
ANNUAL REPORT
2017-18
SCOTTISH ASSAM

BOARD OF DIRECTORS
Mr. Dhirendra Kumar
Mr. Sandeep Kumar Jalan
Mrs. Shashi Kumar
Mrs. Divya Jalan
Mr. Hemant Kumar Agrawal
Mr. Golam Momen - *Independent Director*
Mr. Ghanshyam Das Gupta - Independent Director
Mr. Alok Krishna Agarwal - *Independent Director*
Mr. Naveen Bansal - *Independent Director*
Mr. Kartik Narayan Singh - *Whole-time Director & CEO*

KEY MANAGERIAL PERSONNEL
Mr. Yugal Keshor Chaudhary - *Chief Financial Officer*
Ms. Sreya Bose - *Company Secretary & Compliance Officer*

BOARD COMMITTEES
AUDIT COMMITTEE
Mr. Ghanshyam Das Gupta - *Chairman*
Mr. Golam Momen
Mr. Naveen Bansal

NOMINATION & REMUNERATION COMMITTEE
Mr. Naveen Bansal - *Chairman*
Mr. Golam Momen
Mr. Ghanshyam Das Gupta

STAKEHOLDERS' RELATIONSHIP COMMITTEE
Mr. Golam Momen - Chairman
Mr. Ghanshyam Das Gupta
Mr. Naveen Bansal

AUDITORS
M/s Jitendra K Agarwal & Associates
5A, Nandalal Jew Road
Kolkata - 700 026

TEA ESTATE
Heeleakah Tea Estate
P.O. Kharikatia
Dist : Jorhat (Assam)

ESTATE GENERAL MANAGER
Mr. Kartik Narayan Singh - *Whole-time Director & CEO*

BANKERS
UNITED BANK OF INDIA

COMPLIANCE COMMITTEE
Mr. Sankar Kumar Basu Sarbadhikary
Mr. Kartik Narayan Singh - *Whole-time Director & CEO*
Mr. Sunil Singhi
Ms. Sreya Bose

41st ANNUAL GENERAL MEETING

Date	:	**28th August, 2018**
Day	:	**TUESDAY**
Time	:	**11:30 A.M.**
Place	:	**GYAN MANCH** 11, Pretoria Street Kolkata-700071
Book Closure	:	22nd August, 2018 to 28th August, 2018 (Both days inclusive)

REGISTERED OFFICE
1, CROOKED LANE, KOLKATA - 700 069
(CIN) : L01132WB1977PLC031175
Ph : (033) 2248-7062, 2242-8865, Fax : (033) 2210-0089
Email : scotishassam@gmail.com
Website : www.scottishassam.com

REGISTRAR
ABS Consultant Pvt. Ltd.
"Stephen House", Room No. 99, 6th Floor
4 B. B. D. Bagh (East), Kolkata - 700 001
Ph : (033) 2230-1043, Fax : (033) 2243-0153

STOCK EXCHANGE WHERE SHARES ARE LISTED
Calcutta Stock Exchange Ltd.

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NOTICE

NOTICE is hereby given that the 41st Annual General Meeting of **THE SCOTTISH ASSAM (INDIA) LMITED** will be held at **GYAN MANCH**, **11, Pretoria Street, Kolkata-700071** on **Tuesday 28th of August, 2018 at 11.30 A.M.** to transact the following business:-

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2018 and Reports of the Board of Directors and of the Auditors thereon.
2. To declare Dividend for the year 2017-2018.
3. To appoint Director in place of Mr Dhirendra Kumar (DIN 00153773), who retires by rotation and being eligible offers himself for reappointment
4. To appoint Director in Place of Mr Sandeep Kumar Jalan (DIN 00015836), who retires by rotation and being eligible offers himself for reappointment
5. Any other business, if any determined by the Chairman.

By order of the Board

Registered Office:
1, Crooked Lane,
Kolkata - 700 069
The 26th day of May, 2018

(Dhirendra Kumar)
Director
Din : 00153773

NOTES :

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

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

2. The Register of Members and Equity Share Transfer Registers will remain closed from 22/08/2018 to 28/08/2018. **(Both days inclusive).**

3. **Voting through electronic means**

   Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended and clause 35B of the Listing Agreement, Members are provided with the facilities to cast their votes on all resolutions set forth in the Notice of the **AGM** using electronic voting system provided by **Central Depository Services (India) Ltd. (CDSL).**

   The notice of the **41st Annual General Meeting (AGM)** of the Company inter alia indicating the process and manner of e-Voting process along with printed Attendance Slip and Proxy Form is being dispatched to all the Members. The e-Voting particulars are provided at the bottom of the Attendance Slip for the **41st Annual General Meeting (AGM):**

   The e-voting period begins on 25/08/2018 from 9.00 A.M. and ends on 27/08/2018 till 5:00 P.M. During the period shareholders' of the Company, holding shares either in physical from or in dematerialized form, as on the **cut-off/entitlement date of 21/08/2018** may cast their vote electronically. The e-voting module shall be disabled by **CDSL** for voting thereafter.

   E Voting rights will be reconded on the paid value of the shares registered in the name of the members on 21st August 2018 (cut off date). Only member whose name are recorded in the register of Members of the Company in the Register of Beneficial owners maintained by the depositories on the cut off date will be entitled to cast their votes by remote e-voting at the AGM venue.

4. Members are required to bring their admission slip to the AGM. It will not be possible to provide duplicate admission slips or copies of the Report and Accounts at the AGM venue.

   The Instructions for E-Voting are as under:

   a) Log on to the e-voting website: www.evotingindia.com during the voting period.

   b) Click on "Shareholders" tab

   c) Now, select Electronic Voting Sequence No. as mentioned in the Attendance Slip alongwith **"THE SCOTTISH ASSAM (INDIA) LIMITED"** from the drop down menu and click on "SUBMIT".

   d) Now Enter your User ID (as mentioned in the Attendance Slip) :

      i. For CDSL: 16 digits beneficiary ID,

      ii. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

      iii. Members holding shares in Physical Form should enter Folio Number registered with the Company.

   e) Next enter the Image Verification as displayed and Click on Login.

   f) If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

g) However, if you are a first time user, please use the e-Voting particular provided in the Attendance Slip and fill up the same in the appropriate boxes:

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

i) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field.

j) Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

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

l) Click on the relevant EVSN **"THE SCOTTISH ASSAM (INDIA) LIMITED"** for which you choose to vote.

m) On the voting page, you will see **"Resolution Description"** and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

n) Click on the "Resolutions File Link" if you wish to view the entire Resolutions.

o) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

p) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

q) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

r) If Demat account holder has forgotten the **changed password** then enter the User ID and image verification code click on Forgot Password & enter the details as prompted by the system.

s) **For Non – Individual Shareholders and Custodians:**

- Non Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to **https://www.evotingindia.com** and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be e-mailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance user should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

I. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.

II. Once the vote on a resolution is cast by the shareholder by electronic means, the shareholder shall not be allowed to change it subsequently or cast his vote by any other means.

III. **Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the cutoff date of i.e. 21.08.2018, may contact the Company for Login ID and other e-voting related details.**

IV. The voting rights of shareholders shall be in proportion of their shares of the paid up equity share capital of the Company as on the **cut-off/entitlement date of 21.08.2018.**

V. Mr. Pravin Kumar Drolia, Practicing Company Secretary, (Membership No.2366) of Drolia & Co. has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

VI. The Scrutinizer shall within a period not exceeding two (2)working days from the conclusion of E voting unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a 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 after the 41st Annual General Meeting (AGM) of the Company. This Notice as well as the Results declared alongwith the Scrutinizer’s Report shall be communicated to **CDSL** and **The Calcutta Stock Exchange Limited** within 30.08.2018.

4) The dividend, as recommended by the Board, if sanctioned at the meeting, will be paid on or **after 02-09-2018** to those members of the Company holding shares in physical form whose name appear on the Register of Members as at the end of **21-08-2018**, in respect of shares held in electronic form, the dividend will be paid to the beneficial owners of the shares as at the end of **21-08-2018**, as per details provided by the Depositors for this purpose.

5) Members desirous of getting any information on account of operations of the Company is requested to forward his queries to the Company’s Registered Office **at least seven days prior** to the Meeting so that the required information can be made available at the Meeting.

6) Members are hereby informed that Dividends which remain unpaid or unclaimed over a period of 7 years have to be transferred by the Company to Investor Education & Protection Fund (IEPF) constituted by the Central Government under Section 205A of Companies Act, 1956 (124 & 125 of the Companies Act 2013) and no claim shall lie for the unclaimed dividend from IEPF or from the Company by the Shareholders. Accordingly unclaimed Equity Dividend for the financial year 2009-2010 has been transferred to such Investor Education Protection Fund (IEPF). The due dates of transfer of the following dividends to the Fund are as under:

Dividends for the year	**Date of declaration of dividend**	**Due date of transfer to the Fund**
2010-2011	29.09.2011	02.11.2018
2011-2012	07.09.2012	14.10.2019
2012-2013	31.07.2013	07.09.2020
2013-2014	29.08.2014	06.10.2021
2014-2015	27.07.2015	03.09.2022
2015-2016	22.07.2016	29.08.2023
2016-2017	04.09.2017	11.10.2024

7) Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed dividend lying with the Company as on the date of Finalisation of Notice for the General Meeting of the shareholders on the website of the Company (www.scottishassam.com) and on the website of the Ministry of Corporate Affairs.

Information in terms of Schedule V to the Companies Act, 2013 for seeking approval of the shareholders are given here below:

I. GENERAL INFORMATION

1. Nature of Industry	Cultivation of Tea and manufacturing of Tea
2. Date of commencement of commercial production	The Company is in manufacturing operation since 1977
3. In case of new companies, expected date of commencement of activities as per project approved by financial Institution appearing in the prospectus	Not Applicable
4. Financial performance based on given Indicator	As per Audited Financial Results for the year ended :

Particulars	31.03.2018 (Rs. in Lacs)	31.03.2017 (Rs. in Lacs)
Revenue from operations (Net)	2764.41	2477.73
Profit / (Loss) before Interest, Depreciation & Tax (PBIDTA)	596.06	846.05
Interest (Net)	(28.82)	(35.56)
Profit / (Loss) before Depreciation & Tax (PBDT)	567.24	810.49
Depreciation / Amortization	(41.31)	(46.21)
Profit / (Loss) before Tax (PBT)	525.93	764.28
Provision for Tax	(102.01)	(78.11)
Profit / (Loss) after Tax (PAT)	423.92	686.17

5. Foreign Investment or collaborators, if any :	Not Applicable

By order of the Board

Registered Office:
1, Crooked Lane,
Kolkata - 700 069
The 26th day of May, 2018

(Dhirendra Kumar)
Director
Din : 00153773

REPORT OF THE DIRECTORS

For the financial year ended 31st March, 2018

Dear Shareholders,

We present the 41st Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2018.

REVIEW OF PERFORMANCE

Particulars	For the Year ended 31.03.2018	For the Year ended 31.03.2017
	(Rs. in Lacs)	(Rs. in Lacs)
Net Sales Income From Operations	2764.41	2477.13
Operating Profit before interest, Depreciation and Tax and other amortisations (EBIDTA)	596.06	846.05
Less : Depreciation & Amortisation Expenses	41.31	46.21
Less : Finance Cost	28.82	35.56
Tax Expense (Net))	102.01	78.11
Profit For the Year	423.92	686.17
Other Comprehensive Income (Net of Tax)	(34.30)	(14,88)
Total Comprehensive Income (After Tax)	389.62	671.29

EQUITY DIVIDEND

The Board is pleased to recommend the distribution of dividend of ₹ 4/- per share for the year ended 31st March, 2018.

PERFORMANCE

It is gratifying to report that our own production for the financial year was 12.38 Lacs Kgs. being 1.50 Lacs Kgs. higher than the previous year's production of 10.88 Lacs kgs.

We are pleased to advise that our estate was one of the highest yielding estates in the district and recorded an increase of 7.04% over the previous year, while the district average was lower by 8.5%.

The bought leaf production at 2.39 Lacs Kgs was generally satisfactory as we had to constantly monitor quality against quantity.

The average price realisation for the year was ₹ 194.20 against last year's price of ₹ 183.05 being ₹ 11.15 higher than the previous year; this is reflected in the increased profitability of the estate.

Labour unrest :

Against all these positives it is disappointing to record that the estate was severely affected by the labour unrest due to the payment of bonus resulting in a Lockout over 3 days during the peak period in the month of September 2017.

This was in spite of the fact that the company decided to pay the maximum of 20% as bonus & that was agreed upon with the Labour Union.

Regrettably some of the workers were falsely instigated and reported to a 'Gherao' and violence which resulted in injuries of the senior management as a consequence of this, the Management had no option but to declare a Lock-out.

Fortunately the matter was satisfactorily resolved.

Thus this had an impact on the quality and quantity during the second half of the year and despite all this the performance of the Company was creditable.

PROSPECTS

The calender year's harvest started with a record crop in March 2018 which has been accounted for in the previous financial year.

The current financial year's harvest in April & May has been on par with the previous year despite the fact that adverse weather conditions prevailed in May.

Subject to normal weather conditions prevailing we expect a better crop from our estate this year.

Every effort is being made to control costs but the wage increase is under negotiation and there is every possibility that there will be an increase in wages. The extent of the wage increase and the time from which it will be effective will have a bearing on the Cost of Production.

CORPORATE GOVERNANCE

As per the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirement) Regulations, 2015 (previously Listing Agreement) introduced a uniform code of corporate governance by executing uniform agreement for all types of securities listed on stock exchange. This becomes operational within the financial year ending March 31, 2018. Your Company has executed the new uniform agreement with Calcutta Stock Exchange (CSE) as shares of your Company are listed on CSE.

Regulation 17(7), 17(8) and Regulation 27 of new SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 (relates to Clause 49 of old Listing Agreement) is of Corporate Governance which is applicable on companies whose paid up share capital is ₹ 3 crore or above and Net worth is ₹ 25 crore or above. Since your Company is having paid up share capital of ₹ 80 Lakhs, implementation and compliance of requirements as per SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 (Clause 49 of old Listing Agreement) with Calcutta Stock Exchange, is not mandatory.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

As per section 135 of Companies Act, 2013 a Company whose Net Worth is ₹ 500 crore or more or Turnover ₹ 1000 crore or more or Net profit of ₹ 5 crore or more during any financial year shall have to abide by the rules of Corporate Social Responsibility. Since your company does not fall in the above mentioned category, hence your Company does not have to follow the rules of CSR.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors would like to inform members that the audited accounts containing the financial statements for the year 2017-18 are in conformity with the requirements of the Companies Act 2013 and they believe that the financial statements reflect fairly the form and substance of transactions carried out during the year and reasonably present the Company's financial condition and results of operations. The Statutory Auditors, M/s Jitendra K Agarwal & Associates., Chartered Accountants, Kolkata have audited these financial statements.

Based on the same, your Directors further confirm that according to their information:

i. In the preparation of the annual accounts, applicable accounting standards have been followed and there are no material departures.

ii. The accounting policies selected by directors are consistently followed and applied and judgements and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company.

iii. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

iv. The annual accounts have been prepared on a going concern basis.

v. That there is adequate proper internal financial controls with reference to the financial statement have been laid down for the Company and such internal financial controls are adequate and were operating effectively.

vi. That proper system has been devised to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

PARTICULARS OF EMPLOYEES

The prescribed particulars of employees required under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as Annexure-1 to this report. The Information as required under Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 are given in the Annexure – 1 forming part of the Report.

PUBLIC DEPOSITS

The Company has neither accepted nor renewed any deposits during the year under review.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

During the year Company invested some of its surplus earnings in Mutual Funds and is getting reasonable returns on its investments.

GOING CONCERN STATUS

No significant and material orders have been passed by the Regulators or Courts or Tribunals impacting the going concern status of the Company and its operation in the future.

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

There are no contracts / arrangements / transactions entered by the Company during the financial year with related parties in the ordinary course of business.

RISK MANAGEMENT

In today's economic environment, Risk Management is a very important part of business. The main aim of risk management is to identify, monitor and take precautionary measures in respect of the events that may pose risks for the business. The Company has laid down the procedures to inform to the Board about the risk assessment and minimization procedures, which shall be responsible for framing, implementing and monitoring the risk management plan of the Company.

DISCLOSURE OF PARTICULARS WITH REGARD TO CONSERVATION OF ENERGY ETC.

Necessary information pursuant to sub-section (3) of section 134 of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is presented in **Annexure-2** to this Report.

ENVIRONMENT AND SAFETY

The Company is conscious of clean environment and safe operations. It ensures safety of all concerned, compliance with environmental regulations and preservation of natural resources.

As required by the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act 2013, the Company has an internal policy on prevention of sexual harassment at workplace with a mechanism of lodging complaints. During the year under review, no complaints were reported to the Board.

COST AUDIT

The provisions of Section 148 of Companies Act, 2013 read with (Cost Records and Audit) Rules, 2014, are not applicable on the Company as your company does not fall in the eligibility criterion of the same.

INTERNAL AUDIT

The Company continued to engage reputed firms of Chartered Accountants as its internal auditors at its Head Office and Tea Estate. Their scope of work and the plan for audit is approved by the Audit Committee. The report submitted by them is regularly reviewed and their findings are discussed with the process owners and suitable corrective action taken on an ongoing basis to improve efficiency in operations.

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. Pravin Kumar Drolia of M/s. Drolia & Co. Practicing Company Secretaries to undertake the Secretarial Audit of the Company. The report of the Secretarial Audit is annexed herewith as **Annexure-3** and forms part of the Directors' Report. There is no qualification or reservation or adverse remark or disclaimer made by the Secretarial Auditor in the Report.

INSURANCE

Adequate insurance cover has been taken for properties of the Company including buildings, plant and machineries and stocks against fire, earthquake and other risks as considered necessary.

DIRECTORS & KEY MANAGERIAL PERSONNEL

It was quite unfortunate as we lost Mr Rajendra Kumar Ex Director on 11th of May 2018. He was Director of the Company and had contributed a lot in the growth and development of the Company. We will always miss his contribution.

Mr.Yugal Keshor Chaudhary is hereby appointed as a Chief financial Officer of the Company. He joined the company on 3rd of August 2017.

Ms. Sreya Bose is hereby appointed as a Company Secretary of the Company. She joined the company on 4th of August 2017

The Company has received declarations from the Independent Director of the Company confirming that he meet the criteria of Independence as prescribed under the Companies Act 2013.

The Board has, on the recommendation of the Nomination and Remuneration Committee, framed the policy for selection and appointment of Directors, Senior Management Personnel and their remuneration. The Committee has also framed the criteria for performance evaluation of every Director and accordingly has carried out the performance evaluation.

VIGIL MECHANISM/ WHISTLE BLOWER POLICY

There is a Vigil Mechanism or Whistle Blower policy as per section 177(9) of Companies Act, 2013 prevails as per the size and operations of the Company. Protected disclosures can be made by a whistle blower to the management of the Company.

OTHER DISCLOSURES

EXTRACT OF ANNUAL RETURN

The details for the financial year ended 31st March, 2018 forming part of the extract of the annual return is enclosed as **Annexure - 4**.

NUMBER OF BOARD MEETINGS

The Board of Directors met four times during the year ended 31st March, 2018. The details of the Board meetings and the attendance of Directors are provided in later sheets.

SEPARATE MEETING OF INDEPENDENT DIRECTORS

As stipulated by the Code of Independent Directors under Companies Act, 2013 and the Listing Agreement, a separate meeting of the Independent Directors of theCompany was held on 09th February, 2018 to review the performance of Non Independent Directors including the Chairman and the Board as whole. The Independent Directors also reviewed the quality, content and timelliness of the flow of information between the Management and the Board and its Committees which is necessary to effectively and reasonably perform and discharge their duties.

COMPOSITION OF COMMITTEE OF DIRECTORS

The Board has constituted the following Committees of Directors:

(a) Audit Committee

The Audit Committee comprises Independent Directors namely Mr. Ghanshyam Das Gupta (Chairman), Mr. Golam Momen and Mr. Naveen Bansal as other members. All the recommendations made by the Audit Committee were accepted by the Board.

(b) Nomination & Remuneration Committee

The Nomination and Remuneration Committee comprises Independent Directors namely Mr. Naveen Bansal (Chairman), Mr. Ghanshyam Das Gupta and Mr. Golam Momen as other members.

(c) Stakeholder relationship Committee

The Stakeholders Relationship Committee comprises Independent Directors namely Mr. Golam Momen (Chairman), Mr. Ghanshyam Das Gupta and Mr. Naveen Bansal as other members.

COMPLIANCE COMMITTEE

The Compliance Committee comprises Members namely Mr. Kartik Narayan Singh, Mr. Sankar Kumar Basu Sarbadhikary, Mr. Sunil Singhi and Ms.Sreya Bose.

EVALUATION OF BOARD'S PERFORMANCE

The Company has a system of Formal Annual Evaluation of performance of Board, it's Committees & Individual Directors as per the size and operations of the Company.

