29 to 45 (%)			0.03	0.03
Below age 29 (%)			0.01	0.01
Voluntary Retirement			Ignored	Ignored
V) Expenses recognised in the Statement of Profit and Loss				
Current Service Cost	31.47	65.80	3.81	4.10
Past Service Cost (vested)	—	—	11.21	—
Net Interest Cost	88.77	85.40	4.61	4.85
Benefit Cost (Expense recognised in Statement of Profit and Loss)	<u>120.24</u>	<u>151.20</u>	<u>19.63</u>	<u>8.95</u>
VI) Other Comprehensive Income				
Actuarial (Gains)/Losses on Obligations due to change in Financial Assumption	(159.72)	42.68	(5.82)	(2.25)
Actuarial (Gains)/Losses on Obligations due to unexpected Experience	(40.16)	(148.83)	(6.31)	(6.68)
Total Actuarial (Gains) / Losses	(199.88)	(106.15)	(12.13)	(8.93)
Return on Plan Asset excluding Interest Income Balance at the end of the year	(199.88)	(106.15)	(12.13)	(8.93)
Net (Income) / Expense for the period recognised in OCI	(199.88)	(106.15)	(12.13)	(8.93)

**Notes to the Financial Statements**
**Note 30 (Continued)**

(₹ in Lakhs)

		Unfunded Plans							
		Pension		Additional Retirement Benefit					
		2017-18	2016-17	2017-18	2016-17				
VII) Mortality Table									
	Age	Mortality (per annum)		Mortality (per annum)					
	25	0.000984		0.000984					
	30	0.001056		0.001056					
	35	0.001282		0.001282					
	40	0.001803		0.001803					
	45	0.002874		0.002874					
	50	0.004946		0.004946					
	55	0.007888		0.007888					
	60	0.011534		0.011534					
	65	0.017009		0.017009					
	70	0.025855		0.025855					
VII) Sensitivity Analysis									
		Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease
	Impact for change in Discount Rate (-/+0.5%)	1033.75	1075.52	1137.81	1201.76	60.08	62.50	63.50	65.90
	% change Compared to base due to sensitivity	-1.94 %	2.03 %	-2.67 %	2.80 %	(1.92)	2.04	(1.80)	1.92
	Impact for change in Salary growth (-/+ 0.5%)	1075.84	1033.27	1202.11	1137.11	62.41	60.16	65.79	63.48
	% change Compared to base due to sensitivity	2.06 %	-1.98 %	2.83 %	-2.73 %	1.88	(1.78)	1.74	(1.83)
	Impact for change in Attrition growth (-/+ 0.5%)	1054.60	1053.71	1169.73	1168.32	61.29	61.22	64.71	64.61
	% change Compared to base due to sensitivity	0.04 %	-0.04 %	0.06 %	-0.06 %	0.06	(0.06)	0.08	(0.08)
	Impact for change in Mortality Rate (-/+ 10%)	1058.17	1050.14	1175.11	1162.95	61.45	61.05	64.86	64.47
	% change Compared to base due to sensitivity	0.38 %	-0.38 %	0.52 %	-0.52 %	0.32	(0.32)	0.30	(0.30)
IX) Estimated Future payments of Benefits (Past Service)									
	Year								
	1		67.25				28.04		
	2		53.09				6.84		
	3		59.33				10.92		
	4		62.55				4.19		
	5		66.21				3.26		
	6 to 10		414.32				12.75		
	More than 10 years		1824.43				30.33		
	Total Undiscounted Payments related to Past Service		2547.18				96.33		
	Less Discount for Interest		1493.03				32.28		
	Projected Benefit Obligation		1054.15				64.04		
X) Outlook for Net Periodic Benefit Cost Next Year									
	Particulars								
	Current Service Cost ( Employer portion only) Next period						2.73		
	Interest Cost next period						3.59		
	Expected Return on Plan Asset						—		
	Benefit Cost						6.32		
XI) Bifurcation of Net Liability									
	Current Liability		64.80	97.71			27.13	28.34	
	Non Current Liability		989.35	1071.32			36.91	36.32	
	Net Liability		1054.15	1169.03			64.04	64.66	



## Notes to the Financial Statements

### Note 30 (Continued)

(₹ in Lakhs)

	Current Year	Previous Year
21 Basic and Diluted Earnings Per Share		
Number of Equity Shares at the beginning of the year	11950804	11950804
Number of Equity Shares at the end of the year	11950804	11950804
Weighted average number of Equity Shares outstanding during the year	11950804	11950804
Face value of each Equity Share (₹)	10	10
Profit after tax available for distribution to the Equity Shareholders	(789.24)	(1628.26)
Basic and Diluted Earnings per Share (₹)	(6.60)	(13.62)
Dilutive Potential Equity Shares	Not Applicable	Not Applicable

### 22 Related Party Disclosures

#### (i) Names and Relationship

Relationship	Name
Associate	Maple Hotels & Resorts Limited
Significant Influence by Key Management Personnel	Warren Industrial Limited
	Sec tra Plaza Private Limited
	Softweb Technologies Private Limited
	Mr. Vinay K. Goenka (Chairman)
Key Management Personnel	Mr. S. K. Ghosh (Managing Director)
	Mr. S. Roy (Company Secretary)
	Mr. S. K. Mukhopadhyay (Chief Financial Officer)
Relative of a Key Management Personnel	Mr. Vivek Goenka
Post Employment Benefit Plan	Warren Staff Provident Fund
	Warren Tea Gratuity Fund
	Warren Industrial & Associated Co's Superannuation Fund

#### (ii) Particulars of Transactions and year-end balances

Names and Relationship	₹	₹
Significant Influence by Key Management Personnel		
Receiving of Services		
Sec tra Plaza Private Limited	7.28	7.28
Softweb Technologies Private Limited	31.66	35.62
Key Management Personnel & Relative		
Remuneration		
Mr. Vinay K. Goenka	151.99	130.34
Mr. S. K. Ghosh	129.86	110.91
Mr. S. Roy	27.55	29.99
Mr. S. K. Mukhopadhyay	25.14	21.61
Mr. Vivek Goenka	23.45	24.43
Compensation of Key Management Personnel & Relative		
Short Term Employee Benefits	305.66	292.94
Post Employee Benefits	39.40	18.50
Other Long Term Benefits	12.93	5.84

**Notes to the Financial Statements**
**Note 30 (Continued)**

(₹ in Lakhs)

	Current Year	Previous Year
(ii) Particulars of Transactions and year-end balances		
Names and Relationship	₹	₹
Balance at the year-end		
Associate		
Investments		
Maple Hotels & Resorts Limited	3146.98	<i>3146.98</i>
Significant Influence by Key Management Personnel		
Security Deposit		
Sec tra Plaza Private Limited	430.80	<i>430.80</i>
Current Liabilities		
Sec tra Plaza Private Limited	4.32	—
Softweb Technologies Private Limited	7.97	<i>2.59</i>
Key Management Personnel		
Current Liabilities		
Mr. Vinay K. Goenka	43.20	<i>40.20</i>
Mr. S. K. Ghosh	32.40	<i>30.00</i>
Advances		
Mr. S. K. Ghosh	6.93	<i>8.87</i>
Mr. S. Roy	0.44	<i>0.92</i>

**23 Segment Information**

(i) The Company is engaged in the integrated process of growing, harvesting, manufacturing and sale of Black Tea during the year and has identified one operating segment i.e, Tea.

(ii) Geographical Information

	Domestic	Exports	Total
Revenue from External Customers	11366.18	479.21	11845.39
	<i>(9924.38)</i>	<i>(953.88)</i>	<i>(10878.26)</i>
Non-Current Assets*	8830.03	—	8830.03
	<i>(8435.70)</i>	—	<i>(8435.70)</i>

\* Non-Current Assets excludes Financial Assets, Deferred Tax Assets and Post Employment Benefit Assets.

Figures of Previous Year are indicated in Italics within brackets “( )”

(iii) The Company has entered into transactions with a single external customer exceeding 10% of the Turnover of the Company.

**Notes to the Financial Statements**
**Note 30 (Continued)**

(₹ in Lakhs)

## 24 Movements in Deferred Tax Assets/(Liabilities)

	Balance as at 1st April, 2017	Recognised in		Balance as at 31st March, 2018
		Profit & Loss	Other Comprehensive Income	
<b>Deferred Tax Liabilities</b>				
on financial allowances on Property, Plant & Equipment	(808.07)	(28.73)	—	(836.80)
On Capital Work in Progress	(349.65)	(43.94)	—	(393.59)
	<u>(1157.72)</u>	<u>(72.67)</u>	<u>—</u>	<u>(1230.39)</u>
<b>Deferred Tax Assets</b>				
Business Loss	873.01	404.58	(147.45)	1130.14
Provision for doubtful debts	2.04	(0.13)	—	1.91
Change in value of inventory	12.51	(12.51)	—	—
Expenses allowable on payment	147.55	(29.28)	—	118.27
Change in value of Investment	4.49	—	(15.78)	(11.29)
Other timing difference	3.22	(1.33)	—	1.89
	<u>1042.82</u>	<u>361.33</u>	<u>(163.23)</u>	<u>1240.92</u>
<b>Deferred Tax Assets/(Liabilities) (Net)</b>	<u>(114.90)</u>	<u>288.66</u>	<u>(163.23)</u>	<u>10.53</u>
	Balance as at 1st April, 2016	Recognised in		Balance as at 31st March, 2017
		Profit & Loss	Other Comprehensive Income	
<b>Deferred Tax Liabilities</b>				
on financial allowances on Property, Plant & Equipment	(693.45)	(114.62)	—	(808.07)
On Capital Work in Progress	(273.26)	(76.39)	—	(349.65)
	<u>(966.71)</u>	<u>(191.01)</u>	<u>—</u>	<u>(1157.72)</u>
<b>Deferred Tax Assets</b>				
Business Loss	—	815.80	57.21	873.01
Provision for doubtful debts	2.04	—	—	2.04
Change in value of inventory	37.77	(25.26)	—	12.51
Expenses allowable on payment	3.51	144.04	—	147.55
Change in value of Investment	3.97	—	0.52	4.49
Other timing difference	4.78	(1.56)	—	3.22
	<u>52.07</u>	<u>933.02</u>	<u>57.73</u>	<u>1042.82</u>
<b>Deferred Tax Assets/(Liabilities) (Net)</b>	<u>(914.64)</u>	<u>742.01</u>	<u>57.73</u>	<u>(114.90)</u>



**Notes to the Financial Statements**
**Note 30 (Continued)**

(₹ in Lakhs)

**25. Reconciliation of Effective Tax Rate**

	As at 31st March, 2018	As at 31st March, 2017
Profit before Tax	(1077.90)	(2370.27)
Income Tax Expense at 28.30% (Previous Year - 30.36%)	(305.04)	(719.61)
Impacts on		
Exempt Income	1.77	23.38
Items not deductible in Taxes	(1.19)	(0.17)
Deduction available in Taxes	2.45	6.41
Other Items	13.34	(52.01)
Income Tax recognised in Profit and Loss	<u>(288.66)</u>	<u>(742.01)</u>

**26 (i) Categories of Financial Instruments**

Particulars	As at 31.3.2018		As at 31.3.2017		As at 01.04.2016	
	Carrying value	Fair value	Carrying value	Fair Value	Carrying value	Fair Value
<b>Financial Assets</b>						
Measured at amortised cost						
Equity shares in Associate	3146.98	3146.98	3146.98	3146.98	3146.98	3146.98
Cash and Cash Equivalents	8.65	8.65	10.21	10.21	1420.41	1420.41
Other Bank Balances	1.19	1.19	1.19	1.19	1.19	1.19
Loans	624.67	624.67	629.95	629.95	631.95	631.95
Trade Receivables	3953.57	3953.57	4606.41	4606.41	3660.58	3660.58
Other Financial Assets	6.86	6.86	205.69	205.69	844.63	844.63
	<u>4594.94</u>	<u>4594.94</u>	<u>5453.45</u>	<u>5453.45</u>	<u>6558.76</u>	<u>6558.76</u>
Measured at Fair value through Other Comprehensive Income						
Equity Shares	<u>168.36</u>	<u>168.36</u>	<u>133.46</u>	<u>133.46</u>	<u>165.49</u>	<u>165.49</u>
<b>Total Financial Assets</b>	<u>4763.30</u>	<u>4763.30</u>	<u>5586.91</u>	<u>5586.91</u>	<u>6724.25</u>	<u>6724.25</u>
<b>Financial Liabilities</b>						
Measured at amortised cost						
Borrowings	3334.90	3334.90	2570.56	2570.56	1030.82	1030.82
Trade Payables	1451.15	1451.15	1314.66	1314.66	1049.00	1049.00
Other financial Liabilities	<u>910.32</u>	<u>910.32</u>	<u>1385.02</u>	<u>1385.02</u>	<u>1431.57</u>	<u>1431.57</u>
<b>Total Financial Liabilities</b>	<u>5696.37</u>	<u>5696.37</u>	<u>5270.24</u>	<u>5270.24</u>	<u>3511.39</u>	<u>3511.39</u>

**(ii) Fair Value Hierarchy of Assets and Liabilities measured at Fair Value on a recurring basis**

Particulars	Fair Value Hierarchy Level	Fair Value as at		
		31st March, 2018	31st March, 2017	1st April, 2016
<b>Financial Assets</b>				
Equity Shares	1	1.31	6.10	32.13
Equity Shares	3	167.05	127.36	133.36

**(iii) Fair value measurements for biological assets other than bearer plants:**

2	161.60	69.19	67.07
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Fair value is being arrived at based on the observable market prices of made tea adjusted for manufacturing costs.

