

### **Independent Auditor's Report**

**To the members of Cinnatolliah Tea Limited**

### **Report on the standalone financial statements**

We have audited the accompanying standalone financial statements of **Cinnatolliah Tea Limited** ('the Company'), which comprise the Balance Sheet as at 31<sup>st</sup> March 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's responsibility for the standalone financial statements**

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

### **Auditor's responsibility**

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

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

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

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

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



## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2017, and its profit and its cash flows for the year ended on that date.

## Other Matter:

The financial statements of the Company for the year ended 31<sup>st</sup> March, 2016 were audited by another auditor whose report for the year ended 31<sup>st</sup> March, 2016, expressed an unmodified opinion on those statements.

Our opinion is not modified in respect of this matter.

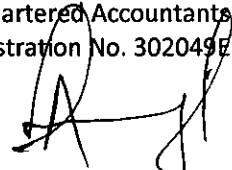
## Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 'A' a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure 'B'.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:



- i) Based on audit procedure and as per explanation has been given by the management, the Company did not have any pending litigations on its financial position in its financial statements;
- ii) The Company did not have any material foreseeable losses on long term contracts including derivative contracts;
- iii) There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Company during the year and
- iv) The company has provided requisite disclosures in the financial statement as to holdings as well as dealing in the Specified Bank Notes during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016. Based on audit procedure and relying on the management representation we report that the disclosures are in accordance with books of accounts maintained by the company and as produced to us by the management –Refer Note No. 25.

For Singhi & Co.  
Chartered Accountants  
Firm's Registration No. 302049E



(Anurag Singhi)

Partner

Membership No. 066274

Place: Kolkata  
Date: 30<sup>th</sup> May 2017



## Annexure-A to the independent auditor's report

The Annexure referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our Independent Auditors' Report of even date in respect to statutory audit of **Cinnatolliah Tea Limited** for the year ended 31<sup>st</sup> March 2017, we report that:

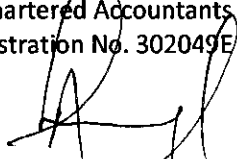
- i.
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) According to the information and explanation given to us, based on a phased manner, the fixed assets of the Company have been physically verified by the management and no material discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.
  - (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 the information and explanation given to us, the inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. In our opinion and according to the information and explanations 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. Thus, 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, investments, guarantees and security. Therefore this clause is not applicable to the company.
- v. The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Companies Act 2013 and the rules framed there under.
- vi. The Central Government has prescribed maintenance of cost records under section 148 (1) of the Companies Act for the Company's Tea. We have broadly reviewed such accounts and records and are of the opinion that prima facie, the prescribed accounts & records have been made & maintained but no detailed examination of such records and accounts have been carried out by us.
- vii.
  - (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 generally been regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, value added tax and other material statutory dues during the year by the Company with the appropriate authorities and no such dues were in arrears, as at 31<sup>st</sup> March, 2017 for a period of more than six months from the date they became payable.



- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of provident fund, income tax, service tax, cess and other statutory dues as applicable as at 31<sup>st</sup> March 2017 which have not been deposited on account of dispute.
- viii. The Company has not borrowed any amount from bank, financial institution or against debenture as such therefore this clause is not applicable.
- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year and no term loan has been raised by the company during the year. Therefore this clause is not applicable for the company.
- 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 not paid any managerial remuneration as per the provisions of section 197 read with Schedule V to the Act. Hence, the clause is not applicable to the company.
- 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, there are no transactions with the related parties as specified sections 177 and 188 of the Act. Accordingly, paragraph 3(xiii) of the Order is not applicable.
- xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company did not make 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 Singhi & Co.  
Chartered Accountants  
Firm's Registration No. 302049E

  
(Anurag Singhi)  
Partner  
Membership No. 066274

Place: Kolkata

Date: 30<sup>th</sup> May 2017

**ANNEXURE - B TO THE INDEPENDENT AUDITOR'S REPORT**

The Annexure referred to in paragraph 2 (f) under the heading "Report on Other Legal and Regulatory Requirements" of our Independent Auditors' Report of even date in respect to the internal financial control under clause (i) of sub-section 3 of section 143 of the Act of **Cinnatolliah Tea Limited** for the year ended 31<sup>st</sup> March 2017, we report that:

We have audited the internal financial controls over financial reporting of **Cinnatolliah Tea Limited** ("the Company") as of 31<sup>st</sup> March 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS**

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

**AUDITOR'S RESPONSIBILITY**

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

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.