During the year, the Board formulated and adopted a Board Evaluation Framework for evaluating the performance of the Board as a whole, Committees of the Board and the Individual Directors on the Board.

Pursuant to the said Evaluation Framework, the Board evaluated the performance of the Board, its Committees and the Individual Directors for the financial year 2017-18.

The Board was of the view that the performance of the Board as a whole was adequate and fulfilled the parameters stipulated in the evaluation framework in its pro growth activity and facing challenging operational, climatic and economic adversities during the year. The Board also ensured that the Committees functioned adequately and independently in terms of the requirements of the Companies Act, 2013 and the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and at the same time supported as well as coordinated with the Board to help in its decision making. The individual Directors' performance was also evaluated and the Board was of the view that the Directors fulfilled their applicable responsibilities and duties as laid down by the listing agreement and the Companies Act, 2013 and at the same time contributed with their valuable knowledge, experience and expertise to grab the opportunity and counter the adverse challenges faced by the Company during the year.

AUDITOR'S REPORT & ACCOUNTS

In the Last AGM held on 04th September 2017, M/s Jitendra K Agarwal & Associates, Chartered Accountant (Firm Registration No. 318086E), have been appointed as Statutory Auditors of the Company for the period of 5 years (Five) years.

The Statutory Auditor has confirmed his eligibility under Section 141 of the Companies Act, 2013 and the Rules framed thereunder.

Further, the report of the Statutory Auditors alongwith notes to Schedules is enclosed to this report. The Direction are of the view that notes to the Accounts adequately provide the necessary information and answer to the observation of the Auditors in their Report.

Annexure 1 to the Directors' Report

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2017-18, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2017-18 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under :

(i) Remuneration to the Director/Key Managerial Personnel of the Company:

Name of Director / KMP and Designation	Remuneration for the financial year 2017-18 (₹)	Remuneration for the financial year 2016-17 (₹)	% Change	Ratio to mean Remuneration
Mr. Dhirendra Kumar	–	–	–	N.A.
Mr. Sandeep Kumar Jalan	–	–	–	N.A.
Mr.Ghanshyam Das Gupta	–	–	–	N.A.
Mrs. Divya Jalan	–	–	–	N.A.
Mrs. Shashi Kumar	–	–	–	N.A.
Mr. Hemant Kumar Agrawal	–	–	–	N.A.
Mr. Golam Momen	–	–	–	N.A.
Mr. Alok Krishna Agarwal	–	–	–	N.A.
Mr. Naveen Bansal	–	–	–	N.A.
Mr Karthik Narayan Singh	1549200	175700	46.96	38.5:1
Mr. Yugal Keshor Chaudhary	462878*	–	–	N.A.
Ms. Sreya Bose	279590*	–	–	N.A.

* For Part of the year (August, 2017 to March, 2018), Included Bonus & leave pay

Annexure 2 to the Directors' Report

THE INFORMATION UNDER SECTION 134(3)(M) OF THE COMPANIES ACT, 2013 READ WITH RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014 FOR THE YEAR ENDED MARCH 31, 2018 IS GIVEN HERE BELOW AND FORMS PART OF THE DIRECTORS' REPORT.

Statement of particulars with respect to conservation of energy, technology absorption and foreign exchange earnings and outgo forming part of Directors' Report for the year ended 31st March 2018. Necessary information required by Companies (Disclosure of particulars in Report of Board of Directors) Rules, 1988 for conservation of energy, technology absorption and foreign exchange earnings and outgo enumerated below :

FORM A

Form of Disclosure of particulars with respect to conservation of energy :

A) POWER AND FUEL CONSUMPTION

	Particulars	Current Year 2017-2018 (₹)	Previous Year 2016-2017 (₹)
1.	1.Electricity		
a)	Purchased (Unit)	1,106,454	9,44,029
	Total Amount (Rs.)	98,88,396	80,82,835
	Rate/Unit (Rs.)	8.94	8.56
b)	Own Generation		
i)	Through Diesel (Unit)	172,324	1,29,773
	Units per ltrs. of Diesel	2.39	2.46
	Cost/Unit (Rs).	28.71	26.07
2	Gas		
	Quantity (Scum)	7,60,029	6,11,937
	Total Amount (Rs.)	87,93,941	73,67,324
	Rate per 1000Scum	11,571	12,039

B) CONSUMPTION PER UNIT OF PRODUCTION

Standards (if any)

Products – Made Tea (Kgs)	14,77,630	13,38,941
Electricity (in units) / per Kg	0.87	0.80
Gas (in Scum) / per Kg	0.51	0.46

FORM-B

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

1. Specified area in which R & D carried out by the Company
2. Benefits derived as a result of above R & D
3. Future Plan of action
4. Expenditure on R & D

a) Capital R & D
b) Recurring
c) Total
d) Total R & D expenditure as a percentage of total turnover

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

Technology absorption, adaptation and innovation

1.	Efforts in brief, made towards technology absorption, adaptation and innovation	Continuous efforts are being made towards absorption, adaptation and innovation of technology absorption maintaining close liaison with advisory officer of Tocklai Experimental Station.
2.	Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, import substitution etc.	Increase in Productivity and cost reduction by optimization of inputs.

Foreign Exchange Earning and outgo

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

Mr. DHIRENDRA KUMAR (DIN : 00153773)
Mr. S.K.JALAN (DIN : 00015836)
Mrs. DIVYA JALAN (DIN : 00016102)
Mr. G. MOMEN (DIN : 00402662)
Mr. NAVEEN BANSAL (DIN : 00720211)
Mr. SHASHI KUMAR (DIN : 00199961)
Mr. G. D. GUPTA (DIN : 00174114)

Director

Registered Office:
1, Crooked Lane
Kolkata – 700069
The 26th of May, 2018

Mr. K.N. SINGH (DIN 07779482)

Whole-time Director

ANNEXURE 4 TO THE DIRECTOR'S REPORT

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

AS ON THE FINANCIAL YEAR ENDED 31ST MARCH, 2018
[Pursuant to section 92(3) of the Companies Act, 2013 and Rule No. 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

(i)	CIN	L01132WB1977PLC031175
(ii)	Registration Date	27th September, 1977
(iii)	Name of the Company	THE SCOTTISH ASSAM (INDIA) LTD
(iv)	Category/Sub-Category of the Company	TEA
(v)	Address of the Registered Office	1, Crooked Lane, Kolkata – 700 069
(vi)	Whether Listed Company	Listed
(vii)	Name, Address and contact details of Registrar	ABS Consultant Pvt. Ltd. "Stephen House" Room No.-99, 6th Floor 4, B.B.D. Bag (East) Kolkata – 700 001 Ph. : (033) 2230-1043

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

The principal business activity of the Company is of manufacturing and sale of **TEA**. It comprises 100% of total turnover of the Company

III. HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

GANGA STEEL & ALLOYS LIMITED

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

(i) Table I - Category-wise Share Holding

Category of Shareholding	No. of Share held as on 31.03.2018				No. of Share held as on 31.03.2017				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A Promoters & Promoter Group	600000	--	600000	75%	600000	--	600000	75%	--
B Public	99696	100304	200000	25%	96969	103031	200000	25%	--
C Non Promoter - Non Public									
i) Shares Underlying DRs	--	--	--	--	--	--	--	--	--
ii) Shares held by Employee Trusts	--	--	--	--	--	--	--	--	--
Total	**699696**	**100304**	**800000**	**100%**	**699696**	**103031**	**800000**	**100%**	**--**

(ii) **Table II - Statement showing shareholding pattern of the Promoter and Promoter Group and changes during the period 2017-2018**

Name	No. of Shares held as on 31.03.2018		No. of Shares held as on 31.03.2017		% Change during the year	Shares held in physical	Shares in Demat
	No. of Shares	% of Total Shares	No. of Shares	% of Total Shares			
1) INDIAN							
a) Individual/HUF							
Hemant Kumar Agarwal	300	0.04	300	0.04	–	–	300
Smita Agarwal	500	0.06	500	0.06	–	–	500
Alaka Jalan	500	0.06	500	0.06	–	–	500
Sandhya Agarwal	800	0.10	800	0.10	–	–	800
Smita Saraf	800	0.10	800	0.10	–	–	800
Manish Kumar	1525	0.19	1525	0.19	–	–	1525
Pramod Rani	800	0.10	800	0.10	–	–	800
Ila Rani Agarwal	800	0.10	800	0.10	–	–	800
Prabha Rani Agarwal	819	0.10	819	0.10	–	–	819
Arvind Kumar Agrawal	900	0.11	900	0.11	–	–	900
Mudit Kumar	1000	0.13	1000	0.13	–	–	1000
Rajendra Kumar Agarwal	1151	0.14	1151	0.14	–	–	1151
Ritika Kumar	7950	0.99	7950	0.99	–	–	7950
Divya Jalan	10802	1.35	10802	1.35	–	–	10802
Sandeep Kumar Jalan	11925	1.49	11925	1.49	–	–	11925
Divyaa Kumar	6350	0.79	6350	0.79	–	–	6350
Shashi Kumar	13288	1.66	13288	1.66	–	–	13288
Pradip Kumar Khaitan (In the capacity of trustee of Tea Trust created by existing promoters)	120000	15.00	120000	15.00	–	–	120000
Total	**180210**	**22.53**	**179810**	**22.46**	**0.06**	**-**	**180210**
b) Central Govt./State Govt	–	–	–	–	–	–	–
c) Financial Institution/ Banks	–	–	–	–	–	–	–
d) Any other (specify) Bodies Corporate							
Supriya Finance Ltd	300	0.04	300	0.04	–	–	300
Sandeep Investments Ltd	400	0.05	400	0.05	–	–	400
Shreyans Inv Pvt Ltd	–	–	400	0.05	–	–	–
Purushottam Inv Pvt Ltd	22447	2.81	22447	2.81	–	–	22447
Arohi Holdings Pvt Ltd	15800	1.98	15800	1.98	–	–	15800
Shree Durga Agencies Ltd	83020	10.38	83020	0.38	–	–	83020
Innovation Handicrafts (India) Pvt Ltd	22765	2.85	22765	2.85	–	–	22765
SPBP Inv Pvt Ltd	45000	5.63	45000	5.63	–	–	45000
Nirvan Commercial Co Ltd	86963	10.87	86963	10.87	–	–	86963
SIVPL Products Pvt Ltd	13130	1.64	13130	1.64	–	–	13130
Aryavrat Trading Pvt Ltd	10075	1.26	10075	1.26	–	–	10075
SPBP Tea Plantation Ltd	34600	4.33	34600	4.33	–	–	34600
Maryada Advisory Services Pvt Ltd	45290	5.66	45290	5.66	–	–	45290
Aarvee Trading Co Pvt Ltd	40000	5.00	40000	5.00	–	–	40000
Total	**419790**	**52.47**	**419790**	**52.47**	**–**	**–**	**419790**

Name	No. of Shares held as on 31.03.2018		No. of Shares held as on 31.03.2017		% Change during the year	Shares held in physical	Shares in Demat
	No. of Shares	% of Total Shares	No. of Shares	% of Total Shares			
Mutual Fund	--	--	--	--	--	--	--
Trust	--	--	--	--	--	--	--
Others	--	--	--	--	--	--	--
Sub Total (A)(1)	**600000**	**75%**	**600000**	**75%**	**--**	**--**	**600000**
2) FOREIGN							
a) NRI/ Foreign Individuals	--	--	--	--	--	--	--
b) Foreign. Govt. Promoter	--	--	--	--	--	--	--
c) Foreign Inst. Invst. (FIIs)	--	--	--	--	--	--	--
d)Foreign Portfolio Investor	--	--	--	--	--	--	--
e) Any Other (specify) Foreign Company Overseas Corporate Bodies	--	--	--	--	--	--	--
Foreign Bank	--	--	--	--	--	--	--
Sub Total (A)(2)	**--**	**--**	**--**	**--**	**--**	**--**	**--**
Total Shareholding of Promoter and Promoter Group (A) = (A)(1) + (A)(2)	**600000**	**75%**	**600000**	**75%**	**--**	**--**	**600000**

(iii) Table III - Statement showing shareholding pattern of the Public Shareholder

Name	No. of Share held as on 31.03.2018				No. of Share held as on 31.03.2017			
	Physical	Demat	No. of Total Shares	% of Total Shares	Physical	Demat	No. of Total Shares	% of Shares
1) Institutions								
A) Mutual Funds / UTI	--	--	--	--	--	--	--	--
b) Venture Capital Funds	--	--	--	--	--	--	--	--
c) Alternate Invest Fund	--	--	--	--	--	--	--	--
d) Foreign Venture Capital Investor	--	--	--	--	--	--	--	--
e) Foreign Portfolio Investor	--	--	--	--	--	--	--	--
f) Financial Institution/ Banks	--	--	--	--	--	--	--	--
g) Insurance Companies	--	--	--	--	--	--	--	--
h) Provident Fund/ Pension Funds	--	--	--	--	--	--	--	--
i) Any other (specify) Foreign Inst. Invst. (FIIs)	--	--	--	--	--	--	--	--
Sub Total (B)(1)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2) Central Govt./ State Govt./ President of India	--	--	--	--	--	--	--	--
Sub Total (B)(2)	-	-	-	-	-	-	-	-
3) Non-Institutions:								
a) Individuals-								
i) Indv. Shareholders holding nominal share capital upto ₹ 2 lakh	100304	53548	153852	19.23	102721	5555	154336	19.29

Name	No. of Share held as on 31.03.2018				No. of Share held as on 31.03.2017			
	Physical	Demat	No. of Total Shares	% of Total Shares	Physical	Demat	No. of Total Shares	% of Shares
ii) Indv. Shareholders holding nominal share capital in excess of ₹ 2 lakh	--	--	--	--	--	--	--	--
b) NBFC registered with RBI	--	--	--	--	--	--	--	--
c) Employees Trust	--	--	--	--	--	--	--	--
d) Overseas Depositories (holding DRs) (balancing figure)	--	--	--	--	--	--	--	--
e) Any Other (specify)								
Bodies Corporate								
i) Holding 1% and above :								
1) Octal Credit Capital Limited	--	21398	21398	2.67	--	21398	21398	2.67
2) Mittal Sales Private Limited	--	21399	21399	2.67	--	21399	21399	2.67
ii) Holding less than 1%	--	2581	2581	0.32	250	1853	2103	0.26
Non Resident Indian								
i) Holding 1% and above	--	--	--	--	--	--	--	--
ii) Holding less than 1%	--	670	670	0.08	--	664	664	0.08
Foreign National	--	--	--	--	--	--	--	--
Overseas Corporate Bodies	--	--	--	--	--	--	--	--
Foreign Banks	--	--	--	--	--	--	--	--
Trust	--	--	--	--	--	--	--	--
Custodian A/c	--	--	--	--	--	--	--	--
1. Jagdish P Gandhi	--	100	100	0.01	100	100	0.01	100
Total	**100304**	**96969**	**200000**	**25%**	**103031**	**96969**	**200000**	**25%**

V Shareholding of Directors and Key Managerial Personnel :

Name	No. of Shares held as on 31.03.2018		No. of Shares held as on 31.03.2017		% Change during the year
	No. of Shares	% of Total Shares	No. of Shares	% of Total Shares	
Mr. Sandeep Kumar Jalan	11925	1.49	11925	1.49	--
Mrs. Divya Jalan	10802	1.35	10802	1.35	--
Mr. Dhirendra Kumar	--	--	--	--	--
Mr. Hemant Kumar Agrawal	300	0.04	300	0.04	--
Mr. Ghanshyam Das Gupta	100	0.01	100	0.01	--
Mr. Golam Momen	800	0.10	800	0.10	--
Mr. Naveen Bansal	--	--	--	--	--
Mr. Alok Krishna Agarwal	--	--	--	--	--
Mrs. Shashi Kumar	13288	1.66	13288	1.66	--
Mr. Kartik Narayan Singh	--	--	--	--	--
Mr. Yugal Keshor Chaudhary	--	--	--	--	--
Ms. Sreya Bose	--	--	--	--	--
Total	**37215**	**4.65**	**37215**	**4.65**	**--**

VI Indebtedness of the Company including interest outstanding / accured but not due for payment : NIL

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

Name	No. of Shares held as on 31.03.2018		No. of Shares held as on 31.03.2017		% Change during the year
	No. of Shares	% of Total Shares	No. of Shares	% of Total Shares	
Mittal Sales Pvt Ltd	21399	2.67	21399	2.67	--
Octal Credit Capital Ltd	21398	2.67	21398	2.67	--
Mahendra Girdharilal	2100	0.26	2100	0.26	--
Prahlad Rai Jain	1900	0.24	1900	0.24	--
Bimla Rani Jain	1100	0.14	1100	0.14	--
Natarajn Ravi Shankar	1200	0.15	1200	0.15	--
Renu Gupta	1200	0.15	1200	0.15	--
Seema Sogani	--	--	1100	0.14	(0.14)
Mahendra Kr. Bagrodia	--	--	800	0.10	(0.10)
Ajay Manharlal Jtly. Nilesh Manharlal	--	--	800	0.10	(0.10)
Bhavesh Dhiralal Tannal	1125	0.14	--	--	0.14
Pinaken Chimanlal Shah	1000	0.12	--	--	0.12
Plutus Capital Management (LLP)	1400	0.18	--	--	0.18
Total	**53822**	**6.72**	**52997**	**6.62**	**0.10**

VIII Remuneration of directors and Key Managerial Personnel

Name	Designation	Details of Remuneration	Current Financial Year (₹)
Mr. Kartik Narayan Singh	Whole-time Director	Salary as per Income Tax	15,49,200
Mr. Yugal Keshor Chaudhary*	Chief Financial Officer		4,62,878
Ms. Sreya Bose*	Company Secretary		2,79,590
*For the part of the year (joined in the month of August 2017)			

IX Meetings of the Board & Remuneration to the Directors :

Name of the Directors	No. of Board Meetings		Attended Last AGM	Remuneration paid as sitting fees (₹)
	Held	Attended	held on 04.09.2017	
Mr. Dhirendra Kumar	4	4	YES	20,000
Mr. Sandeep Kumar Jalan	4	4	YES	20,000
Mrs. Divya Jalan	4	3	YES	15,000
Mr. Golam Momen	4	4	NO	20,000
Mr. Ghanshyam Das Gupta	4	4	YES	20,000
Mr. Naveen Bansal	4	3	YES	15,000
Mr. Alok Krishna Agarwal	4	2	NO	10,000
Mr. Hemant Kumar Agrawal	4	1	NO	5,000
Mrs. Shashi Kumar	4	3	N.A	15,000
Mr. Kartik Narayan Singh	4	2	YES	N.A

X Meetings of the Committees

Name of the Directors	No. of Audit Committee Meetings		No. of Stakeholders Relationship Committee Metings		No. of Nomination & Remuneration Committee Metings		Remuneration paid as sitting fees (₹)
	Held	Attended	Held	Attended	Held	Attended	
Mr. Golam Momen	4	4	4	4	3	3	55,000
Mr. Ghanshyam Das Gupta	4	4	4	4	3	3	55,000
Mr. Naveen Bansal	4	3	4	3	3	3	45,000

XI Remuneration to other directors:

I. Independent Directors :

The Independent Directors of your Company are not entitled to any other kind or type of remuneration except sitting fees.

XII Penalties / Punishment / Compounding of Offences : None

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 Personnel) Rules, 2014]

To
The Members,
The Scottish Assam (India) Ltd,
1, Crooked Lane,
Kolkata - 700 069

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by The Scottish Assam (India) Limited **(L01132WB1977PLC031175)** (hereinafter called "the Company"). The Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of 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 and authorised representatives during the conduct of **Secretarial Audit,** whereby report that in our opinion the Company has, during the audit period covering the financial year ended 31st March, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board- processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

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

I. The Companies Act, 2013 (the Act) and the rules made thereunder;

II. The Securities Contracts (Regulation) Act,1956 and the rules made thereunder;

III. The Depositories Act, 1996 and the Regulations and Bye- laws framed thereunder;

IV. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowing;

V. The following Regulations (as amended from time to time) and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

   a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

   b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

   c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993.

   d) The SEBI (Listing obligation and disclosure requirements) Regulations 2015 (LODR).

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

(a) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

(b) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(c) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

(d) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

(e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

VI. The following **Industry Specific** laws:

a) Tea Act, 1953

b) The Tea Waste (Control) Order, 1959

c) The Tea Warehouse (Licensing) Order, 1989

d) The Tea (Marketing) Control Order, 1984

e) Tea (Distribution and Export) Control Order, 2005

f) FSAAI (Food Safety and Standards Authority of India) Act, 2006

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

(i) The Listing Agreement or SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 (LODR) entered into by the Company with The Calcutta Stock Exchange Limited.

(ii) Secretarial Standards issued by the Institute of Company Secretaries of India in respect of holding of Board Meetings and Shareholder's Meetings.

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

We further report that:

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

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

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 as also represented by the management. All decisions of the Board were unanimous and the same was captured and recoded as part of the Minutes.