**Notes to the Financial Statements**
**Note 30 (Continued)**

(₹ in Lakhs)

## 27. First time Ind-AS adoption reconciliations:

## (i) Reconciliation of Equity as reported under previous GAAP

Particulars	As at 31st March, 2017	As at 1st April, 2016 (Date of Transition)
Total Equity (Shareholders' Funds) under previous GAAP	10530.04	12094.35
Adjustments for		
Investments in shares	(14.80)	(13.08)
Loans to Employees	(10.59)	(15.74)
Value of Inventory of black tea	(83.19)	(124.41)
Value of Biological Assets	69.19	67.07
Replanting Subsidy	(81.42)	—
Bearer Plants	—	2635.08
Revaluation Reserve	—	(1879.62)
Tax Effect on above Adjustments	(424.51)	(1018.76)
Total Equity under Ind AS	<u>9984.72</u>	<u>11744.89</u>

## (ii) Reconciliation of Total Comprehensive Income

Particulars	For the year ended 31st March, 2017
Profit/ (Loss) after Tax as per previous GAAP	(1516.88)
Adjustments	
Change in Value of Inventory of Black Tea	41.22
Recognition of Biological Assets	2.12
Valuation of Investments in Shares at Fair Value	(1.72)
Reclassification of Replanting Subsidy as Deferred Income	(81.42)
Valuation of Loans to Employees at Fair Value	5.15
Tax effect on above adjustments	(208.64)
Total Comprehensive Income under Ind AS	<u>(1760.17)</u>

28. Figures of Previous Year and as on Transition Date have been regrouped or rearranged, wherever necessary

Signatures to Note Nos. 1 to 30

B M Chatrath & Co LLP  
 Firm Registration Number - 301011E/E300025  
 Chartered Accountants  
 Sukhpreet S. Sidhu  
*Partner*  
 Membership Number - 052187  
 Kolkata, 26th May, 2018

S. Roy  
*Company Secretary*  
 S. K. Mukhopadhyay  
*Chief Financial Officer*

Vinay K. Goenka  
*Chairman*  
 S. K. Ghosh  
*Managing Director*

**CASH FLOW STATEMENT**  
**for the year ended 31st March, 2018**

	(₹ in Lakhs)	
	Current Year	Previous Year
<b>A. Cash Flow from operating activities</b>		
Profit/ (Loss) before Taxation	(1077.90)	(2370.27)
Adjustments for		
Depreciation and Amortisation	363.87	361.91
Finance Costs	374.76	232.20
Income from Interest and Dividends	(4.20)	(51.07)
Biological Assets other than Bearer Plants	(92.41)	(2.12)
Provisions no longer required written back	(0.53)	(13.20)
Net Gain on Sale of Current Investments	—	(1.60)
Net (Gain) / Loss on Sale of Non-Current Investments	(0.30)	(16.96)
Profit on Disposal of Property, Plant and Equipment (Net)	(1.64)	(2.23)
Operating Profit before working capital changes	(438.35)	(1863.34)
Adjustments for changes in		
Trade and Other Receivables	775.77	(100.03)
Inventories	68.51	65.02
Trade Payables and Other Liabilities	(135.84)	72.39
Cash generated from operations	270.09	(1825.96)
Direct Taxes Paid	(0.34)	76.59
Net Cash from operating activities	(A) 269.75	(1749.37)
<b>B. Cash Flow from investing activities</b>		
Purchase of Property, Plant and Equipment	(675.68)	(995.14)
Payment of Capital Advances	(23.71)	(97.95)
Purchase of Current Investments	—	(5.01)
Sale of Non-current Investments	5.29	43.82
Sale of Current Investments	—	6.61
Sale of Property, Plant and Equipment	1.75	2.23
Interest and Dividend Received	29.08	70.13
Net Cash from / (used) in investing activities	(B) (663.27)	(975.31)
<b>C. Cash Flow from financing activities</b>		
Proceeds from Short-term Borrowings	3378.95	2655.95
Proceeds from Long-term Borrowings	500.10	999.90
Repayment of Long-term Borrowings	(214.71)	(116.11)
Repayment of Short-term Borrowings	(2900.00)	(2000.00)
Finance Costs Paid	(372.38)	(225.26)
Net Cash from / (used) in financing activities	(C) 391.96	1314.48
Net increase / (decrease) in Cash and Cash Equivalents	(A+B+C) (1.56)	(1410.20)

**CASH FLOW STATEMENT** (Continued)

(₹ in Lakhs)

	Current Year	Previous Year
Cash and Cash Equivalents		
Opening Balance		
Cash and Cash Equivalents [Note 10]	10.21	1420.41
Closing Balance		
Cash and Cash Equivalents [Note 10]	8.65	10.21

1. The above Cash Flow Statement has been prepared in accordance with Ind AS 7.
2. The Notes referred to above form an integral part of the Cash Flow Statement.
3. Previous year's figures have been regrouped or rearranged, wherever necessary.

As per our report of even date.

B M Chatrath & Co LLP  
 Firm Registration Number - 301011E/E300025  
 Chartered Accountants  
 Sukhpreet S. Sidhu  
*Partner*  
 Membership Number - 052187  
 Kolkata, 26th May, 2018

S. Roy  
*Company Secretary*  
 S. K. Mukhopadhyay  
*Chief Financial Officer*

Vinay K. Goenka  
*Chairman*  
 S. K. Ghosh  
*Managing Director*

## **INDEPENDENT AUDITORS' REPORT**

To the Members of  
Warren Tea Limited

### **Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated Ind AS financial statements of Warren Tea Limited ("the Company") and its associate company, comprising of the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

### **Management's Responsibility for the Consolidated Financial Statements**

The Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Company including its associate 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. The respective Board of Directors of the company and of its associate company are responsible for 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; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Company, as aforesaid.

### **Auditor's Responsibility**

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant

### **Auditors' Report (Continued)**

to the Company's preparation of the consolidated Ind AS 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 an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

### **Opinion**

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

### **Other Matter**

The comparative financial information of the Company for the year ended March 31, 2017 and the transition date opening balance sheet as at April 1, 2016 included in these consolidated Ind AS financial statements, are based on the previously issued statutory financial statements for the years ended March 31, 2017 and March 31, 2016 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by us, on which we expressed an unmodified opinion dated May 30, 2017 and May 26, 2016 respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us.

Our opinion is not qualified in respect of this matter.

### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

**Auditors' Report** (Continued)

(e) On the basis of the written representations received from the directors of the Company and its associate company as on March 31, 2018 and the reports of the statutory auditor of the associate company, none of the directors of the Company and its associate company is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and its associate company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

(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 Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

- i. The consolidated Ind AS financial statements disclose the impact of pending litigations on consolidated financial position of the Company and its associate company as referred to in Note No. 30 (11) to the financial statements.
- ii. The Company and its associate company did not have any long-term contracts including derivative contracts 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 and its associate company during the year.

For B M Chatrath & Co LLP  
Chartered Accountants  
Firm Registration Number: 301011E/E300025  
Sukhpreet S. Sidhu  
*Partner*  
Membership Number 052187

Place: Kolkata  
Date: 26 May, 2018

**Auditors' Report** (Continued)**'ANNEXURE – A' TO THE INDEPENDENT AUDITOR'S REPORT****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 Warren Tea Limited ("the Company") and its associate company as of March 31, 2018 in conjunction with our audit of the Consolidated Ind AS Financial Statements of the Company for the year ended on that date.

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

The Respective Board of Directors of the Company and its associate company are 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 judgement, 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



**Auditors' Report (Continued)**

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 authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

**Opinion**

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

Place: Kolkata  
Date: 26 May, 2018

For B M Chatrath & Co LLP  
Chartered Accountants  
Firm Registration Number: 301011E/E300025  
Sukhpreet S. Sidhu  
*Partner*  
Membership Number 052187

**CONSOLIDATED BALANCE SHEET  
as at 31st March, 2018**

	Notes	As at 31st March, 2018 ₹ in Lakhs	As at 31st March, 2017 ₹ in Lakhs	As at 1st April, 2016 ₹ in Lakhs
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
Property, Plant and Equipment	1	6931.66	6891.40	6477.22
Capital Work-in-Progress		1516.90	1241.32	1017.03
Other Intangible Assets	2	1.93	6.07	11.31
<b>Financial Assets</b>				
Investments	3	4162.07	4167.28	3640.57
Loans	4	616.68	621.36	626.47
Other Financial Assets	5	3.80	177.75	797.63
Deferred Tax Assets - Liabilities (Net)	6	10.53	—	—
Other Non-Current Assets	7	379.54	296.91	348.76
		<u>13623.11</u>	<u>13402.09</u>	<u>12918.99</u>
<b>Current Assets</b>				
Inventories	8	825.67	894.18	959.20
Biological Assets other than Bearer Plants		161.60	69.19	67.07
<b>Financial Assets</b>				
Trade Receivables	9	3953.57	4606.41	3660.58
Cash and Cash Equivalents	10	8.65	10.21	1420.41
Other Bank Balances	11	1.19	1.19	1.19
Loans	12	7.99	8.59	5.48
Other Financial Assets	13	3.06	27.94	47.00
Other Current Assets	14	108.89	111.51	185.63
		<u>5070.62</u>	<u>5729.22</u>	<u>6346.56</u>
		<u>18693.73</u>	<u>19131.31</u>	<u>19265.55</u>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity Share Capital	15	1195.08	1195.08	1195.08
Other Equity		921.77	967.48	1087.91
		<u>10416.85</u>	<u>10871.56</u>	<u>12072.99</u>
<b>Liabilities</b>				
<b>Non-Current Liabilities</b>				
<b>Financial Liabilities</b>				
Borrowings	16	1800.00	1699.90	914.71
Trade Payables		110.00	110.00	122.07
Others	17	113.61	81.42	—
Deferred Tax Assets - Liabilities (Net)	6	—	114.90	914.64
Provisions	18	868.95	1255.78	1158.19
		<u>2892.56</u>	<u>3262.00</u>	<u>3109.61</u>

**CONSOLIDATED BALANCE SHEET (Continued)**

	Notes	As at 31st March, 2018 ₹ in Lakhs	As at 31st March, 2017 ₹ in Lakhs	As at 1st April, 2016 ₹ in Lakhs
<b>Current Liabilities</b>				
Financial Liabilities				
Borrowings	19	1134.90	655.95	—
Trade Payables		1341.15	1204.66	926.93
Other Financial Liabilities	20	1196.71	1518.31	1547.68
Other Current Liabilities	21	6.00	81.12	82.37
Provisions	22	746.13	577.94	642.79
Current Tax Liabilities (Net)		959.43	959.77	883.18
		<u>5384.32</u>	<u>4997.75</u>	<u>4082.95</u>
<b>Notes to Consolidated Financial Statements</b>	30	<u>18693.73</u>	<u>19131.31</u>	<u>19265.55</u>

The Notes referred to above form an integral part of the Consolidated Financial Statements.