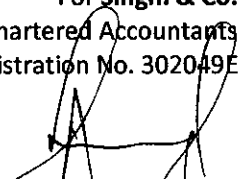
**INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

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 31<sup>st</sup> March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by ICAI.

For Singhi & Co.  
Chartered Accountants  
Firm's Registration No. 302049E



(Anurag Singhi)

Partner

Membership No. 066274



Place: Kolkata

Date: 30<sup>th</sup> May 2017

**Cinnatolliah Tea Limited**

(CIN: U15122UP2015PLC069633)

Balance Sheet as on 31st March 2017

₹ in lakhs

	Notes	As at 31st March 2017	As at 31st March 2016
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholder's Funds</b>			
Share Capital	4	2,617.54	5.00
Reserves and Surplus	5	552.49	(1.13)
		<b>3,170.03</b>	<b>3.87</b>
<b>Non-current Liabilities</b>			
Long-term provisions	6	122.64	-
Deferred tax liability (net)	7	7.26	-
		<b>129.90</b>	<b>-</b>
<b>Current Liabilities</b>			
Trade payables			
- Total outstanding dues of micro enterprises and small enterprises	8	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	8	41.21	0.06
Other current liabilities	8	31.70	-
Short-term provisions	6	213.86	-
		<b>286.77</b>	<b>0.06</b>
<b>Total</b>		<b>3,586.70</b>	<b>3.93</b>
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Fixed Assets			
Tangible Assets	9	881.14	-
Intangible Assets	10	135.16	-
Capital Work-in-progress	11	61.73	-
Loans and advances	12	519.19	-
		<b>1,597.22</b>	<b>-</b>
<b>Current Assets</b>			
Inventories	13	135.05	-
Trade Receivables	14.1	97.84	-
Cash and bank balances	15	1,625.96	3.93
Loans and advances	12	77.65	-
Other current assets	14.2	52.98	-
		<b>1,989.48</b>	<b>3.93</b>
<b>Total</b>		<b>3,586.70</b>	<b>3.93</b>
Summary of significant accounting policies	3		

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

As per our report of even date

**For Singhi & Co.**

Chartered Accountants

Firm Registration No. 302049E

Partner : Anurag Singhi

Membership No.: 066274

**For and on behalf of the board of directors**

Dilip Kumar Patodia

Director

DIN No 00482435

Santosh Kumar Poddar

Managing Director

DIN No 00055786

Place : Kolkata

Date : 30.05.2017

*Rajesh Gupta*  
Rajesh Gupta  
Chief Financial Officer

# Cinnatolliah Tea Limited

(CIN: U15122UP2015PLC069633)

Statement of Profit and Loss for the year ended 31st March 2017

₹ in lakhs

	Notes	Year ended 31st March 2017	Year ended 31st March 2016
<b>INCOME</b>			
Revenue from Operations	16	2,196.02	-
Other Income	17	128.19	-
<b>Total Revenue</b>		<b>2,324.21</b>	<b>-</b>
<b>EXPENSES</b>			
Change in inventories of Finished Goods, Work In Progress & Traded Goods	18	46.92	-
Employee benefits expenses	19	1,232.63	-
Finance Costs	20	0.27	-
Depreciation and amortization expenses	21	115.90	-
Other expenses	22	725.28	0.84
<b>Total Expenses</b>		<b>2,121.00</b>	<b>0.84</b>
<b>Profit / (Loss) before tax</b>		<b>203.21</b>	<b>(0.84)</b>
Current tax		68.00	-
Deferred tax credit		(11.30)	-
<b>Total tax expenses</b>		<b>56.70</b>	<b>-</b>
<b>Profit (Loss) after tax</b>		<b>146.51</b>	<b>(0.84)</b>

		₹	₹
<b>Earnings per equity share</b>	23		
[Nominal value of share ₹10]			
<b>Basic &amp; Diluted</b>		<b>0.56</b>	<b>(1.67)</b>

Summary of significant accounting policies 3

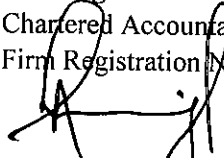
The accompanying notes are an integral part of the financial statements.