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

(i) Public/Right/ Preferential issue of Shares/Debentures/Sweat Equity or any other Security.

(ii) Redemption / buy-back of securities.

(iii) Major decisions taken by the Members in pursuance to section 180 of the Companies Act, 2013.

(iv) Merger/ Amalgamation/ Reconstruction etc.

(v) Foreign technical collaborations.

For DROLIA & COMPANY
(Company Secretaries)

Place : 9, Crooked Lane
Kolkata – 700 069

Date : 26th day of May, 2018

Pravin Kumar Drolia
Proprietor
FCS : 2366
CP No. 1362

ANNEXURE 3 TO THE DIRECTORS' REPORT(CONT.)

To,
The Members,
The Scottish Assam (India) Limited,
1, Crooked Lane, Kolkata 700069

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

1) Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express as opinion on these secretarial records based on out audit.

2) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3) We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4) Where ever required we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.

5) The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to verification of procedures on test basis.

6) The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For DROLIA & COMPANY
(Company Secretaries)

Place : 9, Crooked Lane
Kolkata – 700 069

Date : 26th day of May, 2018

Pravin Kumar Drolia
Proprietor
FCS : 2366
CP No. 1362

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS

TO THE MEMBERS OF THE SCOTTISH ASSAM (INDIA) LIMITED

REPORT ON THE IND AS FINANCIAL STATEMENTS

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

MANAGEMENT'S RESPONSIBILITY FOR THE IND AS FINANCIAL STATEMENTS

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

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

AUDITORS' RESPONSIBILITY

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

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

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

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

OPINION

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

OTHER MATTER

7. The corresponding financial information of the Company as at and for the year ended 31 March, 2017 and the transition date opening balance sheet as at 1st April, 2016 included in these Ind AS financial statements, are based on the previously issued financial statements for the years ended 31st March, 2017 and 31st March, 2016 ,prepared in accordance with the Companies (Accounting Standards) Rules , 2006 (as amended) which were audited by predecessor auditor, on which they have expressed a modified opinion vide the audit report dated 20th May, 2017 and an unmodified opinion vide audit report dated 14thMay, 2016 respectively which is also explained in Note no 42 to the attached financial statements. These financial statements have been adjusted for differences in accounting principles to comply with Ind AS and such adjustments on transition to Ind AS which has been approved by the Company's Board of Directors have been audited by us.

Our opinion is not modified in respect of this matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

9. As required by Section 143(3) of the Act, based on our audit, we report, to the extent applicable that:

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

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standard) Rules 2015, as amended, and other accounting principles generally accepted in India.

e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

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 financial statements as stated in note 35.1 to the financial statement;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year.

iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8th November 2016 to 30th December 2016 have not been made since they do not pertain to the financial year ended 31st March 2018.

For JITENDRA K. AGARWAL & ASSOCIATES,
Chartered Accountants
Firm's Registration No. 318086E

(Utsav Saraf)
Partner
Membership No. 306932

Place : Kolkata
Date : 26th day of May, 2018

ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 8 with the heading 'Report on Other Legal and Regulatory Requirements' section of our report of even date in respect to statutory audit of The Scottish Assam (India) Limited for the year ended 31st March 2018)

We report that :

i. In respect of its fixed assets :

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

b) According to information and explanation given to us, fixed assets have been physically verified during the year by the management at reasonable intervals and no material discrepancies have been noticed on such physical verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

ii. According to information and explanation given to us, inventories (excluding stocks with third parties) were physically verified during the year by the management at reasonable intervals. In respect of inventory lying with third parties, these have been substantially confirmed by them. The discrepancies noticed on verification between the physical stock and the book stocks, wherever ascertained were not significant and have been properly dealt in the books of accounts.

iii. In our opinion and according to information and explanation given to us, the Company has not granted any loan to parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, paragraph 3(iii) of the Order is not applicable.

iv. In our opinion and according to the information and explanations given to us, the Company has not given any loans, issued any guarantee or provided any security on behalf of any parties or made any investment in parties covered under Section 185 and Section 186 of the Act.

v. According to information and explanations given to us, the Company has not accepted any deposits within the meaning of Sections 73 to Sections 76 of the Act during the year.

vi. The maintenance of cost records prescribed under sub-section (1) of Section 148 of the Act is not applicable to the Company during the year.

vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company is regular in depositing undisputed statutory dues including provident fund, employee's state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues were in arrears as at 31st March 2018 for a period of more than six months from the date they became payable.

(b) According to the information and explanation given to us and records of Company examined by us, there are no dues of sales tax, income tax, duty of customs, duty of excise, service tax and value added tax as at 31st march, 2018 which have not been deposited on account of any dispute.

viii. Based on our audit procedures and on the basis of information and explanations given by the management, the Company has not defaulted in repayment of dues to Banks during the year. The company does not have any outstanding dues to debenture holders or financial institutions during the year.

ix. Based on information and explanations given to us and records of the Company examined by us, the company did not raise any money by way of initial public offer or further public offer (including debt instruments) and the term loans during the year hence the clause (ix) of the Order is not applicable.

x. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

xi. 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 during the financial year in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

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

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

xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

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

xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For JITENDRA K. AGARWAL & ASSOCIATES,
Chartered Accountants
Firm's Registration No. 318086E

(Utsav Saraf)
Partner
Membership No. 306932

Place : Kolkata
Date : 26th day of May, 2018

ANNEXURE - B 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 **THE SCOTTISH ASSAM (INDIA) LIMITED ("the Company")** as of 31st March, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITORS' RESPONSIBILITY

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

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that :

1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OPINION

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

For JITENDRA K. AGARWAL & ASSOCIATES,
Chartered Accountants
Firm's Registration No. 318086E

(Utsav Saraf)
Partner
Membership No. 306932

Place : Kolkata
Date : 26th day of May, 2018

BALANCE SHEET AS AT 31ST MARCH, 2018

	Note No.	As at 31st March, 2018 ₹	₹	As at 31st March, 2017 ₹	₹	As at 1st April, 2016 ₹	₹
ASSET							
1 NON-CURRENT ASSETS							
a Property, Plant and Equipment	4	**21,693,969**		23,470,917		23,370,818	
b Capital Work-In-Progress	4	**9,440,439**		3,999,291		150,000	
c Other Intangible Assets	4	**1,413**	**31,135,821**	3,836	27,474,044	10,413	23,531,231
d Financial Assets							
i Investments	5	**402,447,872**		371,029,462		313,945,298	
ii Loans	6	**4,325,588**		2,924,273		3,246,575	
e Deferred Tax Assets (Net)	7	**4,898,763**		(4,114,577)		(961,579)	
f Non-Current Tax Assets	8	**3,886,854**	**415,559,077**	5,665,159	375,504,317	2,981,900	319,212,194
2 CURRENT ASSETS							
a Inventories	9	**19,056,200**		20,744,478		28,496,363	
b Biological Asset other than Bearer Plant	10	**669,521**		506,716		357,298	
c Financial Assets							
i Trade Receivables	11	**7,800,300**		519,643		1,028,724	
ii Cash and Cash Equivalents	12	**647,555**		2,714,427		2,315,598	
iii Bank balances other than Note ii	13	**755,227**		680,611		620,962	
iv Loans	6	**350,000**		90,000		–	
v Other Financial Assets	14	**1,415,495**		1,180,837		1,955,808	
d Other Current Assets	15	**2,035,570**	**32,729,868**	516,521	26,953,233	559,200	35,333,953
Total Assets			**479,424,766**		**429,931,594**		**378,077,378**
EQUITY AND LIABILITIES							
1 EQUITY							
a Equity Share Capital	16	**8,000,000**		8,000,000		8,000,000	
b Other Equity	17	**401,375,916**	**409,375,916**	366,125,799	374,125,799	302,024,613	310,024,613
LIABILITIES							
2 CURRENT LIABILITIES							
a Financial Liabilities							
i Borrowings	18	**29,776,590**		25,888,744		30,249,386	
ii Trade Payables	19	**17,454,516**		10,594,645		12,955,802	
Total outstanding dues of creditors to micro & small enterprises							
Total outstanding dues of creditors to other than micro & small enterprises							
iii Other Financial Liabilities	20	**17,156,076**		15,004,478		16,491,365	
b Provisions	21	**2,491,104**		1,659,817		5,747,127	
c Other Current Liabilities	22	**2,941,874**		2,617,611		2,568,585	
d Current Tax Liabilities	23	**228,690**	**70,048,850**	40,500	55,805,795	40,500	68,052,765
Total Equity and Liabilities			**479,424,766**		**429,931,594**		**378,077,378**
Significant Accounting Policies	1						

The accompanying notes 2 to 52 are an integral part of the Financial Statements

For and on behalf of the Board of Directors

As per our report of even date annexed

For **JITENDRA K AGARWAL & ASSOCIATES**
Chartered Accountants
Firm Registration No. 318086E

UTSAV SARAF
Partner
Membership No. : 306932
Place : Kolkata
Date : The 26th day of May, 2018.

Mr. DHIRENDRA KUMAR (DIN : 00153773)
Mr. S.K.JALAN (DIN : 00015836)
Mrs. DIVYA JALAN (DIN : 00016102)
Mr. G. MOMEN (DIN : 00402662)
Mr. NAVEEN BANSAL (DIN : 00720211)
Mr. SHASHI KUMAR (DIN : 00199961)
Mr. G. D. GUPTA (DIN : 00174114)
Director

Mr. YUGAL KESHOR CHAUDHARY - *Chief Financial Officer*
Ms. SREYA BOSE - *Company Secretary*

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

	Note No.	For the Year ended 31st March, 2018 ₹	For the Year ended 31st March, 2017 ₹
INCOME			
Revenue from Operations	24	**276,441,475**	247,712,692
Other Income	25	**27,043,726**	57,528,425
Total Income		**303,485,201**	**305,241,117**
EXPENSES			
Cost of Materials Consumed	26	**22,236,185**	23,136,547
Changes in Inventories of Finished Goods, Stock-In-Trade and Work-in-Progress	27	**(1,635,138)**	6,065,078
Employee Benefits Expense	28	**122,990,743**	109,765,430
Finance Costs	29	**2,882,227**	3,556,435
Depreciation and Amortisation Expense	30	**4,131,362**	4,620,554
Other Expenses	31	**100,286,530**	81,668,689
Total Expenses		**250,891,909**	**228,812,733**
Profit before Tax		**52,593,292**	**76,428,384**
Tax Expense:	32		
Current Tax		**17,433,139**	3,987,454
Income Tax for Earlier Year		**1,781,494**	670,738
Deferred Tax		**(9,013,341)**	3,152,998
Profit for the year		**42,392,000**	**68,617,194**
Other Comprehensive Income			
Items that will not be reclassified to profit or loss	33	**(4,734,414)**	(2,275,352)
Income tax relating to these items		**1,304,449**	787,454
Other Comprehensive Income for the Year (Net of Tax)		**(3,429,965)**	**(1,487,898)**
Total Comprehensive Income for the period		**38,962,035**	**67,129,296**
Earnings Per Share	34	**52.99**	**85.77**
Significant Accounting Policies	1		

The accompanying notes 2 to 52 are an integral part of the Financial Statements

As per our report of even date annexed

For **JITENDRA K AGARWAL & ASSOCIATES**
Chartered Accountants
Firm Registration No. 318086E

UTSAV SARAF
Partner
Membership No. : 306932
Place : Kolkata
Date : The 26th day of May, 2018.

For and on behalf of the Board of Directors

Mr. DHIRENDRA KUMAR (DIN : 00153773)
Mr. S.K.JALAN (DIN : 00015836)
Mrs. DIVYA JALAN (DIN : 00016102)
Mr. G. MOMEN (DIN : 00402662)
Mr. NAVEEN BANSAL (DIN : 00720211)
Mr. SHASHI KUMAR (DIN : 00199961)
Mr. G. D. GUPTA (DIN : 00174114)
Director

Mr. YUGAL KESHOR CHAUDHARY - *Chief Financial Officer*
Ms. SREYA BOSE - *Company Secretary*

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

		For the year ended 2017-18		For the year ended 2016-17	
		(₹)	(₹)	(₹)	(₹)
A.	**Cash flow from operating activities :**				
	Net Profit before tax and extraordinary items		**52,593,293**		76,428,384
	Adjustments for -				
	Depreciation	**4,131,362**		4,620,554	
	Finance Cost	**2,882,227**		3,556,435	
	Interest Received	**(47,951)**		(137,718)	
	Unclaimed balances written back	**(87,503)**		(19,044)	
	Profit on Sale of Fixed Asset	**(45,593)**		-	
	Net gain arising on Employee Benefit Obligations mandatorily measured at OCI	**(4,734,414)**		(2,275,352)	
	Change in fair value of biological assets-non Current	**(162,804)**		(149,417)	
	Net Gain arising on financial assets mandatorily measured at FVTPL	**(7,819,671)**		(53,291,675)	
	Gain on disposal of investments carried at fair value throiugh profit or loss	**(18,876,579)**		(3,739,545)	
	Operating profit before working capital changes		**27,832,367**		24,992,622
	Adjustments for -				
	Trade receivables & loans	**(10,770,294)**		1,499,383	
	Trade Payables, Provisions & Others	**10,254,521**		(6,943,175)	
	Inventories	**1,688,278**		7,751,886	
	Cash generated from / (used in) operations		**29,004,872**		27,300,716
	Direct taxes (paid) / refund		**(15,943,691)**		(6,553,997)
	Net cash from / (used in) operating activities		**13,061,181**		20,746,719
B.	**Cash Flow from Investing Activities :**				
	Purchase of Fixed Assets / Capital in Progress	**(7,812,546)**		(8,935,366)	
	Sale of Fixed Assets	**65,000**		371,999	
	(Purchase)/Sale of Non Current Investments(net)	**(4,722,160)**		(52,944)	
	Interest Received	**47,951**		137,718	
	Net Cash from/(used in) Investing Activities		**(12,421,755)**		(8,478,593)

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

		For the year ended 2017-18		For the year ended 2016-17	
		(₹)	(₹)	(₹)	(₹)
C.	**Cash Flow from Financing activities :**				
	Repayments of long term borrowings	-		(900,000)	
	Proceeds from Working capital borrowings (net)	**3,887,847**		(4,360,643)	
	Dividend including dividend tax paid	**(3,711,918)**		(3,028,110)	
	Finance Cost paid	**(2,882,227)**		(3,580,544)	
	Net cash from / (used in) financing activities		**(2,706,298)**		(11,869,297)
	Net increase / (decrease) in cash and cash equivalent (A+B+C)		**(2,066,872)**		398,829
	Cash and cash equivalents as at 01.04.2017*		**2,714,427**		2,315,598
	Cash and cash equivalents as at 31.03.2018*		**647,555**		2,714,427
			(2,066,872)		398,829

	For the year ended 2017-18	For the year ended 2016-17
* Cash and cash equivalent consist of :-		
Cash & Cash Equivalents		
	As at 31.03.2018	**As at 31.03.2017**
Cash, cheques, drafts in hand etc.	**56,097**	1,824,065
Balance & Fixed Deposits with Banks	**591,458**	890,362
Cash and Cash equivalent	**647,555**	2,714,427

The aforesaid statement is prepared on indirect method.

The figures of the previous year have been reclassified to conform to current year classification

Significant Accounting Policies 1

The accompanying notes 2 to 52 are an integral part of the Financial Statements

As per our report of even date annexed

For **JITENDRA K AGARWAL & ASSOCIATES**
Chartered Accountants
Firm Registration No. 318086E

UTSAV SARAF
Partner
Membership No. : 306932
Place : Kolkata
Date : The 26th day of May, 2018.

For and on behalf of the Board of Directors

Mr. DHIRENDRA KUMAR (DIN : 00153773)
Mr. S.K.JALAN (DIN : 00015836)
Mrs. DIVYA JALAN (DIN : 00016102)
Mr. G. MOMEN (DIN : 00402662)
Mr. NAVEEN BANSAL (DIN : 00720211)
Mr. SHASHI KUMAR (DIN : 00199961)
Mr. G. D. GUPTA (DIN : 00174114)
Director

Mr. YUGAL KESHOR CHAUDHARY - *Chief Financial Officer*
Ms. SREYA BOSE - *Company Secretary*

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS ON AND FOR THE YEAR ENDED 31ST MARCH, 2018

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

(Amount in ₹)

a Equity Share Capital

Balance as at 1st April 2016	8,000,000
Add/(Less): Changes in Equity Share Capital during the year	-
Balance as at 31st March 2017	8,000,000
Add/(Less): Changes in Equity Share Capital during the year	
Balance as at 31st March 2018	**8,000,000**

b Other Equity

	Capital Reserve	General Reserve	Retained Earnings	Other Comprehensive Income: Equity Instrument through Other Comprehensive Income	Other Comprehensive Income: Remeasurement of Defined Benefit Plans	Total
Balance as at 1st April, 2016	**3,062,321**	**191,429,038**	**107,533,254**	**-**	**-**	**302,024,613**
Profit for the Year	-	-	68,617,194	-	-	68,617,194
Transfer from Retained Earnings	-	5,000,000	-	-	-	5,000,000
Remeasurement Gain/(Loss)	-	-	-	-	(1,487,898)	(1,487,898)
Total Comprehensive Income	**3,062,321**	**196,429,038**	**176,150,448**	**-**	**(1,487,898)**	**374,153,909**
Final Dividend Paid	-	-	(2,800,000)	-	-	(2,800,000)
Transfer to General Reserve	-	-	(5,000,000)	-	-	(5,000,000)
Dividend Distribution Tax on Final Dividend	-	-	(228,110)	-	-	(228,110)
Remeasurement of Defined Benefit Plans	-	-	(1,487,898)	-	1,487,898	-
Balance as at 31st March, 2017	**3,062,321**	**196,429,038**	**166,634,440**	**-**	**-**	**366,125,799**
Profit for the Year	-	-	42,392,000	-	-	42,392,000
Transfer from Retained Earnings	-	10,000,000	-	-	-	10,000,000
Remeasurement Gain/(Loss)	-	-	-	-	(3,429,965)	(3,429,965)
Total Comprehensive Income	**3,062,321**	**206,429,038**	**209,026,440**	**-**	**(3,429,965)**	**415,087,834**
Final Dividend Paid	-	-	(2,800,000)	-	-	(2,800,000)
Dividend Distribution Tax on Final Dividend (including for earlier year)	-	-	(911,918)	-	-	(911,918)
Transfer to General Reserve	-	-	(10,000,000)	-	-	(10,000,000)
Remeasurement of Defined Benefit Plans	-	-	(3,429,965)	-	3,429,965	-
Balance as at 31st March, 2018	**3,062,321**	**206,429,038**	**191,884,557**	**-**	**-**	**401,375,916**

The Notes are an integral part of the Financial Statements.

Significant Accounting Policies 1

The accompanying notes 2 to 52 are an integral part of the Financial Statements

As per our report of even date annexed

For **JITENDRA K AGARWAL & ASSOCIATES**
Chartered Accountants
Firm Registration No. 318086E

UTSAV SARAF
Partner
Membership No. : 306932
Place : Kolkata
Date : The 26th day of May, 2018.

For and on behalf of the Board of Directors

Mr. DHIRENDRA KUMAR (DIN : 00153773)
Mr. S.K.JALAN (DIN : 00015836)
Mrs. DIVYA JALAN (DIN : 00016102)
Mr. G. MOMEN (DIN : 00402662)
Mr. NAVEEN BANSAL (DIN : 00720211)
Mr. SHASHI KUMAR (DIN : 00199961)
Mr. G. D. GUPTA (DIN : 00174114)
Director

Mr. YUGAL KESHOR CHAUDHARY - *Chief Financial Officer*
Ms. SREYA BOSE - *Company Secretary*

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS ON AND FOR THE YEAR ENDED 31ST MARCH, 2018

1. CORPORATE AND GENERAL INFORMATION

The Scottish Assam (India) Limited was incorporated as a Limited Company in India under the Companies Act 1956 and has its listing on the CSE Limited. The Company's principal business is manufacturing of Tea.

2. BASIS OF PREPARATION AND PRESENTATION OF FINANCIAL STATEMENT

2.1. Statement of Compliance

These financial statements have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as prescribed by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ("the Act"), read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended), other relevant provisions of the Act and other accounting principles generally accepted in India.

The financial statements for all periods up to and including the year ended 31st March, 2017, were prepared in accordance with Generally Accepted Accounting Principles (GAAP) in India, which includes the accounting standards prescribed under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 and other provisions of the Act (collectively referred to as "Indian GAAP"). These financial statements for the year ended 31st March, 2018 are the first Ind AS Financial Statements with comparatives, prepared under Ind AS. The Company has consistently applied the accounting policies used in the preparation of its opening Ind AS Balance Sheet at 1st April, 2016 throughout all periods presented, as if these policies had always been in effect and are covered by Ind AS 101 "First Time Adoption of Indian Accounting Standards".