As per our report of even date.

BM Chatrath & Co LLP  
 Firm Registration Number - 301011E/E300025  
 Chartered Accountants  
 Sukhpreet S. Sidhu  
*Partner*  
 Membership Number - 052187  
 Kolkata, 26th May, 2018

S. Roy  
*Company Secretary*  
 S. K. Mukhopadhyay  
*Chief Financial Officer*

Vinay K. Goenka  
*Chairman*  
 S. K. Ghosh  
*Managing Director*

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS  
for the year ended 31st March, 2018**

	Notes	Current Year ₹ in Lakhs	Previous Year ₹ in Lakhs
<b>Income</b>			
Revenue from Operations	23	11899.11	10970.66
Other Income	24	138.43	184.70
<b>Total Income</b>		<u>12037.54</u>	<u>11155.36</u>
<b>Expenses</b>			
Changes in Inventories of Finished Goods	25	(72.02)	51.17
Employee Benefits Expense	26	8486.16	8943.01
Finance Costs	27	374.76	232.20
Depreciation and Amortisation Expense	28	363.87	361.91
Other Expenses	29	3962.67	3937.34
<b>Total Expenses</b>		<u>13115.44</u>	<u>13525.63</u>
<b>Loss before Tax</b>		(1077.90)	(2370.27)
Tax Expense			
Current Tax		—	—
Deferred Tax		(288.66)	(742.01)
<b>Loss after tax but before share of profit/(loss) from Associate</b>		<u>(789.24)</u>	<u>(1628.26)</u>
Add : Share of Profit/ (Loss) of Investments in Associate [Refer Note No. 30(26)]		(48.87)	556.53
<b>Loss for the year</b>		<u>(838.11)</u>	<u>(1071.73)</u>
<b>Other Comprehensive Income</b>			
Items that will not be reclassified to Profit or Loss :			
Employee Benefits Expense		497.98	(184.47)
Effect for Change in Value of Investments		39.89	(5.17)
Share of Other Comprehensive Income in Associate		11.80	3.20
Income Tax relating to Items that will not be reclassified to Profit or Loss		(166.27)	56.74
		<u>383.40</u>	<u>(129.70)</u>
<b>Total Comprehensive Income</b>		<u>(454.71)</u>	<u>(1201.43)</u>
Basic and Diluted Earnings per Equity Share of ₹ 10 each (₹)		(7.01)	(8.97)

**Notes to Consolidated Financial Statements** 30

The Notes referred to above form an integral part of the Consolidated Financial Statements.

As per our report of even date.

B M Chatrath & Co LLP  
Firm Registration Number - 301011E/E300025  
Chartered Accountants  
Sukhpreet S. Sidhu  
*Partner*  
Membership Number - 052187  
Kolkata, 26th May, 2018

S. Roy  
*Company Secretary*  
S. K. Mukhopadhyay  
*Chief Financial Officer*

Vinay K. Goenka  
*Chairman*  
S. K. Ghosh  
*Managing Director*

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
for the year ended 31st March, 2018**

(₹ in Lakhs)

**A. EQUITY SHARE CAPITAL**

Balance as at 01.04.2017	Changes in Equity Share Capital during the Year	Balance as at 31.03.2018
<u>1195.08</u>	<u>—</u>	<u>1195.08</u>

**B. OTHER EQUITY**

	Reserves and Surplus				Equity Instruments through other comprehensive Income	Total
	Capital Reserve	Securities Premium Reserve	General Reserve	Retained Earnings		
Balance as at 1st April, 2016	185.37	963.03	2415.58	7319.59	(5.66)	10877.91
Profit/ (Loss) for the Period	—	—	—	(1071.73)	—	(1071.73)
Other Comprehensive Income	—	—	—	(125.62)	(4.08)	(129.70)
Balance as at 31st March, 2017	<u>185.37</u>	<u>963.03</u>	<u>2415.58</u>	<u>6122.24</u>	<u>(9.74)</u>	<u>9676.48</u>
Profit/ (Loss) for the Period	—	—	—	(838.11)	—	(838.11)
Other Comprehensive Income	—	—	—	353.79	29.61	383.40
Balance as at 31st March, 2018	<u>185.37</u>	<u>963.03</u>	<u>2415.58</u>	<u>5637.92</u>	<u>19.87</u>	<u>9221.77</u>

As per our report of even date.

B M Chatrath & Co LLP  
 Firm Registration Number - 301011E/E300025  
 Chartered Accountants  
 Sukhpreet S. Sidhu  
*Partner*  
 Membership Number - 052187  
 Kolkata, 26th May, 2018

S. Roy  
*Company Secretary*  
 S. K. Mukhopadhyay  
*Chief Financial Officer*

Vinay K. Goenka  
*Chairman*  
 S. K. Ghosh  
*Managing Director*



**Notes to the Consolidated Financial Statements**

	As at 31st March, 2018 ₹ in Lakhs	As at 31st March, 2017 ₹ in Lakhs	As at 1st April, 2016 ₹ in Lakhs
<b>Note 3</b>			
<b>INVESTMENTS</b>			
<b>(NON-CURRENT ASSET)</b>			
(At Fair Value through Other Comprehensive Income)			
Unquoted - Equity Instruments			
10000 Equity Shares of ₹ 10/- each fully paid-up in ABC Tea Workers Welfare Services	*	*	*
150000 Equity Shares of ₹ 10/- each fully paid-up in Warren Steels Private Limited	167.05	127.36	133.36
Quoted - Equity Instruments			
15150 Equity Shares of ₹ 10/- each fully paid-up in Pal Peugeot Limited	*	*	*
35 Equity Shares of ₹ 10/- each fully paid-up in Hindusthan Engineering & Industries Limited	*	*	*
225 Equity Shares of ₹ 5/- each fully paid-up in McLeod Russel India Limited	0.32	0.37	0.42
864 Equity Shares of ₹ 10/- each fully paid-up in Syndicate Bank	0.50	0.62	0.58
100 Equity Shares of ₹ 10/- each fully paid-up in Goodricke Group Limited	0.32	0.27	0.17
100 Equity Shares of ₹ 10/- each fully paid-up in NTPC Limited	0.17	0.17	0.13
Nil (Previous Year - 2700) Equity Shares of ₹ 2/- each fully paid-up in Bank of Baroda	—	4.67	3.97
Nil Equity Shares of ₹ 1/- each fully paid-up in State Bank of India	—	—	3.89
Nil Equity Shares of ₹ 2/- each fully paid-up in Rain Industries Ltd.	—	—	5.21
Nil Equity Shares of ₹ 10/- each fully paid-up in Subex Ltd.	—	—	17.76
Quoted - Debenture and Bonds			
100 Debenture of ₹ 12.50 each fully paid-up in NTPC Limited	*	*	*
Carried forward	168.36	133.46	165.49

**Notes to the Consolidated Financial Statements**

	As at 31st March, 2018 ₹ in Lakhs	As at 31st March, 2017 ₹ in Lakhs	As at 1st April, 2016 ₹ in Lakhs
<b>Note 3 (Continued)</b>			
Brought forward	168.36	133.46	165.49
Unquoted - Equity Instruments (Equity Method)			
Investment in Associate			
6500000 Equity Shares of ₹ 10/- each fully paid-up in Maple Hotels & Resorts Limited	3993.71	4033.82	3475.08
	<u>4162.07</u>	<u>4167.28</u>	<u>3640.57</u>

**Notes :**

1 Market Value of Quoted Investments	1.31	6.10	32.13
2 Aggregate Book Value of Quoted Investments	0.77	5.76	36.12
3 Aggregate Book Value of Unquoted Investments	4160.76	4161.18	3608.44
4 Aggregate Provision for diminution in the value of Investments	23.31	57.00	63.31
5 * Indicates that amounts below the rounding off norm adopted by the Company.			

**Note 4**
**LOANS**
**(NON-CURRENT ASSET)**

(Unsecured - Considered Good)

**Security Deposits**

(Include Deposit to Related Party ₹ 430.80; Previous Year - ₹ 430.80; Transition date - ₹ 433.20) [Refer Note No. 30(22)]	611.45	607.42	608.59
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**Other Loans**

Loans to Employees for housing, vehicle and furniture [Refer Note No. 30(22)]	5.23	13.94	17.88
	<u>616.68</u>	<u>621.36</u>	<u>626.47</u>



**Notes to the Consolidated Financial Statements**

	As at 31st March, 2018 ₹ in Lakhs	As at 31st March, 2017 ₹ in Lakhs	As at 1st April, 2016 ₹ in Lakhs
<b>Note 5</b>			
<b>OTHER FINANCIAL ASSETS (NON-CURRENT ASSET)</b>			
Deposits with National Bank for Agriculture and Rural Development	3.80	177.75	797.63
	<u>3.80</u>	<u>177.75</u>	<u>797.63</u>
<b>Note 6</b>			
<b>DEFERRED TAX ASSETS (NET) (NON-CURRENT ASSET)</b>			
Deferred Tax Assets			
Timing difference on account of :			
Expenses allowable on payment	118.27	147.55	3.51
Provision for Doubtful Debts	1.91	2.04	2.04
Business Loss	1130.14	873.00	—
Value of Inventory of Black Tea	—	12.51	37.77
Present Value of Loans to Employees	1.89	3.22	4.78
Fair Value of Investments	—	4.49	3.97
	<u>1252.21</u>	<u>1042.81</u>	<u>52.07</u>
Less : Deferred Tax Liabilities			
Timing difference on account of :			
Effect of change in Property, Plant & Equipment	836.79	808.07	693.45
Effect of change in Investments	11.29	—	—
Effect of change in Capital work-in-progress	393.60	349.64	273.26
	<u>10.53</u>	<u>(114.90)</u>	<u>(914.64)</u>
<b>Note 7</b>			
<b>OTHER ASSETS (NON-CURRENT ASSET)</b>			
(Unsecured - Considered Good)			
Deposits with Government Authorities and Others	5.10	4.87	5.69
Capital Advances	183.56	159.85	61.90
Other Advances	190.88	132.19	281.17
	<u>379.54</u>	<u>296.91</u>	<u>348.76</u>
<b>Note 8</b>			
<b>INVENTORIES (CURRENT ASSET)</b>			
(At lower of cost or net realisable value)			
Stock of Tea	440.93	368.91	420.08
Stock of Stores and Spares	384.74	525.27	539.12
	<u>825.67</u>	<u>894.18</u>	<u>959.20</u>

**Notes to the Consolidated Financial Statements**

	As at 31st March, 2018 ₹ in Lakhs	As at 31st March, 2017 ₹ in Lakhs	As at 1st April, 2016 ₹ in Lakhs
<b>Note 9</b>			
<b>TRADE RECEIVABLES (CURRENT ASSET)</b>			
(Unsecured)			
Trade Receivables			
Considered Good	3953.57	4606.41	3660.58
Considered Doubtful	34.85	34.85	34.85
Less: Provision for Doubtful Debts	34.85	34.85	34.85
	<u>—</u>	<u>—</u>	<u>—</u>
	<u>3953.57</u>	<u>4606.41</u>	<u>3660.58</u>
<b>Note 10</b>			
<b>CASH AND CASH EQUIVALENTS (CURRENT ASSET)</b>			
Cash and Cash Equivalents			
Balances with Banks			
Current Accounts	4.77	6.37	65.91
Deposit Accounts with less than three months maturity	—	—	1350.00
Cash on hand	3.87	2.30	2.82
Cash with Garden Kayahs	0.01	1.54	1.68
	<u>8.65</u>	<u>10.21</u>	<u>1420.41</u>
<b>Note 11</b>			
<b>OTHER BANK BALANCES (CURRENT ASSET)</b>			
Deposit Accounts	1.19	1.19	1.19
	<u>1.19</u>	<u>1.19</u>	<u>1.19</u>
<b>Note 12</b>			
<b>LOANS (CURRENT ASSET)</b>			
(Unsecured - Considered Good)			
Loans to Employees for housing, vehicle and furniture [Refer Note No. 30(22)]	7.99	8.59	5.48
	<u>7.99</u>	<u>8.59</u>	<u>5.48</u>
<b>Note 13</b>			
<b>OTHER FINANCIAL ASSETS (CURRENT ASSET)</b>			
(Unsecured - Considered Good)			
Interest Accrued on Deposits	3.06	27.94	47.00
	<u>3.06</u>	<u>27.94</u>	<u>47.00</u>