As per our report of even date

**For Singhi & Co.**

Chartered Accountants

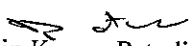
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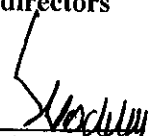
  
Partner : Anurag Singhi

Membership No.: 066274

Place : Kolkata

**For and on behalf of the board of directors**

  
Dilip Kumar Patodia  
Director  
DIN No 00482435

  
Santosh Kumar Poddar  
Managing Director  
DIN No 00055786

Date :30.05.2017

  
Rajes Gupta  
Chief Financial Officer

**Cinnatollah Tea Limited**

(CIN: U15122UP2015PLC069633)

Cash Flow Statement for the year ended 31st March 2017

₹ in lakhs

	Year ended 31st March 2017	Year ended 31st March 2016
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Profit / (Loss) before tax	203.21	(0.84)
Adjustment to reconcile profit / (loss) before tax to net cash flows		
Depreciation and Amortization expenses	115.90	-
Finance Costs	0.27	-
Gain on tangible assets sold / discarded (net)	(10.23)	-
Bad debts, irrecoverable claims and advances written	0.01	-
Unspent liabilities, provision no longer required and unclaimed balances adjusted	(0.77)	-
Interest Income	(117.18)	-
<b>Cash Generated from Operations</b>	<b>191.21</b>	<b>(0.84)</b>
Direct Taxes Paid	80.19	-
<b>Operating Profit / (Loss) before Working Capital Changes :</b>	<b>111.02</b>	<b>(0.84)</b>
Decrease in Trade Payables	(3.34)	(0.23)
Decrease in Long-term Provisions	(21.20)	-
Increase in Short-term Provisions	197.37	-
Decrease in Other Current Liabilities	(149.04)	-
Increase in Trade Receivables	(26.26)	-
Increase in Non-current Loans & Advances	(25.71)	-
Decrease in Current Loans & Advances	9.87	-
(Increase) in Inventories	66.44	-
Increase in Other Current Assets	(13.86)	-
<b>Net Cash from Operating Activities</b>	<b>145.29</b>	<b>(1.07)</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Proceeds from sale of Tangible Assets	13.58	-
Purchase of Tangible Assets including CWIP	(115.50)	-
Interest Received	117.18	-
<b>Net Cash from Investing Activities</b>	<b>15.26</b>	<b>-</b>
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Issue of Equity Shares	-	-
Interest Paid	(0.27)	-
<b>Net Cash used in Financing Activities</b>	<b>(0.27)</b>	<b>-</b>
<b>Net Changes in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>160.28</b>	<b>(1.07)</b>
Cash & Cash Equivalents at the beginning of the year	3.93	5.00
Add : Transfer pursuant to Scheme of Arrangement	1,461.75	-
Cash & Cash Equivalents at the end of the year *	1,625.96	3.93

\* represents Cash and Bank Balances as indicated in note 15 and includes ₹ 1570.00 lakhs (Nil) being balances having maturity of more than 3 months.

For Singh &amp; Co.

Chartered Accountants

Firm/Registration No: 02049E

Partner: Anurag Singh

Membership No.: 066274

Place : Kolkata

Date :30.05.2017

For and on behalf of the board of directors

Dilip Kumar Patodia

Director

DIN No 00482435

Santosh Kumar Poddar

Managing Director

DIN No 00055786

Rajeev Gupta

Rajeev Gupta

Chief Financial Officer

## **Cinnatollah Tea Limited**

(CIN: U15122UP2015PLC069633)

**Notes to financial statements as at and for the year ended 31st March, 2017**

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### **1. Corporate Information**

Cinnatollah Tea Limited (the Company) was incorporated on 19th March, 2015 as a Subsidiary Company of Upper Ganges Sugar & Industries Limited (UGSIL). With the objective of business realignment of UGSIL and The Oudh Sugar Mills Limited (OSML), a composite scheme of arrangement had been filed with the Hon'ble High Court of Allahabad to transfer the Tea business undertaking of Ganges Securities Limited (GSL) to the Company from the appointed date i.e. 1st April, 2015, which has been approved by the National Company Law Tribunal.

The main object of the Company is cultivation of tea and other agricultural products.

### **2. Basis of Preparation**

- (i) The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared the financial statements to comply in all material respects with the Accounting Standards notified under Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016 under the historical cost convention except for impact of the Scheme of arrangement taken at book value as detailed in Note 2(ii) as below and on an accrual basis.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year except for the change in accounting policies explained below.