An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in Note No. 42. Certain of the Company's Ind-AS accounting policies used in the opening Balance Sheet differed from its Indian GAAP policies applied as at 31st March, 2016 and accordingly the adjustments were made to restate the opening balances as per Ind-AS. The resulting adjustment arising from events and transactions before the date of transition to Ind-AS were recognized directly through retained earnings as at 1st April, 2016 as required by Ind- AS 101. The financial statements of the Company for the year ended 31st March, 2018 has been approved by the Board of Directors in their meeting held on 26.05.2018.

2.2. Basis of Measurement

The Company maintains accounts on accrual basis following the historical cost convention, except for the followings:

- Certain Financial Assets and Liabilities is measured at Fair value/ Amortised cost (refer accounting policy regarding financial instruments);
- Defined Benefit Plans - plan assets measured at fair value; and
- Biological Assets - At fair value less cost to sell

2.3. Functional and Presentation Currency

The Financial Statements are presented in Indian Rupee (INR), which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates. All financial information presented in INR has been rounded off to the nearest rupees as per the requirements of Schedule III, unless otherwise stated.

2.4. Use of Estimates and Judgements

The preparation of financial statements in conformity with Ind AS requires judgements, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

2.5. Presentation of Financial Statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Schedule III to the Companies Act, 2013 ("the Act"). The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified Accounting Standards and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended).

2.6. Operating Cycle for current and non-current classification

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 current and non-current classification of assets and liabilities.

An asset is classified as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All the other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current. Deferred Tax Assets and Liabilities are classified as non-current assets and liabilities respectively.

2.7. Measurement of Fair Values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

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

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

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

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 - Inputs which are unobservable inputs for the asset or liability.

External valuers are involved for valuation of significant assets & liabilities. Involvement of external valuers is decided by the management of the company considering the requirements of Ind AS and selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

3. ACCOUNTING POLICIES

A summary of the significant accounting policies applied in the preparation of the financial statements are as given below. These accounting policies have been applied consistently to all the periods presented in the financial statements.

3.1. INVENTORIES

Inventories are valued at the lower of cost and net realizable value (NRV). Cost is measured by including, unless specifically mentioned below, cost of purchase and other costs incurred in bringing the inventories to their present location and condition. NRV is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

- **Raw Materials** : At Cost or Net Realizable Value whichever is lower. Cost of harvested tea leaves, produced from own gardens, is measured at fair value less cost to sell at the point of harvest of tea leaves. Cost of other raw materials is measured on weighted average basis.
- **Stores and Spare Parts** : Stores and Spare Parts are measured at cost (measured at weighted average basis) or net realizable value whichever is lower.
- **Finished Goods** : Finished goods produced from agricultural produce are valued at lower of cost and the net realizable value. Cost is arrived at by adding the cost of conversion to the fair value of agricultural produce. Other finished goods are measured at cost or NRV whichever is lower.
- **Waste/ Scrap :** Waste and Scrap (including tea waste) are valued at estimated realizable value.

3.2. CASH AND CASH EQUIVALENTS

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

For the purpose of the statement of cash flows, cash and cash equivalents includes cash on hand, term deposits and other short-term highly liquid investments, net of bank overdrafts as they are considered an integral part of the Company's cash management. Bank overdrafts are shown within short term borrowings in the balance sheet.

3.3. INCOME TAX

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Current and deferred tax is recognised in the statement of profit & loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

3.3.1. Current Tax:

Current tax liabilities (or assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the taxation authorities using the tax rates (and tax laws) that have been enacted or substantively enacted, at the end of the reporting period.

3.3.2. Deferred Tax

- Deferred Tax assets and liabilities is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.
- Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes (i.e., tax base). Deferred tax is also recognized for carry forward of unused tax losses and unused tax credits.
- Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.
- The carrying amount of deferred tax assets is reviewed at the end of each reporting period. The Company reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or that entire deferred tax asset to be utilized. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.
- Deferred tax relating to items recognized outside the Statement of Profit and Loss is recognized either in other comprehensive income or in equity. Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.
- Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

3.4. PROPERTY, PLANT AND EQUIPMENT

3.4.1. Tangible Assets (Other than Bearer Plants)

3.4.1.1. Recognition and Measurement:

- Property, plant and equipment held for use in the production or/and supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost, less any accumulated depreciation and accumulated impairment losses (if any).

- Cost of an item of property, plant and equipment acquired comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting any trade discounts and rebates, any directly attributable costs of bringing the assets to its working condition and location for its intended use and present value of any estimated cost of dismantling and removing the item and restoring the site on which it is located.
- In case of self-constructed assets, cost includes the costs of all materials used in construction, direct labour, allocation of directly attributable overheads, directly attributable borrowing costs incurred in bringing the item to working condition for its intended use, and estimated cost of dismantling and removing the item and restoring the site on which it is located. The costs of testing whether the asset is functioning properly, after deducting the net proceeds from selling items produced while bringing the asset to that location and condition are also added to the cost of self-constructed assets.
- If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.
- Profit or loss arising on the disposal of property, plant and equipment are recognized in the Statement of Profit and Loss.

3.4.1.2. Subsequent Measurement :

- Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the cost incurred will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced.
- Major Inspection/ Repairs/ Overhauling expenses are recognized in the carrying amount of the item of property, plant and equipment as a replacement if the recognition criteria are satisfied. Any Unamortized part of the previously recognized expenses of similar nature is derecognized.

3.4.1.3. Depreciation and Amortization :

- Depreciation on Property, Plant & Equipment is provided under Written Down Method at rates determined based on the useful life of the respective assets and the residual values in accordance with Schedule II of the Companies Act, 2013 or as reassessed by the Company based on the technical evaluation.
- In respect of spares for specific machinery, cost is amortized over the useful life of the related machinery as estimated by the management.
- Depreciation on additions (disposals) during the year is provided on a pro-rata basis i.e., from (up to) the date on which asset is ready for use (disposed of).
- Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

3.4.1.4. Disposal of Assets

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

3.4.1.5. Capital Work in Progress

Capital work-in-progress is stated at cost which includes expenses incurred during construction period, interest on amount borrowed for acquisition of qualifying assets and other expenses incurred in connection with project implementation in so far as such expenses relate to the period prior to the commencement of commercial production.

3.4.2. Bearer Plants

3.4.2.1. Recognition and Measurement :

- Bearer Plants, comprising of mature tea bushes and shade trees are stated in the balance sheet at cost, less any accumulated depreciation and accumulated impairment losses (if any).
- Cost of bearer plants includes the cost of uprooting, land development, rehabilitation, planting of Guatemala, planting of shade trees, cost of nursery, drainage, manual cultivation, fertilizers, agro-chemicals, pruning and infilling etc.

3.4.2.2. Subsequent Measurement :

Costs incurred for infilling including block infilling are generally recognized in the Statement of Profit and Loss unless there is a significant increase in the yield of the sections, in which case such costs are capitalized and depreciated over the remaining useful life of the respective sections.

3.4.2.3. Depreciation :

- Depreciation on bearer plants is recognised so as to write off its cost over useful lives, using the written down value method.
- The estimated useful life, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.
- The residual value in case of Bearer Plants has been considered as 5%. Estimated useful life of the bearer plants has been determined as 50 years.

3.4.2.4. Capital Work in Progress

Young tea bushes & shade trees, including the cost incurred for procurement of new seeds and maintenance of nurseries, are carried at cost less any recognized impairment losses under capital work-in-progress. Cost includes the cost of land preparation, new planting and maintenance of newly planted bushes until maturity. On maturity, these costs are classified under bearer plants. Depreciation of bearer plants commence on maturity.

3.5. LEASES

3.5.1. Determining whether an arrangement contains a lease

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

3.5.2. Company as lessor

- Finance Lease

  Leases which effectively transfer to the lessee substantially all the risks and benefits incidental to ownership of the leased item are classified and accounted for as finance lease. Lease rental receipts are apportioned between the finance income and capital repayment based on the implicit rate of return. Contingent rents are recognized as revenue in the period in which they are earned.

- Operating Lease

  Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease except where scheduled increase in rent compensates the Company with expected inflationary costs.

3.5.3. Company as lessee

- Finance Lease

  Finance Leases, which effectively transfer to the lessee substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease Payments under such leases are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly to the statement of profit and loss. Lease management fees, legal charges and other initial direct costs are capitalized.

  If there is no reasonable certainty that the Company will obtain the ownership by the end of lease term, capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

- Operating Lease

  Assets acquired on leases where a significant portion of risk and reward is retained by the lessor are classified as operating leases. Lease rental are charged to statement of profit and loss on a straight-line basis over the lease term, except where scheduled increase in rent compensates the Company with expected inflationary costs.

3.6. REVENUE RECOGNITION

Revenue is recognised based to the extent it is probable that the economic benefit will flow to the company and revenue can be reliably measured regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment, and excludes taxes & duties collected on behalf of the Government and is reduced for estimated customer returns, rebates and other similar allowances.

3.6.1. Sale of Products:

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

3.6.2. Other Income:

3.6.2.1. Interest Income : Interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset.

3.6.2.2. Dividend Income : Dividend income is accounted in the period in which the right to receive the same is established.

3.6.2.3. Other Income : Other items of income are accounted as and when the right to receive such income arises and it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably.

3.7. EMPLOYEE BENEFITS

3.7.1. Short Term Benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related services are provided. Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period.

3.7.2. Other Long Term Employee Benefits

The liabilities for leaves that are not expected to be settled wholly within twelve months are measured as the present value of the expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the government securities (G-Sec) at the end of the reporting period that have terms approximating to the terms of related obligation. Re-measurements as the result of experience adjustment and changes in actuarial assumptions are recognized in statement of profit and loss.

3.7.3. Post Employment Benefits

The Company operates the following post employment schemes:

- Defined Contribution Plan

  Defined contribution plans such as Provident Fund etc. are charged to the statement of profit and loss as and when incurred.

- Defined Benefit Plans

  The liability or asset recognized in the Balance Sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods. The defined benefit obligation is calculated annually by Actuaries using the projected unit credit method.

  The liability recognized for defined benefit plans is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets, together with adjustments for unrecognized actuarial gains or losses and past service costs. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. The benefits are discounted using the government securities (G-Sec) at the end of the reporting period that have terms approximating to the terms of related obligation.

  Remeasurements of the net defined benefit obligation, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling, are recognized in other comprehensive income. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to the statement of profit and loss.

3.8. GOVERNMENT GRANTS

Government grants are recognised at their fair value, where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

The grant relating to the acquisition/ construction of an item of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on the same systematic basis as the respective assets are depreciated over their expected life and are presented within other operating income.

3.9. FOREIGN CURRENCY TRANSACTIONS

- Foreign currency (other than the functional currency) transactions are translated into the functional currency using the spot rates of exchanges at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchanges at the reporting date.

- Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities are generally recognized in profit or loss in the year in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those qualifying assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings, the balance is presented in the Statement of Profit and Loss within finance costs.
- Non monetary items are not retranslated at period end and are measured at historical cost (translated using the exchange rate at the transaction date).

3.10. BORROWING COSTS

- Borrowing Costs consists of interest and other costs that an entity incurs in connection with the borrowings of funds. Borrowing costs also includes foreign exchange difference to the extent regarded as an adjustment to the borrowing costs.
- Borrowing costs directly attributable to the acquisition or construction of a qualifying asset are capitalized as a part of the cost of that asset that necessarily takes a substantial period of time to complete and prepare the asset for its intended use or sale.
- Transaction costs in respect of long term borrowing are amortized over the tenure of respective loans using Effective Interest Rate (EIR) method. All other borrowing costs are recognized in the statement of profit and loss in the period in which they are incurred.

3.11. INVESTMENT IN SUBSIDIARIES & ASSOCIATE

Investments in subsidiaries & associate are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognized in the statement of profit and loss.

3.12. FINANCIAL INSTRUMENTS

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

3.12.1. Financial Assets

- **Recognition and Initial Measurement :**

  All financial assets are initially recognized when the company becomes a party to the contractual provisions of the instruments. A financial asset is initially measured at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

- **Classification and Subsequent Measurement :**

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

  - Measured at Amortized Cost;
  - Measured at Fair Value Through Other Comprehensive Income (FVTOCI);
  - Measured at Fair Value Through Profit or Loss (FVTPL); and
  - Equity Instruments designated at Fair Value Through Other Comprehensive Income (FVTOCI).

  Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

- **Measured at Amortized Cost :** A debt instrument is measured at the amortized cost if both the following conditions are met:
  - The asset is held within a business model whose objective is achieved by both collecting contractual cash flows; and
  - The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade receivables, cash and bank balances, loans and other financial assets of the company.

- Measured at FVTOCI: A debt instrument is measured at the FVTOCI if both the following conditions are met:
  - The objective of the business model is achieved by both collecting contractual cash flows and selling the financial assets; and
  - The asset's contractual cash flows represent SPPI.

Debt instruments meeting these criteria are measured initially at fair value plus transaction costs. They are subsequently measured at fair value with any gains or losses arising on remeasurement recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains or losses. Interest calculated using the effective interest method is recognized in the statement of profit and loss in investment income.

- **Measured at FVTPL :** FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as FVTPL. In addition, the company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss. Equity instruments which are, held for trading are classified as at FVTPL.
- **Equity Instruments designated at FVTOCI :** For equity instruments, which has not been classified as FVTPL as above, the company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. In case the company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment.

➢ **Derecognition :**

The Company derecognizes a financial asset on trade date only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

➢ **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. Ind AS - 109 requires expected credit losses to be measured through a loss allowance. The company recognizes impairment loss for trade receivables that do not constitute a financing transaction using expected credit loss model, which involves use of a provision matrix constructed on the basis of historical credit loss experience. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

3.12.2. Financial Liabilities

- **Recognition and Initial Measurement :**

  Financial liabilities are classified, at initial recognition, as at fair value through profit or loss, loans and borrowings, payables or as derivatives, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

- **Subsequent Measurement :**

  Financial liabilities are measured subsequently at amortized cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Interest expense is recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

- **Derecognition :**

  A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

3.12.3. Offsetting financial instruments

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

3.13. Earnings Per Share

Basic Earnings per share (EPS) amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year. Diluted EPS amounts are calculated by dividing the profit attributable to equity holders adjusted for the effects of potential equity shares by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

3.14. Impairment of Non-Financial Assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value being higher of value in use and net selling price. Value in use is computed at net present value of cash flow expected over the balance useful lives of the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (Cash Generating Units - CGU).

An impairment loss is recognized as an expense in the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in earlier accounting period is reversed if there has been an improvement in recoverable amount.

3.15. Provisions, Contingent Liabilities and Contingent Assets

3.15.1. Provisions

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

3.15.2. Contingent Liabilities

Contingent liability is a possible obligation arising 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 but is not recognized because it is not possible that an outflow of resources embodying economic benefit will be required to settle the obligations or reliable estimate of the amount of the obligations cannot be made. The Company discloses the existence of contingent liabilities in Other Notes to Financial Statements.

3.15.3. Contingent Assets

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits. Contingent Assets are not recognized though are disclosed, where an inflow of economic benefits is probable.

3.16. Non-Current Assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets are not depreciated or amortised.

3.17. Intangible Assets

3.17.1. Recognition and Measurement

Software which is not an integral part of related hardware, is treated as intangible asset and are stated at cost on initial recognition and subsequently measured at cost less accumulated amortization and accumulated impairment loss, if any.

3.17.2. Subsequent Expenditure

Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the cost incurred will flow to the Company and the cost of the item can be measured reliably. All other expenditure is recognized in the Statement of Profit & Loss.

3.17.3. Amortization

- Intangible assets are amortized over a period of five years.
- The amortization period and the amortization method are reviewed at least at the end of each financial year. If the expected useful life of the assets is significantly different from previous estimates, the amortization period is changed accordingly.

3.17.4. Intangible Assets under Development

Intangible Assets under development is stated at cost which includes expenses incurred in connection with development of Intangible Assets in so far as such expenses relate to the period prior to the getting the assets ready for use.

3.18. Biological Assets and Agricultural Produce

3.18.1. Biological Assets

Biological assets of the company comprise of un-harvested green tea leaves, is classified as current biological assets.

The Company recognizes 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 is 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 cost to sell of biological assets is included in Statement of Profit and Loss for the period in which it arises.

3.18.2. Agricultural Produce

The Company recognizes agricultural produce 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 the cost of the assets can be measured reliably. Agricultural produce harvested from the Company's biological assets are valued at fair value less cost to sell at the point of harvest. A gain or loss arising on initial recognition of agricultural produce at fair value less cost to sell shall be included in Statement of Profit & Loss for the period in which it arises.

The Company's agricultural produce comprises of green leaves plucked from its tea estate.

3.19. Operating Segment

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker of the Company is responsible for allocating resources and assessing performance of the operating segments and accordingly is identified as the chief operating decision maker.

The Company has identified three reportable segment "Tea" based on the information reviewed by the CODM.

3A. SIGNIFICANT JUDGEMENTS AND KEY SOURCES OF ESTIMATION IN APPLYING ACCOUNTING POLICIES

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances. Information about Significant judgements and Key sources of estimation made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in the following notes:

- **Recognition of Deferred Tax Assets :** The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized. In addition, significant judgement is required in assessing the impact of any legal or economic limits.
- **Useful lives of depreciable/ amortisable assets (tangible and intangible) :** Management reviews its estimate of the useful lives of depreciable/ amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to actual normal wear and tear that may change the utility of plant and equipment.
- **Classification of Leases :** The Company enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.

- **Defined Benefit Obligation (DBO) :** Employee benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, medical cost trends, anticipation of future salary increases and the inflation rate. The Company considers that the assumptions used to measure its obligations are appropriate. However, any changes in these assumptions may have a material impact on the resulting calculations.
- **Provisions and Contingencies :** The assessments undertaken in recognising provisions and contingencies have been made in accordance with Indian Accounting Standards (Ind AS) 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events is applied best judgement by management regarding the probability of exposure to potential loss.
- **Impairment of Financial Assets :** The Company reviews its carrying value of investments carried at amortized cost annually, or more frequently when there is indication of impairment. If recoverable amount is less than its carrying amount, the impairment loss is accounted for.
- **Allowances for Doubtful Debts :** The Company makes allowances for doubtful debts through appropriate estimations of irrecoverable amount. The identification of doubtful debts requires use of judgment and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debts expenses in the period in which such estimate has been changed.
- **Fair value measurement of financial Instruments :** When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The input to these models are taken from observable markets where possible, but where this not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.
- **Fair Value of Biological Assets and Agricultural Produce :** The fair value of Biological Assets and Agricultural Produce is determined based on recent transactions entered into with third parties or available market price. Fair valuation of Biological Asset and Agriculture Produce are based on the market rates published by the industrial body for various grades from which the fair value of Biological asset and Agriculture Produce are derived.

NOTES TO FINANCIAL STATEMENTS AS ON AND FOR THE YEAR ENDED 31ST MARCH, 2018

4 PROPERTY PLANT & EQUIPMENT, INTANGIBLE AND CAPITAL WORK IN PROGRESS

Amount in (₹)

	GROSS CARRYING AMOUNT				ACCUMULATED AMORTISATION				NET CARRYING AMOUNT
	Cost as on 01-04-2016	Additions	Sold/ Adjusted	Total As at 31-3-2017	As at 01-04-2016	Depreciation For the Year 31-3-2017	On Assets Sold/ Adjusted	Total As at 31/03/2017	As at 31-3-2017
A). PROPERTY PLANT & EQUIPMENT									
Leasehold Land & Development (Pre-Amalgamation)	371,621	-	371,621	-	-	-	-	-	-
Bearer Plant	-	315,017	-	315,017	-	12,813	-	12,813	302,204
Garden Building & Machinery (Pre-Amalgamation)	209,607	-	-	209,607	-	-	-	-	209,607
Buildings	8,546,418	-	-	8,546,418	-	628,789	-	628,789	7,917,629
Plant and Machinery	12,586,781	2,844,216	53,782	15,377,215	-	3,188,264	53,404	3,134,860	12,242,355
Vehicles (includes cars, trailers, tractors etc.)	1,420,661	1,880,057	-	3,300,718	-	692,167	-	692,167	2,608,551
Furniture & Fitting	94,116	2,000	-	96,116	-	23,869	-	23,869	72,247
Office equipment	141,614	44,785	-	186,399	-	68,075	-	68,075	118,324
Total Tangible	**23,370,818**	**5,086,075**	**425,403**	**2,80,31,490**	**-**	**4,613,977**	**53,404**	**4,560,573**	**23,470,917**
B). INTANGIBLE									
Intangible Assets	10,413	-	-	10,413	-	6,577	-	6,577	3,836
Total Intangible	10,413	-	-	10,413	-	6,577	-	6,577	3,836
Total	**23,381,231**	**5,086,075**	**425,403**	**28,041,903**	**-**	**4,620,554**	**53,404**	**4,567,150**	**23,474,753**
C). CAPITAL WORK IN PROGRESS	**150,000**	**3,849,291**	**-**	**3,999,291**	**-**	**-**	**-**	**-**	**3,999,291**

	GROSS CARRYING AMOUNT				ACCUMULATED AMORTISATION				NET CARRYING AMOUNT
	Cost as on 01-04-2017	Additions	Sold/ Adjusted	Total As at 31-3-2018	As at 01-4-2017	Depreciation For the Year 31-3-2018	On Assets Sold/ Adjusted	Total As at 31/03/2018	As at 31/03/2018
A). PROPERTY PLANT & EQUIPMENT									
Bearer Plant	315,017	-	-	315,017	12,813	12,892	-	25,705	289,312
Garden Building & Machinery (Pre-Amalgamation)	209,607	-	-	209,607	-	-	-	-	209,607
Buildings	8,546,418	-	-	8,546,418	628,789	549,984	-	1,178,773	7,367,645
Plant and Machinery	15,377,215	478,840	9,889	15,846,166	3,134,860	2,628,299	-	5,763,159	10,083,007
Vehicles (includes cars, trailers, tractors etc.)	3,300,718	1,681,901	9,518	4,973,101	692,167	831,304	-	1,523,471	3,449,630
Furniture & Fitting	96,116	25,249	-	121,365	23,869	18,707	-	42,576	78,789
Office equipment	186,399	185,408	-	371,807	68,075	87,753	-	155,828	215,979
Total Tangible	**280,31,490**	**2,371,398**	**19,407**	**30,383,481**	**4,560,573**	**4,128,939**	**-**	**8,689,512**	**21,693,969**
B). INTANGIBLE									
Intangible Assets	10,413	-	-	10,413	6,577	2,423		9,000	1,413
Total Intangible	10,413	-	-	10,413	6,577	2,423	-	9,000	1,413
Total	**280,41,903**	**2,371,398**		**30,393,894**	**4,567,150**	**4,131,362**	**-**	**8,698,512**	**21,695,382**
C). CAPITAL WORK IN PROGRESS	**3,999,291**	**5,441,148**	**-**	**9,440,439**	**-**	**-**	**-**	**-**	**9,440,439**

Note : 1) The Assam Government acquired approximately 412 Hectares of land of Tea Estate under Assam Fixation of Ceiling of Land Holding Act, 1956 in earlier years. As the amount of compensation has not been finalised, it will be accounted for as and when received.