## Notes to the Consolidated Financial Statements

	As at 31st March, 2018 ₹ in Lakhs	As at 31st March, 2017 ₹ in Lakhs	As at 1st April, 2016 ₹ in Lakhs			
<b>Note 14</b>						
<b>OTHER ASSETS</b>						
<b>(CURRENT ASSET)</b>						
Deposits with Government Authorities and Others	1.28	3.45	2.98			
Other Advances	53.78	41.04	113.34			
Subsidy Receivable	—	—	5.06			
Prepaid Expenses	53.83	67.02	64.25			
	<u>108.89</u>	<u>111.51</u>	<u>185.63</u>			
<b>Note 15</b>						
<b>EQUITY SHARE CAPITAL</b>						
<b>Authorised</b>						
2,00,00,000 Equity Shares of ₹10/- each	<u>2000.00</u>	<u>2000.00</u>	<u>2000.00</u>			
<b>Issued, Subscribed and Fully Paid-up</b>						
1,19,50,804 Equity Shares of ₹10/- each (including Bonus Shares - 57,86,601)	<u>1195.08</u>	<u>1195.08</u>	<u>1195.08</u>			
	<u>1195.08</u>	<u>1195.08</u>	<u>1195.08</u>			
	No. of Shares	No. of Shares	No. of Shares			
Reconciliation of the number of Equity Shares Outstanding at the beginning and at the end of the year	<u>11950804</u>	<u>11950804</u>	<u>11950804</u>			
<b>Shareholders holding more than 5% shares of the Company</b>						
Name	No. of Shares	%	No. of Shares	%	No. of Shares	%
Vinay K. Goenka	3977613	33.28	4009202	33.55	2004601	16.77
Maple Hotels & Resorts Limited	3196448	26.75	3196448	26.75	1598224	13.37
Vivek Goenka	1476876	12.36	1476876	12.36	738438	6.18
C. K. Dhanuka, P.K. Khaitan and D. P. Jindal (Jointly as Escrow Agents)	—	—	1416074	11.85	1416074	11.85
Ashdene Investments Ltd.	—	—	—	—	1181505	9.89
Isis Enterprises Ltd.	—	—	—	—	1102785	9.23
Maygrove Investments Ltd.	—	—	—	—	630106	5.27
<b>Rights, preferences and restrictions attached to shares</b>						
The Company has only one class of shares being Equity Shares having a par value of ₹ 10/- each. All equity shares rank pari passu in all respects including voting rights, entitlement to dividend and repayment of capital.						

**Notes to the Consolidated Financial Statements**

	As at 31st March, 2018 ₹ in Lakhs	As at 31st March, 2017 ₹ in Lakhs	As at 1st April, 2016 ₹ in Lakhs
<b>Note 16</b>			
<b>BORROWINGS (NON-CURRENT LIABILITY - SECURED )</b>			
Term Loans from a Bank [Secured by joint equitable mortgage / first charge on the entire fixed assets of the Company, ranking pari passu amongst the Banks, repayable in quarterly instalments ending in July 2021]	500.00	700.00	900.00
Term Loans from a Bank [Secured by first charge on equitable mortgage of all the fixed assets, movable and immovable, and second charge on stock and book debts of the Company ranking pari passu amongst the banks, repayable in quarterly instalments with a moratorium of one year, ending in February 2023]	1300.00	999.90	—
Term Loan from a Bank [Secured by way of hypothecation of related car, repayable in monthly instalments]	—	—	14.71
	<u>1800.00</u>	<u>1699.90</u>	<u>914.71</u>
<b>Note 17</b>			
<b>OTHER FINANCIAL LIABILITIES (NON-CURRENT LIABILITY)</b>			
Deferred Income received from Government Authorities	113.61	81.42	—
	<u>113.61</u>	<u>81.42</u>	<u>—</u>
<b>Note 18</b>			
<b>PROVISIONS (NON-CURRENT LIABILITY)</b>			
Provision for Employee Benefits	868.95	1255.78	1158.19
	<u>868.95</u>	<u>1255.78</u>	<u>1158.19</u>

**Notes to the Consolidated Financial Statements**

	As at 31st March, 2018 ₹ in Lakhs	As at 31st March, 2017 ₹ in Lakhs	As at 1st April, 2016 ₹ in Lakhs
<b>Note 19</b>			
<b>BORROWINGS</b>			
<b>(CURRENT LIABILITY - SECURED)</b>			
Working Capital Facilities from Banks [Secured by joint equitable mortgage/charge on the current assets and fixed assets, present and future, ranking pari passu amongst the Banks severally, repayable on demand]	1134.90	655.95	—
	<u>1134.90</u>	<u>655.95</u>	<u>—</u>
<b>Note 20</b>			
<b>OTHER FINANCIAL LIABILITIES</b>			
<b>(CURRENT LIABILITY)</b>			
Current Maturity of Long-Term Debt	400.00	214.71	116.11
Interest accrued and due on borrowings	18.11	15.73	8.79
Other Payables			
Employee Benefits Payable	771.94	1282.34	1418.04
Retention Money	6.66	5.53	4.74
	<u>1196.71</u>	<u>1518.31</u>	<u>1547.68</u>
<b>Note 21</b>			
<b>OTHER LIABILITIES</b>			
<b>(CURRENT LIABILITY)</b>			
Advance from Customers	0.88	3.43	2.54
Statutory Dues	5.12	77.69	79.83
	<u>6.00</u>	<u>81.12</u>	<u>82.37</u>
<b>Note 22</b>			
<b>PROVISIONS</b>			
<b>(CURRENT LIABILITY)</b>			
Provision for Employee Benefits	746.13	577.94	642.79
	<u>746.13</u>	<u>577.94</u>	<u>642.79</u>

**Notes to the Consolidated Financial Statements**

	Current Year ₹ in Lakhs	Previous Year ₹ in Lakhs
<b>Note 23</b>		
<b>REVENUE FROM OPERATIONS</b>		
Sale of Products - Tea	11845.39	10878.26
Other Operating Revenues		
Sale of Tea Waste	15.59	—
Government Grant / Assistance	38.06	92.12
Sale of Scrap	0.07	0.28
	<u>11899.11</u>	<u>10970.66</u>
<b>Note 24</b>		
<b>OTHER INCOME</b>		
Changes in Fair value of Biological Assets other than Bearer Plants	92.41	2.12
Interest Income on Financial Assets on Deposit	4.19	50.83
Dividend Income from Non - Current Investments	0.01	0.24
Net Gain on Sale of Non - Current Investments	0.30	16.96
Net Gain on Sale of Current Investment	—	1.60
Other Non-operating Income		
Profit on Disposal of Property, Plant and Equipment (Net)	1.64	2.23
Insurance Claims	15.52	25.72
Miscellaneous Receipts	6.97	63.28
Liabilities no longer required written back	0.53	13.20
Net Gain on Foreign Currency Transactions and Translation	16.86	8.52
	<u>138.43</u>	<u>184.70</u>
<b>Note 25</b>		
<b>CHANGES IN INVENTORIES OF FINISHED GOODS</b>		
Opening Inventories	368.91	420.08
Less : Closing Inventories	440.93	368.91
	<u>(72.02)</u>	<u>51.17</u>
<b>Note 26</b>		
<b>EMPLOYEE BENEFITS EXPENSE</b>		
Salaries and Wages	6343.01	6722.53
Contributions to Provident and Other Funds	1036.00	1000.68
Staff Welfare Expenses	1107.15	1219.80
	<u>8486.16</u>	<u>8943.01</u>

**Notes to the Consolidated Financial Statements**

	Current Year ₹ in Lakhs	Previous Year ₹ in Lakhs
<b>Note 27</b>		
<b>FINANCE COSTS</b>		
Interest Expense	358.09	212.60
Other Borrowing Costs	16.67	19.60
	<u>374.76</u>	<u>232.20</u>
<b>Note 28</b>		
<b>DEPRECIATION AND AMORTISATION EXPENSE</b>		
Depreciation on Property, Plant and Equipment	359.73	356.67
Amortisation on Intangible Assets	4.14	5.24
	<u>363.87</u>	<u>361.91</u>
<b>Note 29</b>		
<b>OTHER EXPENSES</b>		
Consumption of Stores and Spare Parts		
Packing Materials	132.14	128.09
Others	1304.14	1128.84
Power and Fuel	1121.50	1067.19
Rent	43.27	20.43
Repairs to Buildings	24.40	35.03
Repairs to Machinery	21.36	19.24
Insurance	25.14	21.49
Rates and Taxes	170.82	159.60
Tea Board Cess	7.41	31.03
Administrative Overheads	532.00	699.59
Selling		
Freight	320.13	309.12
Insurance	16.73	21.91
Other Selling Expenses	243.63	295.78
	<u>3962.67</u>	<u>3937.34</u>

## Notes to the Consolidated Financial Statements

### Note 30

#### 1. Company Overview

Warren Tea Limited is engaged in the growing, harvesting, manufacture and sale of tea. The Company operates with seven tea estates situated in Assam and sells tea in bulk both in domestic and international markets. The Company is listed on the Bombay and Calcutta Stock Exchanges.

#### 2. Statement of Compliance with Ind AS

These Consolidated financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) as contained in Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 and other 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 financial statements for the year ended 31st March, 2018 are the first financial statements of the Company under Ind AS. Comparative figures relating to previous year and on the date of transition have also been prepared in accordance with Ind AS. The date of transition to Ind AS is 1st April 2016.

#### 3. Significant Accounting Policies

##### 3.1 Classification of Current and Non-Current Assets and Liabilities

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 Schedule III to the Companies Act, 2013 and Ind AS 1. The Company has ascertained its operating cycle as twelve months for the purpose of classification of current and non-current assets and liabilities.

##### 3.2 Historical Cost Conventions

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 financial assets and liabilities that are measured at fair value;
- ii) Plan assets relating to defined benefit plans that are measured at fair value;
- iii) biological assets (including un-plucked green leaves) – measured at fair value less cost to sell.

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

Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

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

The preparation of financial statements in conformity with Ind AS requires management to make estimates based on its judgements, and assumptions that affect the application of the accounting policies and the



## Notes to the Consolidated Financial Statements

### Note 30 (Continued)

reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period; they are recognised in the period of the revision as well as for future periods if the revision affects both current and future periods.

The Consolidated Financial Statements comprise the financial statements of its Associate being Maple Hotels & Resorts Limited, India, holding 46.92% ownership by the Company.

Investments in Associate Companies is accounted for in accordance with IND AS 28 on Investments in Associates and Joint Ventures in consolidated financial statements prescribed under the Act, under Equity Method.

#### 3.3 Sales and Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of sales returns and trade discounts.

Revenue for Sale of Goods is recognised in the Income Statement when the title, risk and rewards of ownership passed to the buyer.

#### 3.4 Foreign Currency Transactions

Transactions in foreign currency are accounted for at the exchange rates prevailing on the date of transactions. Monetary assets and liabilities related to foreign currency transactions remaining unsettled at the end of the year are translated at year-end exchange rates. Exchange Gains or Losses arising out of fluctuations in the exchange rates on settlement or translation are recognised in the Statement of Profit and Loss in the period in which they arise.

#### 3.5 Government Grants/ Assistance

Government Grants/ Assistance (Grant) are recognised at their fair value where there is a reasonable assurance that the Grant will be received and the Company will comply with the conditions attached to them.

Grants relating to income are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the Grants are intended to compensate.

Grants relating to assets are presented as deferred income in the Balance Sheet and are recognised in profit or loss on a systematic basis over the useful life of the related assets.

#### 3.6 Property Plant and Equipment

##### (i) Bearer Plants

Bearer Plants have been recognised on 1st April, 2016 as an item of Property, Plant and Equipment in accordance with previous GAAP, on which depreciation has been provided. Expenses on replanting and young teamaintenance of Bearer Plants are considered as Capital Work-in-Progress. Depreciation on Bearer Plants is charged on estimated useful life of 77 years ascertained upon technical evaluation. Depreciation on Bearer Plants is recognised so as to write off its cost over useful lives,

## Notes to the Consolidated Financial Statements

### Note 30 (Continued)

using the straight-line method. In accordance with Ind AS, Bearer Plants are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

#### (ii) Items Other than Bearer Plants

Freehold land is carried at historical cost. All other items are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the construction or acquisition of the items of the related property, plant and equipment.