In accordance with the scheme of arrangement, the assets and liabilities of Tea Manufacturing business undertaking has been acquired and accounted for at book value in these financial statements as further disclosed in Note 2 (ii) below.

The Company has prepared Balance Sheet as at 1st April, 2015 based on audited accounts of the Company as at and for the period ended 31st March, 2015 and giving effect to the scheme of arrangement approved by the National Company Law Tribunal, the details whereof is given in note 2(ii) below. The Company while giving effect to the scheme of arrangement has considered audited accounts of UGSIL as at and for the year ended 31st March, 2015.

#### **(ii) Scheme of Arrangement**

- a) Pursuant to the Composite Scheme of Arrangement ("the scheme") approved by the National Company Law Tribunal, all the assets and liabilities of the tea business undertakings of GSL present in the state of Assam have been transferred to and vested in the Company at their respective book values as on 1st April, 2015 on a going concern basis from appointed date i.e. 1st April, 2015.

As per the scheme, appointed date as approved by the National Company Law Tribunal is 1st April, 2015 and effective date is 23rd March, 2017 being the date on which the certified copy of the order sanctioning the said scheme is filed with the Registrar of Companies, Kanpur, Uttar Pradesh and Uttarakhand in accordance with the Companies Act, 1956 and applicable provisions of Companies Act, 2013. Though the scheme has become effective after the Balance sheet date, it is operative from the appointed date i.e. 1st April, 2015, and accordingly it has been given effect to in these accounts.



**Cinnatolliah Tea Limited**

(CIN: U15122UP2015PLC069633)

**Notes to financial statements as at and for the year ended 31st March, 2017**

- b) The details of assets and liabilities transferred from GSL are as under as on 1st April, 2015

	(₹ in lakhs)
	<b>Transferred from GSL</b>
<b>Assets</b>	
<b>Non-current Assets</b>	
Fixed Assets	
Tangible Assets	890.04
Capital Work-in-progress	2.22
Loans and Advances	508.09
	<u>1,400.35</u>
<b>Current Assets</b>	
Inventories	117.43
Trade Receivables	80.65
Cash and Bank Balances	966.23
Loans and Advances	97.77
Other Assets	34.62
	<u>1,296.70</u>
<b>Total Assets</b>	<u>2,697.05</u>
<b>Liabilities</b>	
<b>Non-current Liabilities</b>	
Long-term Provisions	63.69
Deferred Tax Liability (net)	31.95
	<u>95.64</u>
<b>Current Liabilities</b>	
Trade Payables	30.94
Other Liabilities	158.23
Short-term Provisions	24.81
	<u>213.98</u>
<b>Total Liabilities</b>	<u>309.62</u>

- c) Pursuant to the scheme, the Company has to issue 2,61,25,396 fully paid up equity shares of ₹ 10 each to GSL, aggregating to ₹ 2,612.54 lakhs, as consideration for the transfer and vesting of tea business undertaking.
- d) Pursuant to the scheme, the difference between the book value of assets and liabilities of the tea business undertaking and shares to be issued to GSL has been recorded as Goodwill of ₹ 225.28 Lakh



**Cinnatolliah Tea Limited**

(CIN: U15122UP2015PLC069633)

**Notes to financial statements as at and for the year ended 31st March, 2017**

- e) Since the Scheme received all the requisite approvals in the current year, operations of the Tea manufacturing business undertakings from 1st April 2015 to 31st March 2016 as detailed below, have been adjusted in the Surplus / (Deficit) of the Statement of Profit and Loss under the head Reserves and Surplus.

	₹ in lakhs
	1st April 2015 to 31st March 2016
<b>INCOME</b>	
Revenue from Operations	2,252.63
Other Income	112.76
<b>Total Revenue</b>	<u>2,365.39</u>
<b>EXPENSES</b>	
Decrease / (Increase) in inventories of Finished Goods, Traded Goods and Goods under Process	(62.62)
Employee benefits expenses	1,153.62
Other expenses	680.69
Depreciation and amortization expenses	101.93
Finance Costs	2.70
<b>Total Expenses</b>	<u>1,876.32</u>
<b>Profit / (Loss) before tax</b>	489.07
Current tax	95.52
Deferred tax asset reversed	(13.56)
<b>Profit (Loss) after tax for the period</b>	<u>407.11</u>

Further, net cash flows for the period 1st April 2015 to 31st March 2016 pertaining to the transferor companies on account of operating, investment and financing activities aggregating to ₹ 457.03 lakhs, ₹ 38.61 lakhs and ₹ (1.19) lakhs respectively have been included in the current year's statement of cash flows under the respective heads.