2) For Property, Plant and Equipment exisiting as on 1st April 2016, i.e. the date of transition to Ind AS for the company, the company has elected to continue with the carrying values under previous GAAP for all the items of property, plant and equipment. The same selection has been made in respect of intangible assets also as per the option available under para D7AA of Ind AS 101 "First Time Adoption.

2.1) Refer note no. 35.3 for disclosure of contractual commitments for the acquisition of Property, Plant & Equipments.

2.2) Refer note no. 36 for information on property, plant and equipment pledged as securities by the Company.

NOTES TO FINANCIAL STATEMENTS AS ON AND FOR THE YEAR ENDED 31ST MARCH, 2018

5. INVESTMENTS

		As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	Face Value	No. of units	Amount in ₹	No. of units	Amount in ₹	No. of units	Amount in ₹
INVESTMENTS AT FAIR VALUE THROUGH PROFIT & LOSS							
Investments in Unquoted Equity Instruments							
Ganga Steel & Alloys Limited	10	930,000	-	930,000	-	930,000	
Woodlands Multispeciality Hospital Limited.	10	200	2,000	200	2,000	200	2,000
ABC Tea Workers Welfare Service	10	100	1,000	100	1,000	100	1,000
Total			**3,000**		**3,000**		**3,000**
Investment in Quoted Mutual Fund							
ABSL Dynamic Bond Fund - Growth	10	679,329	20,358,886	679,329	19,723,577	679,329	17,894,075
ABSL Equity Saving Fund - Gr. Regular	10	753,580	9,743,783	-	-	-	-
ABSL Income Plus - Growth	10	-	-	234,966	17,220,030	234,966	15,521,390
ABSL '95 Fund - Growth	10	19,897	14,664,566	19,897	13,581,750	19,897	10,990,316
ABSL Frontline Equity Fund - Growth	10	49,200	10,294,066	49,200	9,500,474	49,200	7,648,103
DSP Blackrock India T.I.G.E.R. Fund Growth	10	33,896	3,200,902	33,896	2,851,807	33,896	2,167,006
DSP Blackrock Income Opportunities Fund - RPG	10	354,762	10,144,459	-	-	-	-
Franklin India Prima plus Growth	10	17,816	10,038,310	17,816	9,274,390	17,816	7,700,692
Franklin India Short Term Income Plan - RPG	10	2,777	10,192,924	-	-	-	-
HDFC Balance Fund Growth	10	274,250	39,986,699	274,250	35,945,356	274,250	29,162,613
HDFC Equity Saving Fund Growth	10	283,110	9,782,006	-	-	-	-
HDFC Midcap Opportunities Fund Growth	10	87,933	4,876,495	87,933	4,378,795	87,933	3,187,568
HDFC Prudence Fund-Growth	10	75,010	36,385,829	75,010	34,331,914	75,010	26,505,408
HDFC Short Term Plan Regular Plan Growth	10	253,337	8,723,368	2,53,337	8,210,589	-	-
DFC Top 200 Fund Growth	10	21,085	9,047,082	21,085	8,473,096	21,085	6,517,437
ICICI Prudential Balance Advantage Fund Regular (G)	10	798,293	26,431,480	798,293	24,140,380	798,293	20,468,232

NOTES TO FINANCIAL STATEMENTS AS ON AND FOR THE YEAR ENDED 31ST MARCH, 2018

5. INVESTMENTS contd...

		As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	Face Value	No. of units	Amount in ₹	No. of units	Amount in ₹	No. of units	Amount in ₹
ICICI Prudential Dynamic Regular Plan Growth	10	-	-	-	-	29,982	5,262,452
ICICI Prudential Flexible Income Plan Growth	10	20,297	6,761,796	20,297	6,319,390	-	-
ICICI Prudential Income Opportunities Growth	10	-	-	828,242	19,056,348	828,242	17,290,786
ICICI Prudential Regular Saving Fund Growth	10	548,300	10,178,910	-	-	-	-
ICICI Prudential value Discovery Fund Growth	10	67,956	9,447,960	67,956	8,921,299	67,956	7,392,963
IDFC Dynamic Bond Fund	10	906,490	18,705,230	906,490	18,277,640	906,490	16,212,091
Kotak Bond Fund	10	243,208	11,562,871	618,730	28,642,443	618,730	26,015,810
L & T Prudence Fund Growth	10	482,238	12,332,262	482,238	11,161,871	482,238	9,304,292
L & T Equity Fund Growth	10	-	-	-	-	117,282	6,783,247
Reliance Equity Opportunities Growth	10	92,860	8,329,701	92,860	7,414,347	92,860	6,166,955
Reliance Income Fund Growth Plan	10	267,758	14,687,446	267,758	14,246,129	267,758	12,844,202
Reliance Regular Savings Balance Fund	10	694,541	37,043,339	694,541	33,030,282	694,541	27,480,275
Reliance Regular Savings Fund Debt Plan Growth	10	397,845	9,625,929	397,845	9,013,845	-	-
TATA Balance Fund Growth	10	56,926	11,461,452	56,926	10,911,831	56,926	9,314,493
SBI Blue Chip Fund	10	246,242	9,165,756	246,242	8,266,876	-	-
UTI Bond Fund Growth Plan Regular	10	-	-	-	-	346,575	15,256,185
UTI Equity Fund Growth	10	70,953	9,117,394	70,953	8,132,003	70,953	6,855,707
UTI Income Opportunities Fund - Growth Plan	10	640,746	10,153,971	-	-	-	-
Total			**402,444,872**		**371,026,462**		**313,942,298**
Grand Total			**402,447,872**		**371,029,462**		**313,945,298**
Aggregate Amount of Unquoted Investments			**3,000**		**3,000**		**3,000**
Aggregate Amount & Market Value of Quoted Investments			**402,444,872**		**371,026,462**		**313,942,298**

NOTES TO FINANCIAL STATEMENTS AS ON AND FOR THE YEAR ENDED 31ST MARCH, 2018

6 LOANS	Non Current As at 31st March 18	Non Current As at 31st March 17	Non Current As at 1st April 16	Current As at 31st March 18	Current As at 31st March 17	Current As at 1st April 16
Security Deposit						
Secured, considered good	-	-	-	2,847,151	2,924,273	2,861,575
	-	**-**	**-**	**2,847,151**	**2,924,273**	**2,861,575**
Other Loans and Advances, unsecured, considered good unless otherwise mentioned						
Loan / Advance to Employees	350,000	90,000	-	1,478,437	-	385,000
	350,000	**90,000**	**-**	**1,478,437**	**-**	**385,000**
Total Loans	**350,000**	**90,000**	**-**	**4,325,588**	**2,924,273**	**3,246,575**

6.1 No Loans and advances were given to any Directors and other officer's of the Company except Rs. 16,50,000/- (Previous Year NIL) to Mr. Kartick Narayan Singh - Whole time Director which was approved by the Board under a policy for loan / advances for every permanent employes on 27/05/2017.

6.2 No Loans was given to related parties as specified in Section 188 of the Companies Act, 2013

7 DEFERRED TAX ASSETS (NET)	As at 31st March 18	As at 31st March 17	As at 1st April 16
Deferred Tax Liabilities			
Arising on account of :			
Mark To Market Gain/ (Loss) on Investments	2,791,474	2,743,714	1,072,932
Others	29,967	995,990	664,898
	2,821,441	**3,739,704**	**1,737,830**
Less: Deferred Tax Assets			
Arising on account of :			
MAT Credit Entitlement	9,270,516	-	-
Section 43B of Income-tax Act	-	96,443	24,879
Unabsorbed Depreciation/ Carried Forward Business Losses	(1,793,991)	(471,316)	751,372
Others	243,679		
	7,720,204	**(374,873)**	**776,251**
Deferred Tax Assets (Net)	**4,898,763**	**(4,114,577)**	**(961,579)**

7.1 Movement in deferred tax asset and deferred tax liabilities during the year ended 31st March, 2107 and 31st March, 2018

Particulars	As at 1st April, 2016	Recognized in Statement of Profit & Loss	As at 31st March, 17	Recognized in Statement of Profit & Loss	As at 31st March, 18
Deferred Income Tax Liabilities					
Mark To Market Gain/(Loss) on Investments	1,072,932	1,670,782	2,743,714	47,760	2,791,474
Others	664,898	331,092	995,990	(966,023)	29,967
	1,737,830	**2,001,874**	**3,739,704**	**(918,263)**	**2,821,441**
Deferred Income Tax Assets					
MAT Credit Entitlement	-	-	-	9,270,516	9,270,516
Items u/s 43B of the Income Tax Act, 1961	24,879	71,564	96,443	(96,443)	-
Unabsorbed Depreciation/ Carried Forward Business Losses	751,372	(1,222,688)	(471,316)	(1,322,675)	(1,793,991)
Other	-	-		243,679	243,679
	776,251	(1,151,124)	(374,873)	8,095,077	7,720,204

NOTES TO FINANCIAL STATEMENTS AS ON AND FOR THE YEAR ENDED 31ST MARCH, 2018

7.2 Deferred Tax Assets and Deferred Tax Liabilities have been offset wherever the Company has a legally enforceable right to sell off current tax assets against current tax liabilities and where the deferred Tax Assets and Deferred Tax Laibilities relate to income tax levied by the same taxation authority.

	As at 31st March 18	As at 31st March 17	As at 1st April 16
8 NON -CURRENT TAX ASSETS			
Advance Income Tax & TDS (Net of Tax provision)	3,886,854	5,665,159	2,981,900
	3,886,854	**5,665,159**	**2,981,900**
9 INVENTORIES			
(At lower of cost or net realisable value)			
Finished Goods	11,975,467	10,340,329	16,405,407
Stock in Transit	1,194,338	381,801	-
Raw Materials	421,025	498,706	346,907
Stores and Spares (net of obsolesce)	5,465,370	9,523,642	11,744,049
	19,056,200	**20,744,478**	**28,496,363**
9.1 Details of Inventories-Finished Goods :			
Tea	11,975,467	10,340,329	16,405,407
	11,975,467	**10,340,329**	**16,405,407**
9.2 The above includes goods-in-transit as under :			
Machinery / Stores and Spares etc.	1,194,338	381,801	-
	1,194,338	**381,801**	**-**

9.3 Refer note no. 36 for information on inventories pledged as securities by the Company.

10. BIOLOGICAL ASSET OTHER THAN BEARER PLANT			
Biological Asset other than Bearer Plant	669,521	506,716	357,298
	669,521	**506,716**	**357,298**
11. TRADE RECEIVABLES			
Trade Receivables	7,800,300	519,643	1,028,724
Total Trade Receivables	**7,800,300**	**519,643**	**1,028,724**

11.1 No trade or other receivables are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

11.2 Trade receivables are non-interest bearing and are generally on terms of 30 to 60 days.

12 CASH AND CASH EQUIVALENTS			
Balances With Banks :			
In Current Account	591,458	890,362	2,302,269
Cash in Hand	56,097	1,824,065	13,329
	647,555	**2,714,427**	**2,315,598**
13 BANK BALANCES (OTHER THAN NOTE: 12)			
Balance in Unpaid Dividend Account	755,227	680,612	620,962
	755,227	**680,612**	**620,962**

NOTES TO FINANCIAL STATEMENTS AS ON AND FOR THE YEAR ENDED 31ST MARCH, 2018

	Current		
	As at 31st March 18	As at 31st March 17	As at 1st April 16
14 OTHERS FINANCIAL ASSETS			
Deposit with Nabard	1,000	1,000	1,000
Other Advance - The Scottish Assam Employee's Gratuity Fund	1,414,495	1,179,837	1,921,429
Other Receivables	-	-	33,379
	1,415,495	**1,180,837**	**1,955,808**
15 OTHER CURRENT ASSETS			
Advances other than Capital Advances			
Advances to Suppliers & Service Providers	158,646	17,678	28,817
Balances with Government & Statutory Authorities	1,327,394	-	208
Prepaid Expenses	549,530	498,843	530,175
Total Other Assets	**2,035,570**	**516,521**	**559,200**

	As at 31st March 2018		As at 31st March 2017		As at 1st April 2016	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
16 EQUITY SHARE CAPITAL						
16.1 Authorised Share Capital						
Equity Shares :						
Ordinary Shares of Rs. 10/- each	2,000,000	20,000,000	2,000,000	20,000,000	2,000,000	20,000,000
	2,000,000	**20,000,000**	**2,000,000**	**20,000,000**	**2,000,000**	**20,000,000**
16.2 Issued Share Capital						
Ordinary Shares of Rs.10/- each	800,000	8,000,000	800,000	8,000,000	800,000	8,000,000
	800,000	**8,000,000**	**800,000**	**8,000,000**	**800,000**	**8,000,000**
16.3 Subscribed and Paid-up Share Capital						
Ordinary Shares of Rs.10/- each fully paid-up	800,000	8,000,000	800,000	8,000,000	800,000	8,000,000
	800,000	**8,000,000**	**800,000**	**8,000,000**	**800,000**	**8,000,000**

16.4 Reconciliation of the number of shares at the beginning and at the end of the year

There has been no change/ movements in number of shares outstanding at the beginning and at the end of the year.

16.5 Terms / Rights attached to Equity Shares :

The Company has only one class of issued shares i.e. Ordinary Shares having par value of Rs. 10/- per share. Each holder of Ordinary Shares is entitled to one vote per share and equal right for dividend. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the ordinary shareholders are eligible to receive the remaining assets of the Company after payment of all preferential amounts, in proportion to their shareholding.

16.6 Shareholding Pattern with respect of Holding or Ultimate Holding Company

The Company does not have any Holding Company or Ultimate Holding Company.

NOTES TO FINANCIAL STATEMENTS AS ON AND FOR THE YEAR ENDED 31ST MARCH, 2018

16.7 Details of Equity Shareholders holding more than 5% shares in the Company

	As at 31st March 2018		As at 31st March 2017		As at 1st April 2016	
	No. of Shares	% Holding	No. of Shares	% Holding	No. of Shares	% Holding
Ordinary Shares of Rs. 10/- each fully paid						
Pradip Kumar Khaitan (in the capacity of Trustee of Tea Trust)	120,000	15.00%	120,000	15.00%	120,000	15.00%
Nirvan Commercial Company Ltd.	86,963	10.87%	86,963	10.87%	86,963	10.87%
Shree Durga Agencies Ltd.	83,020	10.38%	83,020	10.38%	83,020	10.38%
Maryada Advisory Services Pvt. Ltd.	45,290	5.66%	45,290	5.66%	45,290	5.66%
SPBP Investments Ltd.	45,000	5.63%	45,000	5.63%	45,000	5.63%
Aarvee Trading Co Pvt Ltd	40,000	5.00%	40,000	5.00%	40,000	5.00%

16.8 Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash for the period of five years immediately preceding the date as at which the Balance Sheet is prepared - Nil.

16.9 No ordinary shares have been reserved for issue under options and contracts/ commitments for the sale of shares/ disinvestment as at the Balance Sheet date.

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

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

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

			As at 31st March 18	As at 31st March 17	As at 1st April 16
17	**OTHER EQUITY**				
	Capital Reserve	**17.1**	3,062,321	3,062,321	3,062,321
	General Reserve	**17.2**	206,429,038	196,429,038	191,429,038
	Retained Earnings	**17.3**	191,884,557	166,634,440	107,533,254
			401,375,916	**366,125,799**	**302,024,613**
17.1	**Capital Reserve**				
	Balance at the beginning of the year		3,062,321	3,062,321	
	Balance at the end of the year		**3,062,321**	**3,062,321**	**3,062,321**
17.2	**General Reserve**				
	Balance at the beginning of the year		**196,429,038**	**191,429,038**	
	Transfer from General Reserve		10,000,000	5,000,000	
	Balance at the at the end of the year		**206,429,038**	**196,429,038**	**191,429,038**

NOTES TO FINANCIAL STATEMENTS AS ON AND FOR THE YEAR ENDED 31ST MARCH, 2018

		As at 31st March 18	As at 31st March 17	As at 1st April 16
17.3 Retained Earnings				
Balance at the beginning of the year		166,634,440	107,533,254	
Add: Profit for the year		42,392,000	68,617,194	
Transfer from Other Comprehensive Income		(3,429,965)	(1,487,898)	
		205,596,475	**174,662,550**	
Less: Appropriation				
Dividend Paid		2,800,000	2,800,000	
Corporate Dividend Tax on Final Dividend		570,014	228,110	
Corporate Dividend Tax (Prior Period)		341,904	-	
Transfer to General Reserve		10,000,000	5,000,000	
		13,711,918	**8,028,110**	
Balance at the end of the year		**191,884,557**	**166,634,440**	**107,533,254**
Total Reserve & Surplus		**401,375,916**	**366,125,799**	**302,024,613**
18 BORROWINGS				
Secured				
Loan from Banks				
Working Capital loans repayable on demand	**18.1**	29,776,590	25,888,744	30,249,386
		29,776,590	**25,888,744**	**30,249,386**

18.1 Details of Security Given for Loan

a. i) Working Capital Loan of Rs. 29776591/- (2017 - Rs. 25888743/-, 2016 - Rs. 30249386/-) is Secured by way of hypothecation of current assets including stock of finished goods, green leafs related to Heeleakah Tea Estate and also by way of hypothecation of all movable plant & machinery & other movable fixed assets, all present and future. The loan is further secured by way of deposit of title deeds of Heeleakah Tea Estate.