However, depreciation on Property, Plant and Equipment and Intangible Assets of the associate Company is provided on Written Down Value Method over the useful life of an asset as per Schedule II to the Companies Act, 2013.

Properties in the course of construction for production, supply or administrative purposes are carried at cost less any recognised impairment loss. Depreciation of these assets, are on the same basis as other property assets, and commences when the assets are ready for their intended use.

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. All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from its use. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Items of Property, Plant and Equipment are depreciated in a manner that amortises the cost of the assets net of its residual value, over their useful lives on a straight line basis. For additions/ disposals of items during the course of the year, depreciation/amortisation is recognised on a pro-rata basis. Estimated useful lives of the assets are considered as specified in Schedule II of the Companies Act, 2013.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period and the effect of any changes in estimate is accounted for on a prospective basis. Compensation receivable for acquisition of Assets of the Company is accounted for upon acceptance of the Company's claim by the appropriate authorities.

#### Impairment of 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 in profit or loss for the amount by which the asset's carrying amount exceeds its recoverable amount. Assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

#### 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.

## Notes to the Consolidated Financial Statements

### Note 30 (Continued)

#### 3.7 Intangible Assets

Intangible Assets of the Company are recognised when it is an identifiable non-monetary asset without physical substance. An Asset is recognised when it is expected to provide future economic benefits to flow to the Company. These assets are capitalised at the price what would be received to sale an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Useful life is determined as the period over which an asset is expected to be available for use by the Company. Depreciation on Intangible Assets is recognised so as to write-off its cost over the useful life.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its Intangible Assets recognised as of 1st April, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost.

#### 3.8 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the relevant instrument and are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issues of financial assets and financial liabilities (other than financial assets and financial liabilities measured at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial assets or financial liabilities. Purchase or sale of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date when the Company commits to purchase or sell the asset.

##### (i) Financial Assets Recognition and Classification

The financial assets are classified at initial recognition in the following measurement categories as:

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

##### Subsequent Measurement

##### - Financial assets measured at amortised cost-

Financial assets which are held within the business model of collection of contractual cash flows and where those cash flows represent payments solely towards principal and interest on the principal amount outstanding are measured at amortised cost. A gain or loss on a financial asset that is measured at amortised cost is recognised in profit or loss when the asset is derecognised or impaired.

##### - Financial assets measured at fair value through other comprehensive income

- Financial assets that are held within a business model of collection of contractual cash flows and for selling and where the assets' cash flow represents solely payment of principal and interest on the principal amount outstanding are measured at fair value through OCI. Movements in carrying amount are taken through OCI, except for recognition of impairment gains or losses.

When a financial asset, other than investment in equity instrument, is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to statement of profit and loss.

Classification of equity instruments, not being investments in subsidiaries, associates and joint

## Notes to the Consolidated Financial Statements

### Note 30 (Continued)

arrangements, depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through OCI. When investment in such equity instrument is derecognised, the cumulative gains or losses recognised in OCI is transferred within equity on such derecognition.

#### - Financial assets measured at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. Movements in fair value of these instruments are taken in profit or loss.

#### Impairment of financial assets

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Impairment losses are recognised in the profit or loss where there is an objective evidence of impairment based on reasonable and supportable information that is available without undue cost or effort.

The Company recognises loss allowances on trade receivables when there is objective evidence that the Company will not be able to collect all the due amounts depending on product categories and the payment mechanism prevailing in the industry.

#### Income recognition on financial assets

Interest income from financial assets is recognised in profit or loss using effective interest rate method, where applicable. Dividend income is recognised in profit or loss only when the Company's right to receive payments is established and the amount of dividend can be measured reliably.

#### (ii) Financial Liabilities

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

Financial liabilities are classified according to the substance of the contractual arrangements entered into. Financial liabilities are classified, at initial recognition, as subsequently measured at amortised cost unless they fulfill the requirement of measurement at fair value through profit or loss. Where the financial liability has been measured at amortised cost, the difference between the initial carrying amount of the financial liabilities and their redemption value is recognised in the statement of profit and loss over the contractual terms using the effective interest rate method.

Financial liabilities at fair value through profit or loss are carried at fair value with changes in fair value recognised in the finance income or finance cost in the statement of profit and loss.

#### (iii) Derecognition of financial assets and financial liabilities

Financial assets are derecognised when the rights to receive benefits have expired or been transferred, and the Company has transferred substantially all risks and rewards of ownership of such financial asset. Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

#### (iv) Offsetting of 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

## Notes to the Consolidated Financial Statements

### Note 30 (Continued)

on a net basis or realise the asset and settle the liability simultaneously.

#### 3.9 Employee Benefits

##### a) Short Term Employee Benefits

These are recognised at the undiscounted amount as expense for the year and are expensed as the related service is provided.

##### b) Other Long term Employment Benefits

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.

##### c) Post Employment Benefits

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

In case of Defined Benefit Plans, the cost of providing the benefits determined using the Projected Unit Credit Method with actuarial valuation being carried out at each Balance Sheet date. Actuarial gain 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.

(i) The Company operates defined Contribution Schemes of Provident Funds and makes regular contributions to Provident Funds which are fully funded and administered by the Trustees and are independent of the Company's finance. Such contributions are recognised in the Accounts on accrual basis. Interest accruing to the Fund administered by the Trustees are credited to respective members' accounts based on the rates stipulated by the Government and shortfall if any, recognised on the basis of actuarial valuation report in this regard, is borne by the Company.

(ii) The Company operates defined benefit Superannuation and Gratuity Schemes administered by the Trustees, which are independent of the Company's finance. Such obligations are recognised in the Accounts on the basis of actuarial valuation applying Projected Unit Credit Method including gains and losses at the year-end.

(iii) The Company operates a defined benefit Pension Scheme and Additional Retirement Benefit for certain categories of employees for which obligations are recognised in the Accounts based on actuarial valuation applying Projected Unit Credit Method including gains and losses at the year-end.

#### 3.10 Inventories

Inventories of Stores, as existing at the year-end, represent weighted average cost of procurements. Provision is made for obsolete and slow moving inventories whenever necessary in the Accounts.

## Notes to the Consolidated Financial Statements

### Note 30 (Continued)

Finished goods produced from agricultural produce are valued at lower of cost, arrived at by adding the cost of conversion to the fair value of agricultural produce and the net realisable value. Net realisable value represents the estimated selling price for inventories less all selling costs.

#### 3.11 Biological Assets

Biological assets of the Company comprises un-harvested green tea leaves that are classified as current assets.

The Company recognises biological assets when, and only when, the Company controls the assets as a result of past events. It is probable that future economic benefits associated with such assets will flow to the Company and the fair value or cost of the assets can be measured reliably. Expenditure incurred on biological assets are measured on initial recognition and at the end of each reporting period at its fair value less costs to sell. The gain or loss arising from a change in fair value less costs to sell of biological assets are included in statement of profit and loss for the period in which it arises.

On transition to Ind AS the Company has recognised biological assets for the first time as required by Ind AS 101 at fair value less cost to sell as at 1st April, 2016 (transition date).

#### 3.12 Trade Receivables

Trade receivables are recognised at Fair Value less provision for impairment if any.

#### 3.13 Provision and Contingent Liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking in to account the risks and uncertainties surrounding the obligation.

Contingent Liabilities are disclosed when there is a possible obligation which may arise from past events and 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 the obligation or reliable estimate of the amount cannot be made.

#### 3.14 Borrowing Cost

Interest and other borrowing costs attributable to qualifying assets are capitalised. Other Interest and Operational Borrowing Costs are recognised as Revenue Expenditure in the year in which these are incurred and are charged to Profit and Loss.

#### 3.15 Taxes on Income

Taxes on income comprises of current taxes and deferred taxes. Current Tax in the statement of profit and loss is determined as the amount of income-tax payable/recoverable in respect of the taxable income for the current period using tax rates and tax laws enacted during the period, together with any adjustment to tax payable in respect of previous years.

Deferred Tax is recognised on temporary differences between the carrying amount of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

## **Notes to the Consolidated Financial Statements**

### **Note 30 (Continued)**

Deferred Tax Assets are recognised subject to the consideration of prudence only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Such deferred tax assets and liabilities are not recognised if the temporary differences arise from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity net of tax respectively.

#### **4. 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 date of Transition to Ind AS is 1st April, 2016.

The accounting policies set out above have been applied in preparing the financial statements for the year ended 31st March, 2018, 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 (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).

#### **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.

##### **Ind AS Optional Exemptions**

###### **4.1 Deemed cost**

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

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 adjustments have been made for the same.

###### **4.2 Measurement of Investment in Associate**

Ind AS 101 allows a first-time adopter to measure investment in associate at cost determined in accordance with Ind AS 27 or at deemed cost i.e., fair value of such investments at the entity's date of transition or previous GAAP carrying amount at the date of transition. Accordingly, the Company has elected to apply this exemption and have adopted previous GAAP carrying amount of such investments

## **Notes to the Consolidated Financial Statements**

### **Note 30 (Continued)**

at the company's date of transition as carrying amount of investment in Associate.

#### **Ind AS Mandatory Exceptions**

##### **4.3 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.

##### **4.4 Classification and Measurement of Financial Assets**

The Company undertook an assessment of classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS as required by Ind AS 101.

## **5. Notes to First-time Adoption**

### **5.1 Replanting Cost**

Under the previous GAAP, replanting cost was charged off to profit and loss account as and when incurred. Under Ind AS, such cost is being recognised as Bearer Plant within the meaning of Ind AS 16 "Property, Plant and Equipment".

### **5.2 Depreciation on Bearer Plants**

Under Ind AS, since bearer plants come within the ambit of Ind AS 16 "Property, Plant and Equipment", depreciation is being provided on bearer plants.

### **5.3 Fair valuation 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, except for Investments in associates for which exemption with regard to carrying amount of such investments at the entity's date of transition as deemed cost is adopted.

### **5.4 Inventories**

#### **Finished Goods :**

Under previous GAAP, tea stock has been valued at the lower of cost and net realisable value. Cost of inventories comprise all costs of production of green leaf, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Under Ind AS, cost of inventories comprise fair value of green leaf at the time of harvest less cost to sell, conversion cost (i.e 40 % of factory cost) and other costs incurred in bringing the inventories to their present location and condition.

### **5.5 Borrowings**

Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the profit or loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate



## Notes to the Consolidated Financial Statements

### Note 30 (Continued)

method. Under previous GAAP, these transaction costs were charged to profit or loss as and when incurred.

#### 5.6 Remeasurements of post employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss.

#### 5.7 Retained Earnings

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

#### 5.8 Other Comprehensive Income

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

## 6. Financial Instruments and Related Disclosures

### Capital Management

The Company's objective is to have a strong capital base in order to maximise the shareholders' wealth and to ensure the continuity of the business from its internal resources and if found necessary, from a judicious use of borrowing facilities to fund requirements during the peak season of working capital as well as requirements for a comprehensive growth of the Company.

### 7. Financial risk management objectives

The Company faces a variety of financial risks, including market risk, credit risk and liquidity risk. The Company continues to focus on business risk management. The Company management seeks to enable the early identification, evaluation and effective management of key risks facing the business. The Company has strong internal control systems resting on policies and procedures issued by appropriate authorities, process of regular audits and monitoring of risks.

#### a) Market risk

The Company's business, primarily agricultural in nature, future cash flows will fluctuate because of adverse weather conditions and lack of future markets. The Company closely monitors the changes in market conditions and select the sales strategies to mitigate its exposure to risk.

#### b) Foreign currency risk

The Company undertakes transactions denominated in foreign currency which results in exchange rate fluctuations. Such exchange rate risk primarily arises from transactions made in foreign exchange. A significant portion of these transactions are in US Dollar and Euro.

#### c) Foreign currency sensitivity

The impact of sensitivity analysis arising on account of outstanding foreign currency denominated assets and liabilities is insignificant.