		As at 31st March 18	As at 31st March 17	As at 1st April 16
19 TRADE PAYABLES				
Trade Payables for goods and services				
Total outstanding dues of creditors to micro enterprises and small enterprises				
Total outstanding dues of creditor to other than micro enterprises and small enterprises		17,454,516	10,594,645	12,955,802
		17,454,516	**10,594,645**	**12,955,802**
20 OTHER FINANCIAL LIABILITIES				
Current maturities of Long Term Debt		-	-	900,000
Employee Related Liability		15,391,427	13,865,136	14,946,294
Other Misc. Liability		1,009,422	458,730	-
Interest accrued and due on Borrowings		-	-	24,109
Unpaid and unclaimed dividends	**20.1**	755,227	680,612	620,962
		17,156,076	**15,004,478**	**16,491,365**

20.1 There are no amounts due for payment to the Investor Education and Protection Fund at the end of the year.

NOTES TO FINANCIAL STATEMENTS AS ON AND FOR THE YEAR ENDED 31ST MARCH, 2018

	Current		
	As at 31st March 18	As at 31st March 17	As at 1st April 16
21 PROVISIONS			
Provision for Employee Benefits			
Gratuity	2,491,104	1,659,817	5,747,127
	2,491,104	**1,659,817**	**5,747,127**
22 OTHER CURRENT LIABILITIES			
Statutory Dues Payable	2,759,952	1,435,013	2,353,623
Advances Received from Customers	181,922	1,182,598	214,962
	2,941,874	**2,617,611**	**2,568,585**
23 NON CURRENT TAX LIABILITY			
Provision for tax (Net of Advance Tax)	228,690	40,500	40,500
	228,690	**40,500**	**40,500**

	For the Year ended 31st March, 2018 ₹	For the Year ended 31st March, 2017 ₹
24 REVENUE FROM OPERATIONS		
Sale of Finished Goods	276,441,475	246,455,706
	276,441,475	**246,455,706**
Other Operating Revenues		
Incentives & Subsidies	-	1,218,882
Insurance and Other Claims (Net)	-	38,104
	-	**1,256,986**
	276,441,475	**247,712,692**
24.1 Details of Sale of Products		
Tea	276,441,475	246,455,706
	276,441,475	**246,455,706**
25 OTHER INCOME		
Interest Income at amortised cost		
On Bank Deposits		
On Others	47,951	137,718
Other Non Operating Income		
Profit on sale / MTM Gain on Investments (Net)	26,696,250	57,031,220
Change in fair Value of Biological Assets	162,804	149,417
Profit on sale of Fixed Assets (Net)	45,593	84,522
Excess Liabilities and Unclaimed Balances written back	87,503	19,044
Miscellaneous Income	3,625	106,504
	27,043,726	**57,528,425**

NOTES TO FINANCIAL STATEMENTS AS ON AND FOR THE YEAR ENDED 31ST MARCH, 2018

		For the Year ended 31st March, 2018 ₹	For the Year ended 31st March, 2017 ₹
26	**COST OF MATERIALS CONSUMED**		
	Green Leaf	22,158,505	23,288,346
	Increase / Decrease of green leaf in hand - Raw Material	77,680	(151,799)
		22,236,185	**23,136,547**
27	**(INCREASE)/ DECREASE IN INVENTORIES OF FINISHED GOODS,WORK-IN-PROGRESS AND TRADED GOODS**		
	Inventories at the beginning of the year		
	Tea	10,340,329	16,405,407
		10,340,329	**16,405,407**
	Inventories at the end of the year		
	Tea	11,975,467	10,340,329
		11,975,467	**10,340,329**
	Total changes in inventories of work-in-progress, stock-in-trade and finished goods	**(1,635,138)**	**6,065,078**
28	**EMPLOYEE BENEFITS EXPENSE**		
	Salaries & Wages	101,649,824	89,918,179
	Managerial Remuneration	1,479,000	657,000
	Contribution to Provident Funds and Others	9,628,728	8,241,336
	Contribution to Gratuity Fund	2,256,690	2,384,465
	Staff Welfare Expenses	11,321,154	11,305,442
		126,335,396	112,506,422
	Transferred to CWIP	(3,344,653)	(2,740,992)
		122,990,743	**109,765,430**
29	**FINANCE COST**		
	Interest Expenses		
	To Banks on Term Loans	-	23,059
	To Banks On Working Capital Loans	2,618,757	3,267,782
	Other Borrowing Costs		
	Other Financial Charges	545,070	450,594
		3,163,827	3,741,435
	Transferred to CWIP	(281,600)	(185,000)
		2,882,227	**3,556,435**

NOTES TO FINANCIAL STATEMENTS AS ON AND FOR THE YEAR ENDED 31ST MARCH, 2018

	For the Year ended 31st March, 2018 ₹	For the Year ended 31st March, 2017 ₹

29.1 Note: The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the entity's general borrowings during the year.

	For the Year ended 31st March, 2018 ₹	For the Year ended 31st March, 2017 ₹
30 DEPRECIATION AND AMORTIZATION EXPENSES		
On Tangible Assets	4,128,939	4,613,977
On Intangible Assets	2,423	6,577
	4,131,362	**4,620,554**
31 OTHER EXPENSES		
Manufacturing Expenses		
Stores, Spare Parts & Packing Materials Consumed	28,075,511	26,859,485
Power & Fuel	24,281,981	19,341,027
Repairs to Buildings	5,770,824	3,256,095
Repairs to Machinery	4,390,825	3,782,130
Repairs to Vehicles	4,145,672	3,208,658
Repairs to Other Assets	1,438,508	522,072
	68,103,321	56,969,467
Less: Transferred to CWIP	(356,001)	(816,694)
Total - A	**67,747,320**	**56,152,773**
Selling and Administration Expenses		
Freight & Cartage	2,679,328	4,041,160
Commission , Brokerage & Discount	3,054,871	3,268,904
Warehousing & Other Selling Expenses	2,754,079	1,413,800
Rates & Taxes	2,838,971	3,512,337
Insurance	484,468	521,736
Auditors' Remuneration -		
Statutory Auditors -		
Audit Fees	150,000	150,000
Tax Audit Fees	30,000	30,000
Reimbursement of Service Tax	-	51,000
Legal & Professional Fees	6,848,032	3,689,193
Internal Audit Fees	75,000	100,000
Other Audit Fees	55,000	60,000
Rent	3,650,184	226,437
Service Charges	2,388,000	1,262,000
Travelling Expenses	2,866,723	2,486,610
Director Sitting Fees	290,000	365,000
Other Miscellaneous Expenses	4,374,554	4,337,739
Total - B	**32,539,210**	**25,515,916**
Total - (A + B)	**100,286,530**	**81,668,689**

NOTES TO FINANCIAL STATEMENTS AS ON AND FOR THE YEAR ENDED 31ST MARCH, 2018

		For the Year ended 31st March, 2018 ₹	For the Year ended 31st March, 2017 ₹
32	**TAX EXPENSE**		
	Current Tax	17,433,139	3,987,454
	Income Tax for Earlier Year	1,781,494	670,738
	Deferred Tax	(9,013,341)	3,152,998
		10,201,292	**7,811,190**

32.1 Reconciliation of estimated Income tax expense at Indian statutory Income tax rate to income tax expense reported in statement of Total Comprehensive Income.

	2018	2017
Profit before income tax expense	52,593,292	76,428,384
Indian Statutory Income Tax rate*	29.02%	29.01%
Estimated Income Tax Expense	**15,262,573**	**22,171,874**
Tax effect of adjustments to reconcile expected Income tax expense to reported Income tax expense		
Tax payable at different rates and others	6,842,774	15,031,422
	6,842,774	15,031,422
Income tax expense in Statement of Profit & Loss	**8,419,799**	**7,140,452**

*Applicable Income Tax rate for Fiscal Year 2018 & 2017 is 29.02% (40% income at 27.55% as Corporate Income tax and 60% income as Agricultural Income tax at 30%) . However, Company is required to pay tax u/s 115JB of Income"Tax Act, 1961.

		2018	2017
33	**OTHER COMPREHENSIVE INCOME**		
	Items that will not be reclassified to profit or loss		
	Remeasurement of the defined benefit plans	4,734,414	2,275,352
	Less: Tax expense on the above	1,304,449	787,454
		3,429,965	1,487,898
34	**Earning per Shares**		
	Nominal Value of Equity Shares (Rs.)	10.00	10.00
	Profit attributed to the Equity shareholders of the Company	42,392,000	68,617,194
	Weighted average number of equity shares	800,000	800,000
	Basis and diluted earning per shares (Rs.)	**52.99**	**85.77**

There are no dilutive equity shares in the Company.

NOTES TO FINANCIAL STATEMENTS AS ON AND FOR THE YEAR ENDED 31ST MARCH, 2018

Sl. No	Particulars	As at 31st March 2018 ₹	As at 31st March 2017 ₹	As at 1st April 2016 ₹
35	**Contingent Liabilities, Contingent Assets & Commitment to the extent not provided for :**			
35.1	**Contingent Liabilities**			
A	Claims/Disputes/Demands not acknowledged as debts -			
i.	Surcharge on Electricity levied by the Assam State Electricity Board	167,935	167,935	167,935
ii.	Income Tax demand for the Assessment Year 2011-12	-	-	161,950
iii.	Income Tax demand for the Assessment Year 2012-13 (Paid under protest Rs.Nil/- (Previous year Rs. 3,00,000)	-	711,330	711,330

Note : In respect of above, future cash flows are determinable only on receipt of judgements pending at various forums/authorities which in the opinion of the Company is not tenable and there is no possibility of any future cash outflow in case of above.

35.2 Contingent Assets

There are no contingent assets.

35.3 Commitments

Sl. No	Particulars	As at 31st March 2018 ₹	As at 31st March 2017 ₹	As at 1st April 2016 ₹
i.	Estimated amount of contracts remaining to be executed on Capital Account (Net of Advance)	-	-	-

35.4 Trade Receivables

Trade Receivables, Loans & Advances and Deposits include certain overdue and unconfirmed balances. However, in the opinion of the management, these current assets would, in the ordinary course of business, realize the value stated in the accounts.

36 Assets pledged as security

The carrying amounts of assets pledged as security for current are:

Particulars	As at 31st March 2018 ₹	As at 31st March 2017 ₹	As at 1st April 2016 ₹
Current			
Other Current assets	2,035,570	516,521	559,200
First charge			
Trade Receivables	7,800,300	519,643	1,028,724
Floating charge			
Cash and cash equivalents	647,555	2,714,427	2,315,598
Receivables	1,765,495	1,270,837	1,955,808
	12,248,920	**5,021,428**	**5,859,330**

NOTES TO FINANCIAL STATEMENTS AS ON AND FOR THE YEAR ENDED 31ST MARCH, 2018

Particulars	As at 31st March 2018 ₹	As at 31st March 2017 ₹	As at 1st April 2016 ₹
Non-financial assets			
First charge			
Inventories	19,056,200	20,744,478	28,496,363
Biological Assets	669,521	506,716	357,298
	19,725,721	21,251,194	28,853,661
Total current assets pledged as security	**31,974,641**	**26,272,622**	**34,712,991**
Non-current			
First charge			
Freehold land	-	-	371,621
Buildings	7,577,252	8,127,236	8,756,025
Plant & Machinery	10,083,007	12,242,355	12,586,781
Vehicles	3,449,630	2,608,551	1,420,661
Furniture & Fitting	78,789	72,247	94,116
Office equipment	215,979	118,324	141,614
Bearer Plant	289,312	302,204	-
Capital work in Progress	9,440,439	3,999,291	150,000
Financial assets	4,325,588	2,924,273	3,246,575
Total non-currents assets pledged as security	**35,459,996**	**30,394,481**	**26,767,393**
Total assets pledged as security	**67,434,637**	**56,667,103**	**61,480,384**

37 Disclosure as required under the micro, small and medium enterprises development act, 2006, to the extent ascertained, and as per notification number GSR 679 (E) dated 4th September, 2015

Sl. No	Particulars	As at 31st March 2018 ₹	As at 31st March 2017 ₹	As at 1st April 2016 ₹
i	The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each financial year.	-	-	-
ii	The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-	-
iii	The amount of interest due and payable for the period of delay in making payment but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-	-
iv	The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-	-

NOTES TO FINANCIAL STATEMENTS AS ON AND FOR THE YEAR ENDED 31ST MARCH, 2018

Sl. No	Particulars	As at 31st March 2018 ₹	As at 31st March 2017 ₹	As at 1st April 2016 ₹
v	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-	-

The above information has been determined to the extent such parties identified on the basis of information available with the Company.

38 Leases

38.1 Finance Lease

The Company has no assets under finance lease.

38.2 Operating Lease as lessee

The Company's significant leasing arrangements are in respect of operating leases for premises and tea estates. These leasing arrangements include both cancellable and non-cancellable terms range between 11 months and 5 years generally, or longer, and are usually renewable by statute or mutual consent on mutually agreeable terms as applicable. The aggregate lease rentals payable are charged as 'Rent' under Note 31. With respect to non-cancellable operating lease, the future minimum lease payment at the balance sheet date is as under.

38.2.1 Future Minimum Lease Payments

At 31st March, the future minimum lease payments to be made under non-cancellable operating leases are as follows :

Particulars	As at 31st March 2018 ₹	As at 31st March 2017 ₹	As at 1st April 2016 ₹
Payables within one year	2,317,160	-	-

38.2.2 Amounts recognized in Profit or Loss

Particulars	For the year ended 31st March 2018 (₹)	For the year ended 31st March 2017 (₹)
Total rental expense relating to operating leases	3,341,408	226,437

39 Disclosure pursuant to Indian Accounting Standard - 19 'Employee Benefits' as notified u/s 133 of the Companies Act, 2013 read with Rule 7 of Companies (Accounts) Rules, 2014 (As identified & certified by the Management)

39.1 Defined Contribution Plan :

The Company makes contribution towards provident fund to a defined contribution retirement plan for qualifying employees. The Provident fund plan is operated by statutory authorities. Under the said scheme the company is required to contribute a specific percentage of pay roll costs in respect of eligible employees to the retirement benefit scheme to fund the benefits.

The amount recognized as an expense for the Defined Contribution Plans are as under :

Sl. No.	Particulars	For the year ended 31st March 2018 (₹)	For the year ended 31st March 2017 (₹)
a	Provident Fund	9628728	8241336

NOTES TO FINANCIAL STATEMENTS AS ON AND FOR THE YEAR ENDED 31ST MARCH, 2018

39.2 Defined Benefit Plan :

The following are the types of defined benefit plans

39.2.1 Gratuity Plan

The Company makes annual contribution of gratuity to gratuity funds duly constituted and administered by independent trustees and funded with Reliance Nippon Life Insurance Company Limited / independent trust for the qualifying employees. The scheme provides for a lump sum payment to vested employees upon retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service upto maximum limit of Rs. 20,00,000.00. (Enhance from 10,00,000/- to 20,00,000/- lacs in FY 2017 - 2018). Vesting occurs upon completion of 5 years of continuous service.

The present value of defined obligation and related current cost are measured using the projected unit credit method with actuarial valuation being carried out at each balance sheet date.

39.2.2 Risk Exposure

Through its defined benefit plans, the company is exposed to a number of risks, the most significant of which are detailed below :

(A) Interest Rate risk :

The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

(B) Liquidity Risk :

This is the risk that the Company is not able to meet the short-term gratuity payouts. This may arise due to non availability of enough cash / cash equivalent to meet the liabilities or holding of liquid assets not being sold in time.

(C) Salary Escalation Risk :

The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

(D) Demographic Risk :

The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

(E) Regulatory Risk :

Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts (e.g. Increase in the maximum limit on gratuity of Rs. 20,00,000).

(F) Asset Liability Mismatching or Market Risk :

The duration of the liability is longer compared to duration of assets, exposing the Company to market risk for volatilities/fall in interest rate.'

(G) Investment Risk :

The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

NOTES TO FINANCIAL STATEMENTS AS ON AND FOR THE YEAR ENDED 31ST MARCH, 2018

39.2.3 Reconciliation of the net defined benefit (asset)/ liability

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit (asset)/ liability and its components:

Particulars	Gratuity	
	2017–2018 (₹)	2016–2017 (₹)
Balance at the beginning of the year	33,398,869	29,317,754
Current Service Cost	2,132,292	1,919,279
Interest Cost on Defined Benefit Obligation	2,503,137	2,373,049
Actuarial Gain and Losses arising from		
Changes in demographic assumptions		
Changes in financial assumptions	(666,168)	2,095,574
Expereince Adjustment	2,283,753	1,409,327
Benefits Paid from the Plan Assets	(4,827,916)	(3,716,114)
Balance at the end of the year	34,823,967	33,398,869

39.2.4 Reconciliation of the Plan Assets

The following table shows a reconciliation from the opening balances to the closing balances for the Plan Assets and its components :

Particulars	Gratuity	
	2017–2018 (₹)	2016–2017 (₹)
Balance at the beginning of the year	31,739,052	23,570,627
Interest Income on Plan Assets	2,378,739	1,907,863
Remeasurement of Defined Benefit Obligation :		
Return on plan assets greater/ (lesser) than discount rate	(3,116,829)	1,229,549
Employer Contributions to the Plan	-	8,747,127
Benefits Paid from the Plan Assets	(4,827,916)	(3,716,114)
Balance at the end of the year	26,173,046	31,739,052

NOTES TO FINANCIAL STATEMENTS AS ON AND FOR THE YEAR ENDED 31ST MARCH, 2018

39.2.5 Expenses recognized in profit or loss

Particulars	Gratuity 2017–2018 (₹)	Gratuity 2016–2017 (₹)
Current Service Cost	2,132,292	1,919,279
Interest Income on Plan Assets	124,398	465,186

39.2.6 Remeasuremets recognzied in other comprehensive income

Particulars	Gratuity 2017–2018 (₹)	Gratuity 2016–2017 (₹)
Actuarial (gain)/ Loss on defined benefit obligation	1,617,585	3,504,901
Return on plan assets greater/ (lesser) than discount rate	3,116,829	(1,229,549)

39.2.7 Major Categories of Plan Assets

Particulars	Gratuity 2017–2018 (₹)	Gratuity 2016–2017 (₹)
Qualified Insurance Policy	100%	100%

The Gratuity Scheme is invested in a Defined Benefit Gratuity Plan managed by Reliance Nippon Life Insurance Company Ltd and the Independent Administered Gratuity Fund. The information on the allocations of fund managed by Reliance Nippon Life Insurance Company Ltd into major assets classes and expected return on each major classes are not readily available. The expected rate of return on plan assets is based on the assumed rate of return provided by Company's actuary.

39.2.8 Asset-Liability Matching Strategy

The Compnay has purchased insurance policy, which is basically a year-on-year cash accumulation plan in which the interest rate is declared on yearly basis & is guaranteed for a period of one year. The insurance Compnay, as part of the policy rules, makes payment of all gratuity outgoes happening during the year (subject to sufficiency of funds under the policy). The policy, thus, mitigates the liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the Company is exposed to movement in interest rate (in particular, the significant fall in interest rates, which should result in a increase in liability without corresponding increase in the assets).

39.2.9 Actuarial Assumptions

Particulars	Gratuity 2017–2018 (₹)	Gratuity 2016–2017 (₹)
Financial Assumptions		
Discount Rate	7.80%	7.50%
Salary Escalation Rate	5% for the first two years and 4% thereafter	5% for the first two years and 4% thereafter
Demographic Assumptions		
Mortality Rate	100.00%	100.00%
Withdrawal Rate	1.00%	1.00%

NOTES TO FINANCIAL STATEMENTS AS ON AND FOR THE YEAR ENDED 31ST MARCH, 2018

39.2.10 The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

39.2.11 At 31st March 2018, the weighted average duration of the defined benefit obligation was 9 years (previous year 10 years). The distribution of the timing of benefits payment i.e., the maturity analysis of the benefit payments is as follows:

Expected benefits payment (valued on undiscounted basis)	Gratuity (₹)
Within next 12 months (next annual reporting period)	3,980,319
Between 2 and 5 years	11,923,780
Between 6 and 10 years	15,469,747
Beyond 10 years	54,949,839

39.2.12 The Company expects to contribute ₹ 10693930/- (previous year 6147703/-) to its gratuity fund in 2018-19

39.2.13 The following payments are expected contributions to the defined benefit plan in future years:

Expected contributions	Gratuity (₹)
Within next 12 months (next annual reporting period)	6,991,104

39.2.14 Employee Benefit Expense also includes provident funds in the nature of defined benefit plans contribution amounting to Rs. 9628728/- (Previous year Rs. 8241336/-)

39.2.15 Sensitivity Analysis

The sensitivity analysis below have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occuring at the end of the reporting period. Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below :

Particulars	Gratuity	
	2017–2018 (₹)	2016–2017 (₹)
Effect on DBO due to 1% increase in Discount Rate	31,940,153	30,492,695
Effect on DBO due to 1% decrease in Discount Rate	38,185,665	36,798,392
Effect on DBO due to 1% increase in Salary Escalation Rate	38,276,198	36,879,824
Effect on DBO due to 1% decrease in Salary Escalation Rate	31,821,455	30,380,839
Effect on DBO due to 1% increase in Attrition Rate	35,378,106	33,917,023
Effect on DBO due to 1% decrease in Attrition Rate	34,236,348	32,848,891
Effect on DBO due to 1% increase in Mortality Rate	34,862,865	33,435,065
Effect on DBO due to 1% decrease in Mortality Rate	34,784,912	33,362,526

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

NOTES TO FINANCIAL STATEMENTS AS ON AND FOR THE YEAR ENDED 31ST MARCH, 2018

40 Related Party Disclosures

40.1 Name of the related parties and description of relationship

A **Subsidiaries of the Company** - NIL

B **Associate of the Company** - GANGA STEEL & ALLOYS LIMITED

C **Enterprises/Individual having control over the Company** - NIL

D **Entities in which individual/ relatives having control is/are key management personnel or have significant influence**

i) Mr. Dhirendra Kumar - Director
ii). Mr. Sandeep Kumar Jalan - Director
iii) Mrs. Shashi Kumar - Director
iv) Mrs. Divyam Jalan - Director
v) Mr. Hemant Kumar Agarwal - Director
vi) Mr. Golam Momen - Independent Director
vii) Mr. Ghanshyam Das Gupta - Independent Director
viii) Mr. Alok Krishna Agarwal - Independent Director
viii) Mr. Naveen Bansal - Independent Director
ix) Mr. Kartik Narayan Singh - Whole-time Director & CEO

E **Other Companies over which the Key Management Personnel are able to exercise a significant influence**

NOT APPLICABLE

F

Key Management Personnel	Designation	Date of Appointment	Date of Resignation
Mr. Mr. Kartik Narayan Singh	Whole-time Director Director & C.E.O	11/2/2017	-
Mr. Hari Kishan Rajbhar	Chief Financial Officer	15/3/2015	10/4/2017
Mr. Yugal Keshor Chaudhary	Chief Financial Officer	3/8/2017	-
Mrs. Priyanka Sharma	Company Secretary & Compliance officer	8/7/2015	18/6/2017
Miss. Sreya Bose	Company Secretary & Compliance officer	4/8/2017	-

G **Post Employement Benefit Plan**

THE SCOTTISH ASSAM EMPLOYEES GRATUITY FUND

NOTES TO FINANCIAL STATEMENTS AS ON AND FOR THE YEAR ENDED 31ST MARCH, 2018

40.2 Summary of transactions with the related parties

Particulats	Subsidiaries of the Company	Associate of the Company	Enterprises/ Individual having control over the company	Entitles in which Individual/ relatives having control is/are key management personnel or have significant influence	Key Management Personnel	Post Employment Benefit Plan
Loan Given	- (-)	- (-)	- (-)	- (-)	2000000/- (-)	- (-)
Rent Paid	- (-)	- (-)	- (-)	3061808/- (-)	- (-)	- (-)
Sales of Goods	- (-)	- (-)	- (-)	11550/- (-)	- (-)	- (-)
Dividend Paid	- (-)	- (-)	- (-)	1469265/- (1470665/-)	- (-)	- (-)
Sitting Fees	- (-)	- (-)	- (-)	- (-)	315000/- (390000/-)	- (-)
Salary / Remuneration	- (-)	- (-)	- (-)	547200/- (547200/-)	2291668/- (2628500/-)	- (-)
Professional Charges	- (-)	- (-)	- (-)	1260000/- (405000/-)	- (-)	- (-)
Contribution towards post employement benefit plant	- (-)	- (-)	- (-)	- (-)	637500/- (588462/-)	6991104/- (4659817/-)

40.3Summary of Closing Balance Outstanding with the related parties

Particulats	Subsidiaries of the Company	Associate of the Company	Enterprises/ Individual having control over the company	Entitles in which Individual/ relatives having control is/are key management personnel or have significant influence	Key Management Personnel	Post Employment Benefit Plan
Loan Given	- (-)	- (-)	- (-)	- (-)	1650000/- (-)	- (-)
Professional Charges	- (-)	- (-)	- (-)	139500/- (-)	- (-)	- (-)
Rent Paid	- (-)	- (-)	- (-)	111971/- (-)	- (-)	- (-)

NOTES TO FINANCIAL STATEMENTS AS ON AND FOR THE YEAR ENDED 31ST MARCH, 2018

40.4 Key Management Personnel compensation

Particulars	**For the year ended 31st March 2018 (₹)**	**For the year ended 31st March 2017 (₹)**
Short-term employee benefits	107,548	154,122
Post-employment benefits	637,500	588,462
Total compensation	**745,048**	**742,584**

40.5 Major terms and conditions of transactions with related parties

Transactions with related parties are carried out in the normal course of business and are made on terms equivalent to those that prevail in arm's length transactions.

Loans to related parties which are generally for a period of one to three years. Loans paid to Directors at terms as extended to all employees of the company.

41 Segment Reporting

Based on the guiding principles given in the Ind AS 108 on operating segment the Company is a single segment company engaged in the manufacture of tea.

42 Transition to Ind AS

42.1 Basis for Preparation

For all period up to and including the year ended March 31, 2017, the Company has prepared its financial statements in accordance with generally accepted accounting principles in India (Indian GAAP). These financial statements for the year ended March 31, 2018 are the Company's first annual Ind AS financial statements and have been prepared in accordance with Ind AS.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31 March 2018, the comparative information presented in these financial statements for the year ended 31 March 2017 and in the preparation of an opening Ind AS balance sheet at 1 April 2016 (the date of transition). This note explains the principal adjustments made by the Company in restating its financial statements prepared in accordance with previous GAAP, and how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

42.2 Exceptions and Exemptions Applied

Ind AS 101 "First-time adoption of Indian Accounting Standards" (hereinafter referred to as Ind AS 101) allows first time adopters certain exemptions from the retrospective application of certain IND AS, effective for April 1, 2016 opening balance sheet. In preparing these consolidated financial statements, the Company has applied the below mentioned optional exemptions and mandatory exceptions.

42.2.1 Optional Exemptions Availed

a Business Combinations

Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date.

The Company has not applied Ind AS 103 to acquisitions of businesses under Ind AS, that occured before the transition date i.e., 1st April 2016. Accordingly, business combinations occurring prior to the transition date have not been restated.

NOTES TO FINANCIAL STATEMENTS AS ON AND FOR THE YEAR ENDED 31ST MARCH, 2018

b Property Plant and Equipment, Intangible Assets and Investment Properties

As permitted by para D5-D8B of Ind AS 101, the Company has elected to measure items of property, plant and equipment and intangible assets at its carrying value at the transition date except for Bearer Plants which are measured at Fair Value at the date of transition.

c Determining whether an arrangement contains a Lease

Para D9-D9AA of Ind AS 101 includes an optional exemption that permits an entity to apply the relevant requirements in Appendix C of Ind As 17 "Leases" for determining whether an arrangement existing at the date of transition contains a lease by considering the facts and circumstances existing at the date of transition (rather than at the inception of the arrangement). The Company has applied the above transition provision and has assessed all the arrangements at the date of transition.

d Designation of previously recognised financial instruments

Para D19B of Ind AS 101 permits an entity to designate particular investments in equity instruments as at fair value through other comprehensive income (FVOCI) based on facts and circumstances at the date of transition to Ind AS (rather at initial recognition). The Company has opted to avail this exemption to designate its investments in equity insturments (other than investment in subsidiaries and associates) as FVOCI on the date of transition.

42.2.2 Mandatory Exceptions

a Estimates

As per para 14 of Ind AS 101, an entity's estimates in accordance with Ind AS at the date of transition to Ind AS at the end of the comparative period presented in the entity's first Ind AS financial statements, as the case may be, should be consistent with estimates made for the same date in accordance with the previous GAAP unless there is objective evidence that those estimates were in error. However, the estimates should be adjusted to reflect any differences in accounting policies."As per para 16 of the standard, where application of Ind AS requires an entity to make certain estimates that were not required under previous GAAP, those estimates should be made to reflect conditions that existed at the date of transition or at the end of the comparative period.

The Company's estimates under Ind AS are consistent with the above requirement. Key estimates considered in preparation of the financial statement that were not required under the previous GAAP are listed below:

-Fair Valuation of financial instruments carried at FVTPL and/ or FVOCI.

-Impairment of financial assets based on the expected credit loss model.

-Determination of the discounted value for financial instruments carried at amortized cost.

-Measurement of biological assets at fair value less cost to sell.

-Measurement of agricultural produce at fair value less cost to sell.

-Measurement of Inventory comprising agricultural produce.

b De-recognition of financial assets and liabilities

As per para B2 of Ind AS 101, an entity should apply the derecognition requirements in Ind AS 109, "Financial Instruments", prospectively for transactions occurring on or after the date of transition to Ind AS. However, para B3 gives an option to the entity to apply the derecognition requirements from a date of its choice if the information required to apply Ind AS 109 to financial assets and financial liabilities derecognized as a result of past transactions was obtained at the initially accounting for those transctions. The company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

c Classification and measurement of financial assets

Para B8 - B8C of Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measuremnt of financial assets accounted at amortized cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortized cost has been done retrospectively.

NOTES TO FINANCIAL STATEMENTS AS ON AND FOR THE YEAR ENDED 31ST MARCH, 2018

42.3 Impact of Transition to Ind AS

The following is a summary of the effects of the differences between Ind AS and Indian GAAP on the Company's total equity shareholders' funds and profit and loss for the financial periods previously reported under Indian GAAP following the date of transition to Ind AS.

42.3.1 Reconciliation of equity as at date of transition (1st April 2016)

Particulars	Previous GAAP*	Adjustment	Ind AS
ASSETS			
NON-CURRENT ASSETS			
Property, Plant and Equipment	23,370,818	-	23,370,818
Capital Work-In-Progress	150,000	-	150,000
Intangible Assets	10,413	-	10,413
Financial Assets			
Investments	236,431,325	77,513,973	313,945,298
Loans	3,246,575	-	3,246,575
Non-Current Tax Assets	2,981,900	-	2,981,900
Total Non Current Asset	**266,191,031**	**77,513,973**	**343,705,004**
CURRENT ASSETS			
Inventories	26,701,888	1,794,475	28,496,363
Biological Asset other than Bearer Plants	-	357,298	357,298
Financial Assets			
Trade Receivables	1,028,724	-	1,028,724
Cash and Cash Equivalents	2,315,598	-	2,315,598
Bank balances other than above	620,962	-	620,962
Other Financial Assets	1,955,808	-	1,955,808
Other Current Assets	559,200	-	559,200
Total Current Assets	**33,182,180**	**2,151,773**	**35,333,953**
Total Assets	**299,373,211**	**79,665,746**	**379,038,957**
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	8,000,000	-	8,000,000
Other Equity	221,068,587	80,956,026	302,024,613
Equity attributable to the owners	**229,068,587**	**80,956,026**	**310,024,613**
LIABILITIES			
NON-CURRENT LIABILITIES			
Financial Liabilities			
Deferred Tax Liabilities (Net)	(776,251)	1,737,830	961,579
Non Current Liability	**(776,251)**	**1,737,830**	**961,579**

NOTES TO FINANCIAL STATEMENTS AS ON AND FOR THE YEAR ENDED 31ST MARCH, 2018

Particulars	Previous GAAP*	Adjustment	Ind AS
CURRENT LIABILITIES			
Financial Liabilities			
Borrowings	30,249,386	-	30,249,386
Trade Payables	12,955,802	-	12,955,802
Other Financial Liabilities	16,491,365	-	16,491,365
Provisions	8,775,237	(3,028,110)	5,747,127
Other Current Liabilities	2,568,585	-	2,568,585
Other Tax Liabilities	40,500	-	40,500
Current Liability	**71,080,875**	**(3,028,110)**	**68,052,765**
Total Equity and Liabilities	**299,373,211**	**79,665,746**	**379,038,957**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

42.3.2 Reconciliation of equity as at date of transition (31st March 2017)

Particulars	Previous GAAP*	Adjustment	Ind AS
ASSETS			
NON-CURRENT ASSETS			
Property, Plant and Equipment	23,470,917	-	23,470,917
Capital Work-In-Progress	3,999,291	-	3,999,291
Intangible Assets	3,836	-	3,836
Financial Assets			
Investments	242,825,698	128,203,764	371,029,462
Loans	2,924,273	-	2,924,273
Non-Current Tax Assets	5,665,159	-	5,665,159
Other Non-Current Assets			
Total Non Current Asset	**278,889,174**	**128,203,764**	**407,092,938**
CURRENT ASSETS			
Inventories	18,027,926	2,716,552	20,744,478
Biological Asset other than Bearer Plants	-	506,716	506,716
Financial Assets			
Trade Receivables	519,643	-	519,643
Cash and Cash Equivalents	2,714,427	-	2,714,427
Bank balances other than above	680,611	-	680,611

NOTES TO FINANCIAL STATEMENTS AS ON AND FOR THE YEAR ENDED 31ST MARCH, 2018

Particulars	Previous GAAP*	Adjustment	Ind AS
Loans	90,000	-	90,000
Other Financial Assets	1,180,837	-	1,180,837
Other Current Assets	516,521	-	516,521
Total Current Assets	**23,729,965**	**3,223,268**	**26,953,233**
Total Assets	**302,619,139**	**131,427,032**	**434,046,171**
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	8,000,000	-	8,000,000
Other Equity	238,438,471	127,687,328	366,125,799
Equity attributable to the owners	**246,438,471**	**127,687,328**	**374,125,799**
LIABILITIES			
NON-CURRENT LIABILITIES			
Deferred Tax Liabilities (Net)	374,873	3,739,704	4,114,577
Non Current Liability	**374,873**	**3,739,704**	**4,114,577**
CURRENT LIABILITIES			
Financial Liabilities			
Borrowings	25,888,744	-	25,888,744
Trade Payables	10,594,645	-	10,594,645
Other Financial Liabilities	15,004,478	-	15,004,478
Provisions	1,659,817	-	1,659,817
Other Current Liabilities	2,617,611	-	2,617,611
Other Tax Liabilities	40,500	-	40,500
Current Liability	**55,805,795**	**-**	**55,805,795**
Total Equity and Liabilities	**302,619,139**	**131,427,032**	**434,046,171**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

42.3.3 Reconciliation of total comprehensive income for the year ended 31 March 2017

Particulars	Previous GAAP*	Adjustment	Ind AS
INCOME			
Revenue from Operations	247,772,572	(59,880)	247,712,692
Other Income	6,689,217	50,839,208	57,528,425
Total Income (A)	**254,461,789**	**50,779,328**	**305,241,117**
EXPENSES			
Cost of Materials Consumed	23,288,346	(151,799)	23,136,547
Changes in Inventories of Finished Goods, Stock-In-Trade and Work-in-Progress	6,835,356	(770,278)	6,065,078
Employee Benefits Expense	112,040,782	(2,275,352)	109,765,430
Finance Costs	3,556,435	-	3,556,435
Depreciation and Amortisation Expense	4,620,554	-	4,620,554
Other Expenses	81,728,569	(59,880)	81,668,689
Total Expenses (B)	**232,070,042**	**(3,257,309)**	**228,812,733**
Profit before Tax	22,391,747	54,036,637	76,428,384
Tax Expense :			
Current Tax	3,200,000	787,454	3,987,454
Income Tax for earlier years	670,738	-	670,738
Deferred Tax	1,151,124	2,001,874	3,152,998
Profit for the year	**17,369,885**	**51,247,309**	**68,617,194**
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit plan	-	(2,275,352)	(2,275,352)
Income tax relating to these items	-	787,454	787,454
Other Comprehensive Income for the Year (Net of Tax)	**-**	**(1,487,898)**	**(1,487,898)**
Total Comprehensive Income for the period	**17,369,885**	**49,759,411**	**67,129,296**

NOTES TO FINANCIAL STATEMENTS AS ON AND FOR THE YEAR ENDED 31ST MARCH, 2018

42.3.4 Reconciliation of Total Equity

Particulars	As on 31st March, 2017	As on 1st April, 2016
Total Equity as per previous GAAP	**246,438,472**	**229,068,587**
Add/ (less): Adjustments for GAAP difference		
Effect of fair valuation of Investment	128,203,764	77,513,973
Effect of measuring Inventory of Finished goods as per Ind AS	2,217,846	1,447,568
Effect of recognition of Biological Asset	1,005,421	704,205
Effect of proposed dividend	-	3,028,110
Tax adjustment on Ind AS adjustment	(3,739,704)	(1,737,830)
Total Equity as per Ind AS	**374,125,799**	**310,024,613**

42.3.5 Reconciliation of total comprehensive income for the year ended 31 March 2017

Particulars	2016-17
Total Profit as per previous GAAP	**17,369,885**
Add/ (less): Adjustments for GAAP difference	
Effect of fair valuation of Investment	50,689,791
Effect of fair valuation of Biological Asset	301,216
Effect of measuring Inventory of Finished goods as per Ind AS	770,278
Effect of others(Reclassifaction of Actural Gain / Loss arising in respect of employee benefit scheme to other comprehensive Income	2,275,352
Effect of others(Reclassifaction of Actural Gain / Loss arising in respect of employee benefit scheme to other comprehensive Income	(1,487,898)
Tax adjustment on Ind AS adjustment	(2,789,328)
Total Comprehensive Income as per Ind AS	**67,129,296**

42.3.6 Impact of Ind AS adoption on the consolidated statements of cash flows for the year ended 31 March 2017

Particulars	Previous GAAP	Adjustments	Ind AS
Net cash flow from Operating Activities	-	-	-
Net cash flow from Investing Activities	-	-	-
Net cash flow from Financing Activities	-	-	-
Net increase/(decrease) in cash and cash equivalents	-	-	-
Cash and cash equivalents as at 1 April 2016	-	-	-
Cash and cash equivalents as at 31 March 2017	-	-	-

NOTES TO FINANCIAL STATEMENTS AS ON AND FOR THE YEAR ENDED 31ST MARCH, 2018

42.3.7 Notes to First Time Adoption

a Fair valuation of Financial Assets

Under previous GAAP, the interest free security deposit were carried at cost. Under Ind AS the same are measured at fair value on initial recognistion and subsequently measured at amortised cost.

b Property Plant & Equipment

The Company have considered fair valuation for Bearer Plant, other items of Property, Plant and Equipment are carried at existing carrying cost in accordance with stipulations of Ind AS 101 with the resultant impact being accounted for in the retained earnings. In the subsequent years, the same has resulted in additonal depreciation charge in the Statement of Profit & Loss.

c Inventory

Raw Materials : Under previous GAAP, no valuation was done for period end harvested tea-leaf. Under Ind AS, harvested leaf is measured at its fair value less cost to sell and is classified as Raw Materials.

Finished Goods : Under previous GAAP, tea stock has been valued at the lower of cost and net realizable value. Cost of inventories comprise all costs of purchase/production of green leaf, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Under Ind AS, cost of inventories comprise cost of purchase of green leaf, fair value of green leaf at the time of harvest less cost to sell, conversion cost and other costs incurred in bringing the inventories to their present location and condition.

d Biological Assets

Under previous GAAP, biological assets i.e. unplucked leaf on tea bushes has neither been valued nor recognised in the accounts. Under Ind AS, unplucked leaf on tea bushes has been measured at its fair value less cost to sell.

e Proposed Dividend

Under Indian GAAP, proposed dividends are recognized as liability in the period to which they relate irrespective of the approval by shareholders. Under Ind AS, a proposed dividend is recognised as a liability in the period in which it is declared by the entity (on approval of Shareholders in a general meeting) or paid. In the case of the entity, the declaration of dividend occurs after period end. Therefore, the liability for the year ended 31 March 2016 recorded for dividend has been derecognised against retained earnings on 1 April 2016.

f Deferred Tax

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

In addition, the various transitional adjustments lead to different temporary differences. According to the accounting policies, the company has to account for such differences. Deferred tax adjustments are recognized in correlation to the underlying transaction either in retained earnings or a separate component of equity.

g Remeasurements of post-employment benefit obligations

Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year. 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.

h Reclassification between Previous GAAP and Ind AS

i Excise duty has been reclassifed from revenue to other expenses.

ii. Trade discounts, rebates to customers (both primary and secondary) has been reclassifed from other expenses to revenue.

i Retained Earnings

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

NOTES TO FINANCIAL STATEMENTS AS ON AND FOR THE YEAR ENDED 31ST MARCH, 2018

43 Fair Value Measurement

Categories of Financial Assets & Financial Liabilities as at 31st March 2018 and 31st March 2017

Particulars	31st March 2018			31st March 2017		
	FVTPL	FVOCI	Amortized Cost	FVTPL	FVOCI	Amortized Cost
Financial Assets						
Investment						
- Equity Instruments	402,447,872	-	-	371,029,462	-	-
Trade Receivables	-	-	7,800,301	-	-	519,643
Cash and Cash Equivalents	-	-	647,555	-	-	2,714,427
Bank Balance other than above	-	-	755,227	-	-	680,612
Loans	-	-	4,675,588	-	-	3,014,273
Other Financial Assets	-	-	1,415,495	-	-	1,180,837
Total Financial Assets	**402,447,872**	**-**	**15,294,166**	**371,029,462**	**-**	**8,109,792**
Financial Liabilities						
Borrowings	-	-	29,776,591	-	-	25,888,743
Trade Payables	-	-	17,454,516	-	-	10,594,645
Other Financial Libilities	-	-	17,156,076	-	-	15,004,478
Total Financial Liabilities	**-**	**-**	**64,387,183**	**-**	**-**	**51,487,866**

As at 1st April 2016

Particulars	FVTPL	FVOCI	Amortized Cost
Financial Assets			
Investment	313,945,298	-	-
Trade Receivables	-	-	1,028,724
Cash and Cash Equivalents	-	-	2,315,598
Bank Balance other than above	-	-	620,962
Loans	-	-	3,246,575
Other Financial Assets	-	-	1,955,808
Total Financial Assets	**313,945,298**	**-**	**9,167,667**
Financial Liabilities			
Borrowings	-	-	30,249,386
Trade Payables	-	-	12,955,802
Other Financial Libilities	-	-	16,491,365
Total Financial Liabilities	**-**	**-**	**59,696,553**

NOTES TO FINANCIAL STATEMENTS AS ON AND FOR THE YEAR ENDED 31ST MARCH, 2018

44 Fair Values of Financial Assets and Financial Liabilities measured at Amortised Cost

44.1 The following is the comparison by class of the carrying amounts and fair value of the Company's financial instruments that are measured at amortized cost :

Particulars	31st March 2018		31st March 2017		1st April 2016	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets						
Trade Receivables	7,800,300	7,800,300	519,643	519,643	1,028,724	1,028,724
Cash and Cash Equivalents	647,555	647,555	2,714,427	2,714,427	2,315,598	2,315,598
Bank Balance other than above	755,227	755,227	680,611	680,611	620,962	620,962
Loans	4,675,588	4,675,588	3,014,273	3,014,273	3,246,575	3,246,575
Other Financial Assets	1,415,495	1,415,495	1,180,837	1,180,837	1,955,808	1,955,808
Total Financial Assets	**15,294,165**	**15,294,165**	**8,109,791**	**8,109,791**	**9,167,667**	**9,167,667**
Financial Liabilities						
Borrowings	29,776,590	29,776,590	25,888,744	25,888,744	30,249,386	30,249,386
Trade Payables	17,454,516	17,454,516	10,594,645	10,594,645	12,955,802	12,955,802
Other Financial Libilities	17,156,076	17,156,076	15,004,478	15,004,478	16,491,365	16,491,365
Total Financial Liabilities	**64,387,182**	**64,387,182**	**51,487,867**	**51,487,867**	**59,696,553**	**59,696,553**

44.2 The management assessed that the fair values of cash and cash equivalents, trade receivables, trade payables, short term borrowings, and other financial liabilities approximates their carrying amounts largely due to the short-term maturities of these instruments.