## Notes to the Consolidated Financial Statements

### Note 30 (Continued)

#### d) Interest rate risk

Interest rate risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The objective of the Company is to lessen the impact of adverse interest rate movements on its earnings and cash flows and to minimise counterparty risks.

The Company is exposed to interest rate volatilities primarily with respect to its short term borrowings from banks as well as Financial Institutions.

The Company manages such risk by proper leverage of its internal resources.

#### e) Interest rate sensitivity

Since the borrowings are all short term in nature, the possible volatility in the interest rate is minimal.

#### f) Liquidity risk

Liquidity risk is the risk that the Company may encounter difficulty including seasonality in meeting its obligations. The Company mitigates its liquidity risks by ensuring timely collections of its trade receivables, close monitoring of its credit cycle and ensuring optimal movements of its inventories.

#### g) Credit risk

Credit risk is the risk that counterparty will not meet its obligations leading to a financial loss. The Company has its policies to limit its exposure to credit risk arising from outstanding receivables. Management regularly assess the credit quality of its customers. The credit risk of the Company is relatively low as the Company also sells largely its teas through the auction system which is on cash and carry basis and through exports which are mostly backed by letter or credit or on advance basis.

## 8. Fair value measurements

### Fair value hierarchy

Fair value of the financial instruments is classified in various fair value hierarchies based on the following three levels:

**Level 1:** Quoted prices in active market for identical assets or liabilities.

**Level 2:** Inputs other than quoted price including within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

**Level 3:** Inputs for the assets or liabilities that are not based on observable market data. If one or more of the significant inputs is not based on observable market data, the fair value is determined using generally accepted pricing models based on a discounted cash flow analysis, with the most significant input being the discount rate that reflects the credit risk of counterparty. This is the case with listed instruments where market is not liquid and for unlisted instruments.

**Notes to the Consolidated Financial Statements**
**Note 30 (Continued)**

(₹ in Lakhs)

The management consider that the carrying amounts of financial assets (other than those measured at fair values) and liabilities recognised in the financial statements approximate their fair value as on March 31, 2018, March 31, 2017 and April 1, 2016.

There has been no change in the valuation methodology for Level 3 inputs during the year. There were no transfers between Level 1 and Level 2 during the year.

- 9 Under the Assam Fixation of Ceiling of Land Holding Act, 1956, undeveloped lands, approximately 2145 hectares (Previous Year - 2145 hectares) have been vested in the State Government. Necessary adjustments in respect of land compensation will be made in the accounts on settlement of the same.

	Current Year ₹	Previous Year ₹
10 Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of Advance)	36.01	24.00
11 Contingent Liabilities		
(a) Claims not acknowledged as debt	1.50	1.50
(b) Bank Guarantees	—	24.39
(c) Sales Tax Demands in dispute (under Appeals)	98.19	98.19
Cash outflows, if any, in respect of the above is not determinable at this stage.		
12 Unpaid Disputed Statutory Dues in respect of		
(a) Income-tax		
Forum: Deputy Commissioner of Income-Tax	33.53	33.53
Commissioner of Income-tax (Appeals)	25.07	25.07
(b) Sales tax		
Forum: Deputy Commissioner of Taxes (Appeals)	68.16	68.16
Commissioner of Taxes	5.86	5.86
Gauhati High Court	17.60	17.60
(c) Land Revenue		
Forum: Additional Deputy Commissioner	28.33	28.33
13 Loans and Advances to Employees include		
(i) Amounts due by a Director of the Company		
(a) On Long-Term	4.84	6.93
(b) On Short-Term	2.09	1.94
(Advanced to an employee since elevated as a Director)		

**Notes to the Consolidated Financial Statements**
**Note 30 (Continued)**

(₹ in Lakhs)

	Current Year ₹		Previous Year ₹
(ii) Amounts due by an Officer of the Company			
(a) On Long-Term	—		0.44
(b) On Short-Term	0.44		0.48
14 There are no outstanding dues of micro and small enterprises based on information available with the Company.			
15 Expenditure incurred on Corporate Social Responsibility activities			
(a) Gross Amount required to be spent by the Company during the year	—		33.48
(b) Amount spent during the year	—		—
16 Amounts paid/payable to Auditors			
Statutory Auditors			
(a) Statutory Audit Fees	9.00		10.35
(b) Tax Audit Fees	1.00		1.16
(c) Limited Review & Other Matters	2.84		2.87
(d) Out of Pocket Expenses	0.29		0.24
17 Consumption of Stores and Spares		%	%
Indigenous	1427.27	99	1256.93
Imported	9.01	1	—
	<u>1436.28</u>	<u>100</u>	<u>1256.93</u>
			<u>100</u>
18 Earnings in Foreign Exchange			
Exports on F.O.B. basis	496.07		956.97
19 Expenditure in Foreign Currency			
(a) Subscription and Other Charges	1.68		1.88
(b) Pension	1.37		1.48
(c) Travelling	12.33		21.08

**20 Post Employment Defined Benefit Plans**

The Company operates defined Benefit Schemes like Gratuity, Superannuation, Pension and Additional Retirement Benefit Plans based on current salaries in accordance with the Rules of the Funds/Plans.

In terms of Accounting Policies enumerated in Note 30 the following Table sets forth the particulars in respect of Defined Benefit Plans of the Company for the year ended 31st March, 2018 arising out of actuarial valuations:

**Notes to the Consolidated Financial Statements**
**Note 30 (Continued)**

(₹ in Lakhs)

## A) Funded Plans

## I) Changes in Present Value of Obligation

	Funded Plans			
	Gratuity		Superannuation	
	2017-18	2016-17	2017-18	2016-17
Present Value of Obligation as on last valuation	2853.91	2427.95	805.21	661.62
Current Service Cost	136.06	148.76	79.95	77.34
Past Service Cost	—	—	—	—
Interest Cost	212.17	172.27	58.04	49.62
Vested Portion at the end of the year (Past Service)	22.37	—	—	—
Actuarial (Gains)/Losses on Obligations due to change in Financial Assumption	(650.93)	115.11	(34.51)	10.22
Actuarial (Gains)/Losses on Obligations due to unexpected Experience	450.07	251.90	(14.79)	6.41
Benefits paid	(203.85)	(262.08)	(82.95)	—
Present Value of Obligation as on valuation date	2819.80	2853.91	810.95	805.21

## II) Changes in Fair Value of Plan Asset

Fair value of Plan Assets at the beginning of the year	2373.67	1955.31	827.44	706.84
Interest Income	183.01	146.64	62.88	63.61
Return on Plan Asset excluding Interest Income	49.04	61.16	(13.23)	22.93
Actuarial Gains/(Losses)	—	—	—	—
Contributions	480.22	472.64	34.36	34.06
Benefits paid	(203.85)	(262.08)	(82.95)	—
Fair value of Plan Assets at the end of the measurement period	2882.09	2373.67	828.50	827.44

## III) Reconciliation to Balance Sheet

## Funded Status

Fund Asset	2882.09	2373.67	828.50	827.44
Fund Liability	2819.80	2853.91	810.95	805.21
	(62.29)	480.24	(17.55)	(22.23)

## IV) Plan Assumptions

Discount Rate (%)	7.71	7.50	7.60	7.50
Expected Return on Plan Asset (%)	7.71	7.50	7.60	9.00
Rate of Compensation Increase (Salary Inflation) (%)	5.00	5.00	5.00	5.00
Average Expected Future Service (Remaining working life)	21,12,2	18,9,3	10,8,2	10,8,2

**Notes to the Consolidated Financial Statements**
**Note 30 (Continued)**

(₹ in Lakhs)

	Funded Plans			
	Gratuity		Superannuation	
	2017-18	2016-17	2017-18	2016-17
Mortality Table	IALM	IALM	IALM	IALM
	2006-2008	2006-2008	2009-2008	2009-2008
			Ultimate	Ultimate
Superannuation at age -				
Male / Female	58,60,62	58,60,62	58,60,62	58,60,62
Early Retirement and Disablement				
(All Causes Combined) (%)	1.00	1.00	1.00	1.00
Above age 45 (%)	0.06	0.06		
Between 29 to 45 (%)	0.03	0.03		
Below age 29 (%)	0.01	0.01		
Voluntary Retirement	Ignored	Ignored		
V) Expenses recognised in the Statement of Profit and Loss				
Current Service Cost	136.06	148.76	79.95	77.34
Past Service Cost (vested)	22.37	—	—	—
Net Interest Cost	29.17	25.62	(4.84)	(13.99)
Benefit Cost (Expense recognised in Statement of Profit and Loss)	187.60	174.38	75.11	63.35
VI) Other Comprehensive Income				
Actuarial (Gains)/Losses on Obligations due to change in Financial Assumption	(650.93)	115.11	(34.51)	1022
Actuarial (Gains)/Losses on Obligations due to unexpected Experience	450.07	251.90	(14.79)	6.41
Total Actuarial (Gains)/Losses	(200.86)	367.01	(49.30)	16.63
Return on Plan Asset excluding Interest Income	49.04	61.16	(13.24)	22.93
Balance at the end of the year	(249.90)	305.85	(36.06)	(6.30)
Net (Income)/Expense for the period recognised in OCI	(249.90)	305.85	(36.06)	(6.30)
VII) Allocation of Plan Asset at end of measurement period				
Cash and Cash Equivalents	175.11	34.44	92.94	104.12
Special Deposit Scheme	105.20	105.20	53.06	53.06
State Government Securities	90.15	100.77	30.51	30.58
Government of India Assets	204.84	209.63	66.25	66.00
Corporate Bonds	1042.35	1232.09	256.97	257.17
Debt Securities	43.49	—	—	—
Annuity Contracts/Insurance Fund	697.35	652.72	301.98	280.66
Other Assets	523.61	38.83	26.79	35.85
	2882.10	2373.68	828.50	827.44

**Notes to the Consolidated Financial Statements**
**Note 30 (Continued)**

(₹ in Lakhs)

	Funded Plans			
	Gratuity		Superannuation	
	2017-18	2016-17	2017-18	2016-17
VIII) Allocation in % of Plan Asset at end of measurement period				
Cash and Cash Equivalents	6.08	1.45	11.22	12.58
Special Deposit Scheme	3.65	4.43	6.40	6.41
State Government Securities	3.13	4.25	3.68	3.70
Government of India Assets	7.09	8.82	8.00	7.98
Corporate Bonds	36.17	51.91	31.02	31.08
Debt Securities	1.51	—	—	—
Annuity Contracts/Insurance Fund	24.20	27.50	36.45	33.92
Other Assets	18.17	1.64	3.23	4.33
	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>

## IX) Mortality Table

Age	Mortality (per annum)	Mortality (per annum)
25	0.000984	0.000984
30	0.001056	0.001056
35	0.001282	0.001282
40	0.001803	0.001803
45	0.002874	0.002874
50	0.004946	0.004946
55	0.007888	0.007888
60	0.011534	0.011534
65	0.017009	0.017009
70	0.025855	0.025855

## X) Sensitivity Analysis

	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease
Impact for change in Discount Rate (-/+ 0.5%)	2400.44	2652.15	2737.67	3170.21	794.97	825.95	790.72	820.48
% change Compared to base due to sensitivity	-4.79%	5.19%	2.78%	19.02%	-1.97%	1.85%	-1.80%	1.90%
Impact for change in Salary growth (-/+ 0.5%)	2653.97	2397.86	2981.43	2735.34	824.66	797.81	820.30	790.86
% change Compared to base due to sensitivity	5.27%	-4.89%	11.93%	2.69%	1.69%	-1.62%	1.88%	-1.78%
Impact for change in Attrition growth (-/+ 0.5%)	2525.72	2516.64	2846.51	2816.34	810.79	811.11	803.92	806.49
% change Compared to base due to sensitivity	0.18%	-0.18%	6.87%	5.74%	0.02%	-0.02%	-0.16%	0.16%
Impact for change in Mortality Rate (-/+ 10%)	2540.52	2501.84	2818.21	2770.49	810.39	811.51	804.83	805.58
% change Compared to base due to sensitivity	0.77%	-0.77%	5.81%	4.01%	-0.07%	0.07%	-0.05%	0.05%