44.3 For Financial assets and liabilities that are measured at fair value, the carrying amounts are equal to their fair values.

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

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

44.5.1 The fair values of non-current borrowing are based on the discounted cash flows using a current borrowing rate. They are classified as Level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including own credit risks, which has assessed as on the balance sheet date to be insignificant.

45 Fair Value Hierarchy

45.1 Financial Instrument

The following are the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognized and measured at fair value and (b) measured at amortized cost and for which fair value are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels of fair value measurement as prescribed under the Ind AS 113 "Fair Value Measurement". An explanation of each level follows underneath the tables.

Assets and Liabilities measured at Fair Value - recurring fair value measurements

NOTES TO FINANCIAL STATEMENTS AS ON AND FOR THE YEAR ENDED 31ST MARCH, 2018

As at 31st March 2018 and 31st March 2017

Particulars	31st March 2018			31st March 2017		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets						
Investment						
- Equity Instruments	-	3,000	-	-	3,000	-
- Mutual Funds	402,444,872	-	-	371,026,462	-	-
Total Financial Assets	**402,444,872**	**3,000**	**-**	**371,026,462**	**3,000**	**-**

As at 1st April 2016

Particulars	Level 1	Level 2	Level 3
Financial Assets			
Investment			
- Equity Instruments	-	3,000	-
- Mutual Funds	313,942,298	-	-
Total Financial Assets	**313,942,298**	**3,000**	**-**

45.1.1 Valuation Technique

Specific valuation techniques used to value financial instruments include:

i. the level 1 Financial assets has been valued by use of quoted market prices or dealer quotes for similar instruments.

ii. the fair value of level 3 instruments consist of the unquoted equity instruments. They have been carried at carrying value as reliable valuation of these instruments was not possible.

There were no transfer between Level 1 and Level 2 during the year.

45.2 Biological assets other than bearer plants

This section explains the judgements and estimates made in determining the fair values of the biological assets other than bearer plants that are recognised and measured at fair value in the financial statements. The Company uses a Valuation technique that is appropriate in the circumstances and for which sufficient data are available to measure the fair value, maximising the use of relevant observable inputs.

Biological Assets measured at Fair Value less cost to sell

As at 31st March 2018 and 31st March 2017

Particulars	31st March 2018			31st March 2017		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Non Financial Assets						
Biological Assets other than Bearer Plant						
- Unharvested Tea Leaf	-	669,521	-	-	506,716	-
Total Non Financial Assets	**-**	**669,521**	**-**	**-**	**506,716**	**-**

NOTES TO FINANCIAL STATEMENTS AS ON AND FOR THE YEAR ENDED 31ST MARCH, 2018

As at 1st April 2016

Particulars	Level 1	Level 2	Level 3
Non Financial Assets			
Biological Assets other than Bearer Plant			
- Unharvested Tea Leaf	-	357,298	-
Total Non Financial Assets	**-**	**357,298**	**-**

45.2.1 Valuation Technique

Fair value is being arrived at based on the observable market prices of made tea adjusted for manufacturing costs. The same is applied on quantity of the tea leaves unharvested using plucking averages of various fields.

45.3 During the year ended March 31, 2018 and March 31, 2017.there are no transfers between level 1, level 2 and level 3.

45.3.1 Level 1 Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

45.3.2 Level 2 The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

45.3.3 Level 3 If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration included in level 3.

45.4 Explanation to the fair value hierarchy

The Company measures financial instruments, such as, quoted investments at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

46 Financial Risk Management

Financial management of the Company has been receiving attention of the top management of the Company. The management considers finance as the lifeline of the business and therefore, financial management is carried out meticulously on the basis of detailed management information systems and reports at periodical intervals extending from daily reports to long-term plans. Importance is laid on liquidity and working capital management with a view to reduce over-dependence on borrowings and reduction in interest cost. Various kinds of financial risks and their mitigation plans are as follows:

46.1 Credit Risk

Credit risk is the risk that counterparty will not meet its obligations leading to financial loss. The Company has an established credit policy and a credit review mechanism. Credit exposure is undertaken only with large reputed business houses and with no history of default against payments. Based on the business model, macro economic enviroment of the business and past trends, the management has determined nil percentage for any class of financial asset under expected credit loss.

46.2 Liquidity Risk

The Company determines its liquidity requirement in the short, medium and long term. This is done by drawings up cash forecast for short term and long term needs.

The Company manage its liquidity risk in a manner so as to meet its normal financial obligations without any significant delay or stress. Such risk is managed through ensuring operational cash flow while at the same time maintaining adequate cash and cash equivalent position. The management has arranged for diversified funding sources and adopted a policy of managing assets with liquidity monitoring future cash flow and liquidity on a regular basis. Surplus funds not immediately required are invested in certain mutual funds and fixed deposit which provide flexibility to liquidate. Besides, it generally has certain undrawn credit facilities which can be assessed as and when required; such credit facilities are reviewed at regular basis.

46.2.1 Maturity Analysis for financial liabilities

The following are the remaining contractual maturities of financial liabilities as at 31st March 2018

a

Particulars	On Demand	Less than 6 months	6 months to 1 year	1 years to 5 years	More than 5 years	Total
Borrowings						
Working Capital loans repayable on demand	29,776,591	-	-	-	-	29,776,591
Trade payables	17,454,516	-	-	-	-	17,454,516
Other financial liabilities	17,156,076	-	-	-	-	17,156,076
Total	**64,387,183**	**-**	**-**	**-**	**-**	**64,387,183**

b The following are the remaining contractual maturities of financial liabilities as at 31st March 2017

Particulars	On Demand	Less than 6 months	6 months to 1 year	1 years to 5 years	More than 5 years	Total
Borrowings						
Working Capital loans repayable on demand	25,888,743	-	-	-	-	25,888,743
Trade payables	10,594,645	-	-	-	-	10,594,645
Other financial liabilities	15,004,478	-	-	-	-	15,004,478
Total	**51,487,866**	**-**	**-**	**-**	**-**	**51,487,866**

c The following are the remaining contractual maturities of financial liabilities as at 1st April 2016

Particulars	On Demand	Less than 6 months	6 months to 1 year	1 years to 5 years	More than 5 years	Total
Borrowings						
Working Capital loans repayable on demand	30,249,386	-	-	-	-	30,249,386
Trade payables	12,955,802	-	-	-	-	12,955,802
Other financial liabilities	16,491,365	-	-	-	-	16,491,365
Total	**59,696,553**	**-**	**-**	**-**	**-**	**59,696,553**

d The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements (if any). The interest payments on variable interest rate loans in the tables above reflect market forward interest rates at the respective reporting dates and these amounts may change as market interest rates change. Except for these financial liabilities, it is not expected that cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts. When the amount payable is not fixed, the amount disclosed has been determined with reference to conditions existing at the reporting date.

46.3 Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three type of risks: Foreign Exchange Risk, Interest Rate Risk and Other Price Risk.

46.3.1 Interest Rate Risk

"The Company is exposed to risk due to interest rate fluctuation on long term borrowings. Such borrowings are based on fixed as well as floating interest rate. Interest rate risk is determined by current market interest rates, projected debt servicing capability and view on future interest rate. "The Company is also exposed to interest rate risk on surplus funds parked in fixed deposits and loans. To manage such risks, such investments are done mainly for short durations, in line with the expected business requirements for such funds."

a Exposure to interest rate risk

Particulars	31st March 2018	31st March 2017	1st April 2016
Fixed Rate Instruments			
Financial Assets	4,675,588	3,014,273	3,246,575
Financial Liabilities	29,776,591	25,888,743	30,249,386
Variable Rate Instruments			
Financial Assets	-	-	-
Financial Liabilities	-	-	-

b Sensitivity Analysis

Profit or loss is sensitive to higher/ lower interest expense from borrowings as a result of changes in interest rates. This analysis assumes that all other variables, in particular exchange rates, remain constant and ignores any impact of forecast sales and purchases.

Particulars	31st March 2018			31st March 2017		
	Sensitivity Analysis	Impact on		Sensitivity Analysis	Impact on	
		Profit before tax	Other Equity		Profit before tax	Other Equity
Interest Rate Increase by	1 %	-	-	1 %	-	-
Interest Rate Decrease by	1 %	-	-	1 %	-	-

46.3.2 Other Price Risk

The Company is exposed to equity price risk, which arises from equity instruments measured at fair value through other comprehensive income. The entity's equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. Reports on the equity portfolio are submitted to the entity's senior management on a regular basis. The entity's Board of Directors reviews and approves all equity investment decisions.

a Exposure to other market price risk

Particulars	31st March 2018	31st March 2017	1st April 2016
Investment in Mutual Funds	402,447,872	371,029,462	313,945,298
Investment in Equity Shares	3,000	3,000	3,000
	402,450,872	**371,032,462**	**313,948,298**

NOTES TO FINANCIAL STATEMENTS AS ON AND FOR THE YEAR ENDED 31ST MARCH, 2018

b Sensitivity Analysis

The table below summarise the impact of increases/ decreases of the index on the Company's equity investment and profit for the period. The analysis is based on the assumption that the equity index had increased by 11.30% or decreased by 11.30% with all other variables held constant, and that all the company's equity instruments moved in line with the index.

Particulars	31st March 2018			31st March 2017		
	Sensitivity Analysis	Impact on		Sensitivity Analysis	Impact on	
		Profit before tax	Other Equity		Profit before tax	Other Equity
Market rate Increase	11.30%	2,561,740	-	16.88%	3992085	-
Market rate Decrease	11.30%	(2,561,740)	-	16.88%	(3,992,085)	-

47 Capital Management

The Company objective to manage its capital is to ensure continuity of business while at the same time provide reasonable returns to its various stakeholders but keep associated costs under control. In order to achieve this, requirement of capital is reviewed periodically with reference to operating and business plans that take into account capital expenditure and strategic Investments. Sourcing of capital is done through judicious combination of equity/internal accruals and borrowings, both short term and long term. Net debt (total borrowings less investments and cash and cash equivalents) to equity ratio is used to monitor capital.

Particulars	31st March 2018	31st March 2017	1st April 2016
Net Debt	29,776,591	25,888,743	30,249,386
Total Equity	409,375,915	374,125,801	310,024,613
Net Debt to Equity Ratio	0.07	0.07	0.10

The financial risk associated to agriculture would include climate change, price fluctuation, currency fluctuation & input cost increase. Being dependent on rainfall, any shortfall would directly impact the production.The sale of tea being largely through the auction system,any price fluctuation would impact profitability. Increase wages also has a direct impact on the cost of production because of labour intensive nature of the business operations.

Management is continuously monitoring all the above factors. Investment in irrigation, a planned replanting programme to ensure higher yields and improving efficiency of labour and modernisation are some of the measures taken by the managements to mitigate the risks.

48 Trade Receivables, Loans, Other Financial Assets and Other Assets include certain overdue and unconfirmed balances. However, in the opinion of the management, these current assets would, in the ordinary course of business, realize the value stated in the accounts.

49 The wage agreement with workers in the State of Assam has expired on 31st December, 2017. The negotiation in relation to new agreement is in process. In absence of revised agreement, the express booked during the period 1st January, 2018 to 31st March, 2018 has been booked considering the wage rate applicable till 31st March, 2017.

50 Miscellaneous Expenditure includes revenue expenditure on research and development Rs. 417620.00 (2017: Rs. 5,67,940/-, 2016: Rs. 4,42,783/-) incurred towards subscription to Tea Research Association.

51 In relation to Ganga Steel & Alloys Limited, an associate company no consolidated financial statements has been prepared in absence of financial statements of the company. The associate company has a negative networth and investment has already been provided in the financial statements of the company so preparation of consolidated financial statements would not have impact on the financial statements of the company.

52 Previous GAAP figures have been reclassified/regrouped to confirm the presentation requirements under IND AS and the requirements laid down in Division-II of the Schedule-III of the Companies Act,2013.

As per our report of even date annexed	For and on behalf of the Board of Directors
For **JITENDRA K AGARWAL & ASSOCIATES** *Chartered Accountants* *Firm Registration No. 318086E*	Mr. DHIRENDRA KUMAR (DIN : 00153773) Mr. S.K.JALAN (DIN : 00015836) Mrs. DIVYA JALAN (DIN : 00016102) Mr. G. MOMEN (DIN : 00402662) — *Director* Mr. NAVEEN BANSAL (DIN : 00720211) Mr. SHASHI KUMAR (DIN : 00199961) Mr. G. D. GUPTA (DIN : 00174114)
UTSAV SARAF *Partner* *Membership No. : 306932* Place : Kolkata	Mr. YUGAL KESHOR CHAUDHARY - *Chief Financial Officer*
Date : The 26th day of May, 2018.	Ms. SREYA BOSE - *Company Secretary*

FORM NO. MGT - 11

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3)(c) of the Companies (Management and Administration) Rules, 2014]

The Scottish Assam (India) Limited

Regd. Off.: 1, Crooked Lane, Kolkata - 700069
CIN: L01132WB1977PLC031175
Website : www.scottishassam.com • E-mail : scotishassam@gmail.com

Name of the member (s) :
Registered address :
E-mail Id :
Folio No / Client Id :
DP ID :

I/We, being the member (s) of..........................Shares of the above named company, hereby appoint

1. Name : ____________ Address : ____________
   E-mail ID : ____________ Signature : ____________ or failing him
2. Name : ____________ Address : ____________
   E-mail ID : ____________ Signature : ____________ or failing him
3. Name : ____________ Address : ____________
   E-mail ID : ____________ Signature : ____________

as my / our proxy to attend and vote (on a poll) for me us and on my/ our behalf at the 41st Annual General Meeting of the Company, to be held on the 28th August, 2018 at 11.30 a.m. at Gyan Manch 11, Pretoria Street, Kolkata-700071 and at any adjornment thereof inrespect of such resolutions as are indicated below :

Ordinary Business		
Ordinary Resolutions	For	Against
1. Receive, Consider and adopt Audited Account and Report of Board of Directors and Auditors.		
2. Declaration of Dividend for the year 2017-18		
3. Re-appointment of Mr Dhirendra Kumar (DIN 00153773) who retires by rotation.		
4. Re-appointment of Mr Sandeep Kumar Jalan (DIN 00015836) who retires by rotation.		

Signed this......................................day of.........................2018

Affix Revenue Stamp

(Signature of the shareholder)

Signature of Proxy holder(s)

Signature of first proxy holder   Signature of second proxy holder   Signature of third proxy holder

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

FORM NO. MGT - 12
Ballot Paper

[Pursuant to Section 109(5) of the Companies Act, 2013 and Rule 21(1)(c) of the Companies (Management and Administration) Rules, 2014]

The Scottish Assam (India) Limited

Regd. Off.: 1, Crooked Lane, Kolkata - 700069
CIN: L01132WB1977PLC031175
Website : www.scottishassam.com • E-mail : scotishassam@gmail.com

BALLOT PAPER

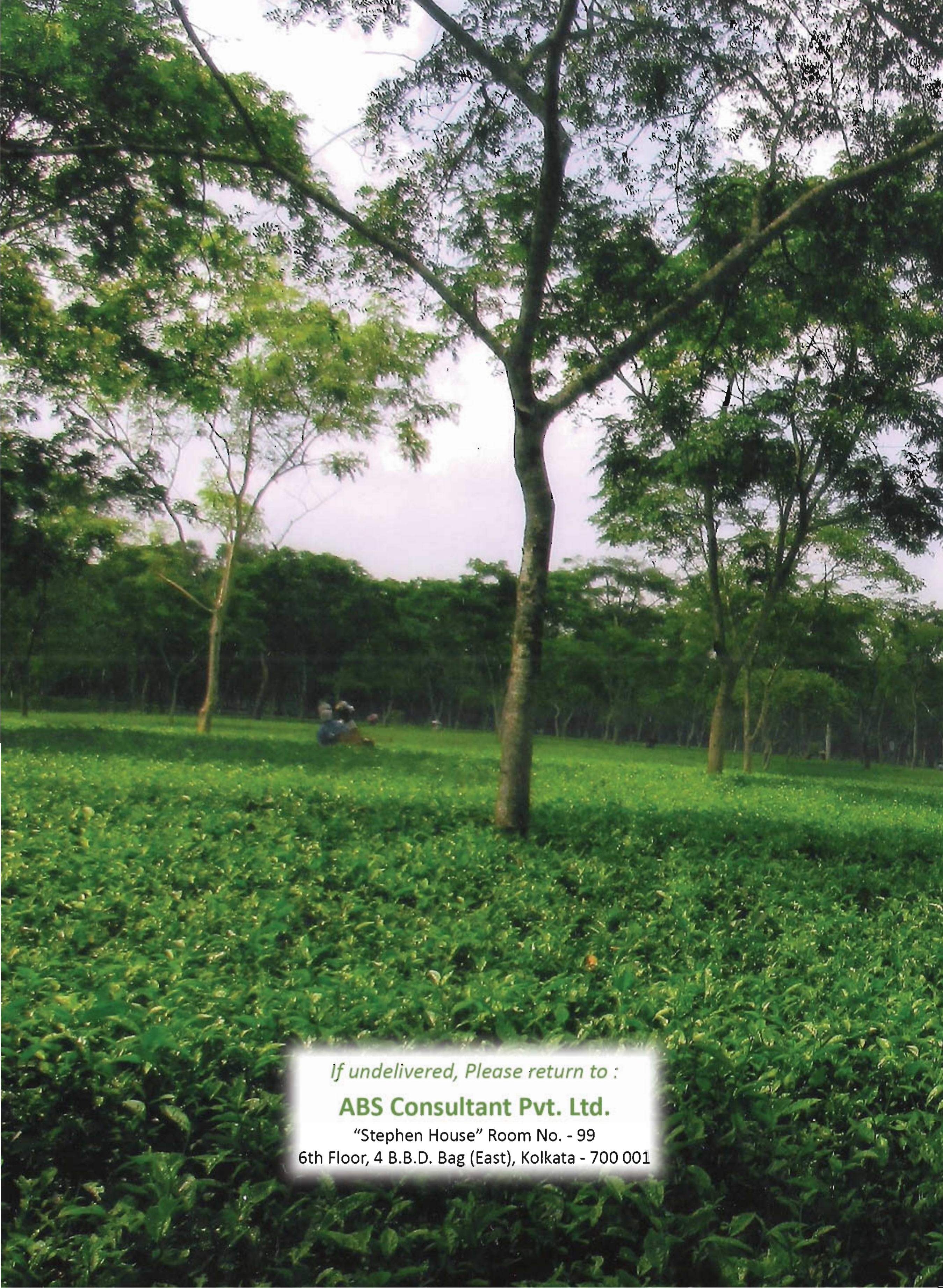
S. No.	Particulars	Details
1.	Name of the First Named Shareholders (In block letters)	
2.	Postal address	
3.	Registered folio No./*Client ID No. (*Applicable to investors holding shares in dematerialized form)	
4.	Class of Share	

I hereby exercise my vote in respect of Ordinary / Special resolution enumerated below by recording my assent or dissent to the said resolution in the following manner:

Ordinary Business		
Ordinary Resolutions	For	Against
1. To receive, consider and adopt the Audited Financial Statements,and Reports of the Board of Directors.		
2. Declaration of Dividend for the year 2017-18		
3. Re-appointment of Mr Dhirendra Kumar (DIN 00153773) who retires by rotation.		
4. Re-appointment of Mr Sandeep Kumar Jalan (DIN 00015836) who retires by rotation.		

Place :

Date : (Signature of the shareholder)



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6th Floor, 4 B.B.D. Bag (East), Kolkata - 700 001