## XI) Estimated Future payments of Benefits ( Past Service )

Year		
1	471.56	169.08
2	11201	75.37
3	237.58	53.74
4	183.96	55.08
5	218.55	35.43
6 to 10	1277.35	193.43
More than 10 years	4647.01	545.84
Total Undiscounted Payments related to Past Service	7148.03	1127.97
Less Discount for Interest	4328.23	317.02
Projected Benefit Obligation	2819.80	810.95

**Notes to the Consolidated Financial Statements**
**Note 30** (Continued)

(₹ in Lakhs)

	Funded Plans			
	Gratuity		Superannuation	
	2017-18	2016-17	2017-18	2016-17
XII) Outlook for Net Periodic Benefit Cost Next Year				
Current Service Cost (Employer portion only)				
Next period	141.31			
Interest Cost next period	176.20			
Expected Return on Plan Asset	222.21			
Benefit Cost	95.31			
XIII) Bifurcation of Net Liability				
Current Liability	465.25	561.03	162.99	150.29
Non-Current Liability	2354.55	2292.87	647.96	654.92
Net Liability	2819.80	2853.90	810.95	805.21
B) Unfunded Plans				
I) Changes in Present Value of Obligation				
	Unfunded Plans			
	Pension		Additional Retirement Benefit	
Present Value of Obligation as on last valuation	1169.02	1153.44	64.66	64.64
Current Service Cost	31.47	65.80	3.81	4.10
Past Service Cost	—	—	—	—
Interest Cost	88.77	85.40	4.61	4.85
Vested Portion at the end of the year (Past Service)	—	—	11.21	—
Actuarial (Gains)/Losses on Obligations due to change in Financial Assumption	(159.72)	42.68	(5.82)	(2.25)
Actuarial (Gains)/Losses on Obligations due to unexpected Experience	(40.16)	(148.83)	(6.31)	(6.68)
Benefits paid	(35.23)	(29.47)	8.11	—
Present Value of Obligation as on valuation date	1054.15	1169.02	64.04	64.66
II) Reconciliation to Balance Sheet				
Funded Status				
Fund Asset	—	—	—	—
Fund Liability	1054.15	1169.02	64.04	64.66



**Notes to the Consolidated Financial Statements**
**Note 30 (Continued)**

(₹ in Lakhs)

	Unfunded Plans			
	Pension		Additional Retirement Benefit	
	2017-18	2016-17	2017-18	2016-17
III) Plan Assumptions				
Discount Rate (%)	7.71	7.50	7.60	7.50
Rate of Compensation Increase (Salary Inflation) (%)	1.50	5.00	5.00	5.00
Average Expected Future Service (Remaining working life)	11	8	12,9,2	12,9,3
Mortality Table	IALM 2009-2008 Ultimate	IALM 2009-2008 Ultimate	IALM 2006,2008	IALM 2006,2008
Superannuation at age - Male / Female	60	60	58,60,62	58,60,62
Early Retirement and Disablement (All Causes Combined) (%)	1.00	1.00	1.00	1.00
Above age 45 (%)			0.06	0.06
Between 29 to 45 (%)			0.03	0.03
Below age 29 (%)			0.01	0.01
Voluntary Retirement			Ignored	Ignored
V) Expenses recognised in the Statement of Profit and Loss				
Current Service Cost	31.47	65.80	3.81	4.10
Past Service Cost (vested)	—	—	11.21	—
Net Interest Cost	88.77	85.40	4.61	4.85
Benefit Cost (Expense recognised in Statement of Profit and Loss)	<u>120.24</u>	<u>151.20</u>	<u>19.63</u>	<u>8.95</u>
VI) Other Comprehensive Income				
Actuarial (Gains)/Losses on Obligations due to change in Financial Assumption	(159.72)	42.68	(5.82)	(2.25)
Actuarial (Gains)/Losses on Obligations due to unexpected Experience	(40.16)	(148.83)	(6.31)	(6.68)
Total Actuarial (Gains) / Losses	(199.88)	(106.15)	(12.13)	(8.93)
Return on Plan Asset excluding Interest Income				
Balance at the end of the year	(199.88)	(106.15)	(12.13)	(8.93)
Net (Income) / Expense for the period recognised in OCI	(199.88)	(106.15)	(12.13)	(8.93)

**Notes to the Consolidated Financial Statements**
**Note 30 (Continued)**

(₹ in Lakhs)

		Unfunded Plans			
		Pension		Additional Retiral Benefit	
		2017-18	2016-17	2017-18	2016-17
VII) Mortality Table					
	Age	Mortality (per annum)		Mortality (per annum)	
	25	0.000984		0.000984	
	30	0.001056		0.001056	
	35	0.001282		0.001282	
	40	0.001803		0.001803	
	45	0.002874		0.002874	
	50	0.004946		0.004946	
	55	0.007888		0.007888	
	60	0.011534		0.011534	
	65	0.017009		0.017009	
	70	0.025855		0.025855	
VII) Sensitivity Analysis					
		Current Year		Previous Year	
		Increase	Decrease	Increase	Decrease
	Impact for change in Discount Rate (-/+ 0.5%)	1033.75	1075.52	1137.81	1201.76
	% change Compared to base due to sensitivity	-1.94%	2.03%	-2.67%	2.80%
	Impact for change in Salary growth (-/+0.5%)	1075.84	1033.27	1202.11	1137.11
	% change Compared to base due to sensitivity	2.06%	-1.98%	2.83%	-2.73%
	Impact for change in Attrition growth (-/+0.5%)	1054.60	1053.71	1169.73	1168.32
	% change Compared to base due to sensitivity	0.04%	-0.04%	0.06%	-0.06%
	Impact for change in Mortality Rate (-/+ 10%)	1058.17	1050.14	1175.11	1162.95
	% change Compared to base due to sensitivity	0.38%	-0.38%	0.52%	-0.52%
IX) Estimated Future payments of Benefits (Past Service)					
	Year				
	1		67.25		28.04
	2		53.09		6.84
	3		59.33		10.92
	4		62.55		4.19
	5		66.21		3.26
	6 to 10		414.32		12.75
	More than 10 years		1824.43		30.33
	Total Undiscounted Payments related to Past Service		2547.18		96.33
	Less Discount for Interest		1493.03		32.28
	Projected Benefit Obligation		1054.15		64.04
X) Outlook for Net Periodic Benefit Cost Next Year					
	Particulars				
	Current Service Cost ( Employer portion only) Next period				2.73
	Interest Cost next period				3.59
	Expected Return on Plan Asset				—
	Benefit Cost				6.32
XI) Bifurcation of Net Liability					
	Current Liability		64.80	97.71	27.13
	Non Current Liability		989.35	1071.32	36.91
	Net Liability		1054.15	1169.03	64.04



## Notes to the Consolidated Financial Statements

### Note 30 (Continued)

(₹ in Lakhs)

	Current Year	Previous Year
21 Basic and Diluted Earnings Per Share		
Number of Equity Shares at the beginning of the year	11950804	11950804
Number of Equity Shares at the end of the year	11950804	11950804
Weighted average number of Equity Shares outstanding during the year	11950804	11950804
Face value of each Equity Share (₹)	10	10
Profit after tax available for distribution to the Equity Shareholders	(838.11)	(1071.73)
Basic and Diluted Earnings per Share (₹)	(7.01)	(8.97)
Dilutive Potential Equity Shares	Not Applicable	Not Applicable
22 Related Party Disclosures		
(i) Names and Relationship		
	Relationship	Name
Associate		Maple Hotels & Resorts Limited
Significant Influence by Key Management Personnel		Warren Industrial Limited
		Sec tra Plaza Private Limited
		Softweb Technologies Private Limited
Key Management Personnel		Mr. Vinay K. Goenka (Chairman)
		Mr. S. K. Ghosh (Managing Director)
		Mr. S. Roy (Company Secretary)
		Mr. S. K. Mukhopadhyay (Chief Financial Officer)
Relative of a Key Management Personnel		Mr. Vivek Goenka
Post Employment Benefit Plan		Warren Staff Provident Fund
		Warren Tea Gratuity Fund
		Warren Industrial & Associated Co's Superannuation Fund
(ii) Particulars of Transactions and year-end balances		
	Names and Relationship	₹
Significant Influence by Key Management Personnel		₹
Receiving of Services		
Sec tra Plaza Private Limited	7.28	7.28
Softweb Technologies Private Limited	31.66	35.62
Key Management Personnel & Relative		
Remuneration		
Mr. Vinay K. Goenka	151.99	130.34
Mr. S. K. Ghosh	129.86	110.91
Mr. S. Roy	27.55	29.99
Mr. S. K. Mukhopadhyay	25.14	21.61
Mr. Vivek Goenka	23.45	24.43
Compensation of Key Management Personnel & Relative		
Short Term Employee Benefits	305.66	292.94
Post Employee Benefits	39.40	18.50
Other Long Term Benefits	12.93	5.84

**Notes to the Consolidated Financial Statements**
**Note 30 (Continued)**

(₹ in Lakhs)

	Current Year	Previous Year
(ii) Particulars of Transactions and year-end balances		
Names and Relationship	₹	₹
Balance at the year-end		
Associate		
Investments		
Maple Hotels & Resorts Limited	3146.98	<i>3146.98</i>
Significant Influence by Key Management Personnel		
Security Deposit		
Sec tra Plaza Private Limited	430.80	<i>430.80</i>
Current Liabilities		
Sec tra Plaza Private Limited	4.32	—
Softweb Technologies Private Limited	7.97	<i>2.59</i>
Key Management Personnel		
Current Liabilities		
Mr. Vinay K. Goenka	43.20	<i>40.20</i>
Mr. S. K. Ghosh	32.40	<i>30.00</i>
Advances		
Mr. S. K. Ghosh	6.93	<i>8.87</i>
Mr. S. Roy	0.44	<i>0.92</i>

**23 Segment Information**

(i) The Company is engaged in the integrated process of growing, harvesting, manufacturing and sale of Black Tea during the year and has identified one operating segment i.e., Tea.

(ii) Geographical Information

	Domestic	Exports	Total
Revenue from External Customers	11366.18	479.21	11845.39
	<i>(9924.38)</i>	<i>(953.88)</i>	<i>(10878.26)</i>
Non-Current Assets*	8830.03	—	8830.03
	<i>(8435.70)</i>	—	<i>(8435.70)</i>

\* Non-Current Assets excludes Financial Assets, Deferred Tax Assets and Post Employment Benefit Assets.

Figures of Previous Year are indicated in Italics within brackets “( )”

(iii) The Company has entered into transactions with a single external customer exceeding 10% of the Turnover of the Company.

**Notes to the Consolidated Financial Statements**
**Note 30 (Continued)**

(₹ in Lakhs)

## 24 Movements in Deferred Tax Assets/(Liabilities)

	Balance as at 1st April, 2017	Recognised in		Balance as at 31st March, 2018
		Profit & Loss	Other Comprehensive Income	
<b>Deferred Tax Liabilities</b>				
on financial allowances on Property, Plant & Equipment	(808.07)	(28.73)	—	(836.80)
On Capital Work in Progress	(349.65)	(43.94)	—	(393.59)
	<u>(1157.72)</u>	<u>(72.67)</u>	<u>—</u>	<u>(1230.39)</u>
<b>Deferred Tax Assets</b>				
Business Loss	873.01	404.58	(147.45)	1130.14
Provision for doubtful debts	2.04	(0.13)	—	1.91
Change in value of inventory	12.51	(12.51)	—	—
Expenses allowable on payment	147.55	(29.28)	—	118.27
Change in value of Investment	4.49	—	(15.78)	(11.29)
Other timing difference	3.22	(1.33)	—	1.89
	<u>1042.82</u>	<u>361.33</u>	<u>(163.23)</u>	<u>1240.92</u>
<b>Deferred Tax Assets/(Liabilities) (Net)</b>	<u>(114.90)</u>	<u>288.66</u>	<u>(163.23)</u>	<u>10.53</u>
	Balance as at 1st April, 2016	Recognised in		Balance as at 31st March, 2017
		Profit & Loss	Other Comprehensive Income	
<b>Deferred Tax Liabilities</b>				
on financial allowances on Property, Plant & Equipment	(693.45)	(114.62)	—	(808.07)
On Capital Work in Progress	(273.26)	(76.39)	—	(349.65)
	<u>(966.71)</u>	<u>(191.01)</u>	<u>—</u>	<u>(1157.72)</u>
<b>Deferred Tax Assets</b>				
Business Loss	—	815.80	57.21	873.01
Provision for doubtful debts	2.04	—	—	2.04
Change in value of inventory	37.77	(25.26)	—	12.51
Expenses allowable on payment	3.51	144.04	—	147.55
Change in value of Investment	3.97	—	0.52	4.49
Other timing difference	4.78	(1.56)	—	3.22
	<u>52.07</u>	<u>933.02</u>	<u>57.73</u>	<u>1042.82</u>
<b>Deferred Tax Assets/(Liabilities) (Net)</b>	<u>(914.64)</u>	<u>742.01</u>	<u>57.73</u>	<u>(114.90)</u>

**Notes to the Consolidated Financial Statements**
**Note 30 (Continued)**

(₹ in Lakhs)

## 25. Reconciliation of Effective Tax Rate

	As at 31st March, 2018	As at 31st March, 2017
Profit before Tax	(1077.90)	(2370.27)
Income Tax Expense at 28.30% (Previous Year - 30.36%)	(305.04)	(719.61)
Impacts on		
Exempt Income	1.77	23.38
Items not deductible in Taxes	(1.19)	(0.17)
Deduction available in Taxes	2.45	6.41
Other Items	13.34	(52.01)
Income Tax recognised in Profit and Loss	<u>(288.66)</u>	<u>(742.01)</u>

## 26. Statement containing Financial Information of Associate :

SI No	Name of the Entity	Net Assets		Share in Profit or Loss		Share in Other Comprehensive Income		Total Comprehensive Income	
		As % of Consolidated Net Assets	Amount	As % of Consolidated Profit or Loss	Amount	As % of Consolidated Other Comprehensive Income	Amount	As % of Consolidated Total Comprehensive Income	Amount
1	Parent Warren Tea Limited	91.87 <i>[91.84]</i>	9570.12 <i>[9984.72]</i>	94.17 <i>[151.93]</i>	(789.24) <i>[(1628.26)]</i>	97.72 <i>[101.70]</i>	374.64 <i>[(131.91)]</i>	91.18 <i>[146.51]</i>	(414.60) <i>[(1760.17)]</i>
2	Associate Maple Hotels & Resorts Limited	8.13 <i>[8.16]</i>	846.73 <i>[886.84]</i>	5.83 <i>[-51.93]</i>	(48.87) <i>[556.53]</i>	2.28 <i>[-1.70]</i>	8.76 <i>[2.21]</i>	8.82 <i>[-46.51]</i>	(40.11) <i>[558.74]</i>
	Total	100.00	10416.85 <i>[100.00] [10871.56]</i>	100.00	(838.11) <i>[100.00] [(1071.73)]</i>	100.00	383.40 <i>[100.00] [(129.70)]</i>	100.00	(454.71) <i>[100.00] [(1201.43)]</i>

Figures of Previous Year are indicated in italics within brackets “[ ]”

## 27 (i) Categories of Financial Instruments

Particulars	As at 31.3.2018		As at 31.3.2017		As at 01.04.2016	
	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets						
Measured at amortised cost						
Cash and Cash Equivalents	8.65	8.65	10.21	10.21	1420.41	1420.41
Other Bank Balances	1.19	1.19	1.19	1.19	1.19	1.19
Loans	624.67	624.67	629.95	629.95	631.95	631.95
Trade Receivables	3953.57	3953.57	4606.41	4606.41	3660.58	3660.58



**Notes to the Consolidated Financial Statements**

**Note 30** (Continued)

(₹ in Lakhs)

27 (i) Categories of Financial Instruments

Particulars	As at 31.3.2018		As at 31.3.2017		As at 01.04.2016	
	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
Other Financial Assets	6.86	6.86	205.69	205.69	844.63	844.63
	4594.94	4594.94	5453.45	5453.45	6558.76	6558.76
Measured at Fair value through Other Comprehensive Income						
Equity Shares	168.36	168.36	133.46	133.46	165.49	165.49
<b>Total Financial Assets*</b>	<b>4763.30</b>	<b>4763.30</b>	<b>5586.91</b>	<b>5586.91</b>	<b>6724.25</b>	<b>6724.25</b>
Financial Liabilities						
Measured at amortised cost						
Borrowings	3334.90	3334.90	2570.56	2570.56	1030.82	1030.82
Trade Payables	1451.15	1451.15	1314.66	1314.66	1049.00	1049.00
Other financial Liabilities	910.32	910.32	1385.02	1385.02	1431.57	1431.57
<b>Total Financial Liabilities</b>	<b>5696.37</b>	<b>5696.37</b>	<b>5270.24</b>	<b>5270.24</b>	<b>3511.39</b>	<b>3511.39</b>

\* excludes investments in Associates measured using Equity Method

(ii) Fair Value Hierarchy of Assets and Liabilities measured at Fair Value on a recurring basis

Particulars	Fair Value Hierarchy Level	Fair Value as at		
		31st March, 2018	31st March, 2017	1st April, 2016
Financial Assets				
Equity Shares	1	1.31	6.10	32.13
Equity Shares	3	167.05	127.36	133.36

(ii) Fair value measurements for biological assets other than bearer plants:

	2	161.60	69.19	67.07
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Fair value is being arrived at based on the observable market prices of made tea adjusted for manufacturing costs.

28. First time Ind-AS adoption reconciliations:

(i) Reconciliation of equity as reported under previous GAAP

Particulars	As at 31st March, 2017	As at 1st April, 2016 (Date of Transition)
Total Equity ( Shareholders' Funds) under previous GAAP	11413.65	12419.07
Adjustments for		
Investments in shares	(14.80)	(13.08)
Loans to Employees	(10.59)	(15.74)
Value of Inventory of black tea	(83.19)	(124.41)
Value of Biological Assets	69.19	67.07



**Notes to the Consolidated Financial Statements**

**Note 30** (Continued)

Particulars	As at 31st March, 2017	As at 1st April, 2016 (Date of Transition)
Replanting Subsidy	(81.42)	—
Bearer Plants	—	2635.08
Revaluation Reserve	—	(1879.62)
Tax Effect on above Adjustments	(424.51)	(1018.76)
Adjustment of Equity in Associate	323	3.38
Total Equity under Ind AS	<u>10871.56</u>	<u>12072.99</u>

(ii) Reconciliation of Total Comprehensive Income

Particulars	For the year ended 31st March, 2017
Profit/ (Loss) after Tax as per previous GAAP	(957.99)
Adjustments	
Change in Value of Inventory of Black Tea	41.22
Recognition of Biological Assets	2.12
Valuation of Investments in Shares at Fair Value	(1.72)
Reclassification of Replanting Subsidy as Deferred Income	(81.42)
Valuation of Loans to Employees at Fair Value	5.15
Tax effect on above adjustments	(208.64)
Adjustment of Profit in Associate	(0.15)
Total Comprehensive Income under Ind AS	<u>(1201.43)</u>

29. Figures of Previous Year and as on Transition Date have been regrouped or rearranged, wherever necessary.

Sig natures to Note No s. 1 to 30

B M Chatrath & Co LLP  
Firm Registration Number - 301011E/E300025  
Chartered Accountants  
Sukhpreet S. Sidhu  
Partner  
Membership Number - 052187  
Kolkata, 26th May, 2018

S. Roy  
Company Secretary  
S. K. Mukhopadhyay  
Chief Financial Officer

Vinay K. Goenka  
Chairman  
S. K. Ghosh  
Managing Director



**CONSOLIDATED CASH FLOW STATEMENT  
for the year ended 31st March, 2018**

	(₹ in Lakhs)	
	Current Year	Previous Year
<b>A. Cash Flow from operating activities</b>		
Profit / (Loss) before Taxation	(1077.90)	(2370.27)
Adjustments for		
Depreciation and Amortisation	363.87	361.91
Finance Costs	374.76	232.20
Income from Interest and Dividends	(4.20)	(51.07)
Biological Assets other than Bearer Plants	(92.41)	(2.12)
Provisions no longer required written back	(0.53)	(13.20)
Net Gain on Sale of Current Investments	—	(1.60)
Net (Gain) / Loss on Sale of Non-Current Investments	(0.30)	(16.96)
Profit on Disposal of Property, Plant and Equipment (Net)	(1.64)	(2.23)
Operating Profit before working capital changes	<u>(438.35)</u>	<u>(1863.34)</u>
Adjustments for changes in		
Trade and Other Receivables	775.77	(100.03)
Inventories	68.51	65.02
Trade Payables and Other Liabilities	(135.84)	72.39
Cash generated from operations	<u>270.09</u>	<u>(1825.96)</u>
Direct Taxes Paid	(0.34)	76.59
Net Cash from operating activities	(A) <u>269.75</u>	<u>(1749.37)</u>
<b>B. Cash Flow from investing activities</b>		
Purchase of Property, Plant and Equipment	(675.68)	(995.14)
Payment of Capital Advances	(23.71)	(97.95)
Purchase of Current Investments	—	(5.01)
Sale of Non-current Investments	5.29	43.82
Sale of Current Investments	—	6.61
Sale of Property, Plant and Equipment	1.75	2.23
Interest and Dividend Received	29.08	70.13
Net Cash from / (used) in investing activities	(B) <u>(663.27)</u>	<u>(975.31)</u>
<b>C. Cash Flow from financing activities</b>		
Proceeds from Short-term Borrowings	3378.95	2655.95
Proceeds from Long-term Borrowings	500.10	999.90
Repayment of Long-term Borrowings	(214.71)	(116.11)
Repayment of Short-term Borrowings	(2900.00)	(2000.00)
Finance Costs Paid	(372.38)	(225.26)
Net Cash from / (used) in financing activities	(C) <u>391.96</u>	<u>1314.48</u>
Net increase / (decrease) in Cash and Cash Equivalents	(A+B+C) (1.56)	(1410.20)



**CONSOLIDATED CASH FLOW STATEMENT** (Continued)

(₹ in Lakhs)

	Current Year	Previous Year
Cash and Cash Equivalents		
Opening Balance		
Cash and Cash Equivalents [Note 10]	10.21	1420.41
Closing Balance		
Cash and Cash Equivalents [Note 10]	8.65	1021

1. The above Consolidated Cash Flow Statement has been prepared in accordance with Ind AS 7.
2. The Notes referred to above form an integral part of the Consolidated Cash Flow Statement.
3. Previous year's figures have been regrouped or rearranged, wherever necessary.

As per our report of even date.

B M Chatrath & Co LLP  
Firm Registration Number - 301011E/E300025  
Chartered Accountants  
Sukhpreet S. Sidhu  
*Partner*  
Membership Number - 052187  
Kolkata, 26th May, 2018

S. Roy  
*Company Secretary*  
S. K. Mukhopadhyay  
*Chief Financial Officer*

Vinay K. Goenka  
*Chairman*  
S. K. Ghosh  
*Managing Director*



Form AOC - 1

[Pursuant to first proviso to sub-section (3) of section 129 read with Rule 5 of Companies (Accounts) Rules, 2014]

**Statement containing salient features of the financial statement of Associate Companies**

**Part "B" : Associates**

**Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associated Companies**

Name of Associate	Maple Hotels & Resorts Limited
1 Latest audited Balance Sheet Date	31st March, 2018
2 Date on which the Associate was associated	7th March, 2014
3 Shares of Associate held by the Company on the year end	
Number	65,00,000
Amount of Investment in Associate (₹ in Lacs)	3146.98
Extent of Holding %	46.92%
4 Description of how there is significant influence	Holding directly 20% or more of the voting power
5 Reason why the associate is not consolidated	Financial Statements are consolidated in accordance with the applicable Accounting Standards
6 Networth attributable to Shareholding as per latest audited Balance Sheet (₹ in Lacs)	3422.84
7 Loss for the year (₹ in Lacs)	(104.17)
(i) Considered in Consolidation	(48.87)
(ii) Not Considered in Consolidation	(55.30)

Kolkata  
26th May, 2018

S. Roy  
*Company Secretary*  
S. K. Mukhopadhyay  
*Chief Financial Officer*

Vinay K. Goenka  
*Chairman*  
S. K. Ghosh  
*Managing Director*