## Cinnatollah Tea Limited

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Notes to financial statements as at and for the year ended 31st March, 2017

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### 3 Summary of Significant Accounting Policies

#### a) Change in Accounting Policy

##### Classification of items of stores and spares

##### a(i) Bearer Plant Accounting

As per the requirement of AS – 10 (Revised with effective from 1st April, 2016) on “Property, Plant & Equipment”, expenditure incurred on “Bearer Plants” have been capitalized was hitherto charged to statement of Profit and Loss in case of existing area of cultivation. The impact of change in Accounting Policy has been given in Note No. 11

##### a(ii) Accounting for Proposed Dividend

As per the requirements of AS – 4 (Revised with effective from 1st April, 2016) on “Contingencies and events occurring after the Balance Sheet date” proposed final dividend including dividend distribution tax are recognized as liability in the period in which they are approved by the shareholders in the General Meeting unlike requirement of recognizing the same as liability in the period to which it relates. Had the company continued with its current practice, Reserves and Surplus would have been lower by ₹ 31.50 lakh with a corresponding

#### b) Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period and the results from operations during the reporting period. Although these estimates are based on the management’s best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

#### c) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses determined, if any. The cost comprises the purchase price inclusive of duties, taxes, incidental expenses, erection / commissioning expenses and borrowing costs if capitalisation criteria are met and directly attributable cost of bringing the assets to its working condition for the intended use. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. This applies mainly to components for machinery. When significant parts of Property, plant and equipment are required to be replaced at intervals, the company recognizes such parts as individual assets with specific useful lives and depreciates them accordingly.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from the existing assets beyond its previously assessed standard of performance. All other expenses on an existing Property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Items of spares & stores that meet the definition of property, plant and equipment are capitalised at cost and depreciated over the useful life.

Depreciation on Property, plant and equipments is provided under Straight Line basis using the rates determines based on useful life of respective assets on prescribed in the Schedule II of the Companies' Act, 2013

Depreciation on fixed assets added / disposed off during the year is provided on pro-rata basis with reference to the date of addition / disposal.



## **Cinnatolliah Tea Limited**

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**Notes to financial statements as at and for the year ended 31st March, 2017**

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### **d) Intangible Assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Intangible assets being Goodwill are amortised on a straight line basis over a period of 5 years.

### **e) Leases**

#### **Operating Lease**

Leases where the lessor effectively retains substantially all the risks and benefits of the ownership of the leased assets are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on straight line basis over the lease term.

#### **Finance Lease**

Assets acquired under lease agreements which effectively transfer to the company substantially all the risks and benefits incidental to ownership of the leased items, are capitalized at the lower of the fair value of the leased property and present value of minimum lease payment at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and the reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of their liability. Finance charges are charged directly to the expenses account.

### **f) Borrowing Costs**

Borrowing cost includes interest, amortisation of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

### **g) Impairment of Fixed Assets**

The carrying amounts of assets are reviewed at each balance sheet date to determine, if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount which is the greater of the asset's net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

Depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

### **h) Inventories**

Raw Materials, stores and spares are valued at lower of cost and net realizable value. However, these items are considered to be realizable at cost if the finished products, in which they will be used, are expected to be sold at or above cost. Cost of raw materials and stores and spares is determined on annual weighted average method / moving average method.

Finished goods is valued at lower of cost and net realizable value. Finished goods includes cost of conversion and other costs incurred in bringing the inventories to their present location and condition based on normal operating capacity. Cost is determined on weighted average basis.

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



## **Cinnatolliah Tea Limited**

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**Notes to financial statements as at and for the year ended 31st March, 2017**

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### **i) Revenue Recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, which usually coincides with delivery of the goods. The Company collects Sales Tax(s) and Value Added Taxes (VAT) on behalf of the government and, therefore, these not being economic benefits flowing to the Company. Hence, they are excluded from

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

### **j) Retirement and other Employee Benefits**

Retirement benefits in the form of Provident and Pension Funds are defined contribution schemes and are charged to the statement of profit and loss of the period when the contributions to the respective funds are due. The Company has no obligation other than contributions to the respective funds. The Company recognises contribution payable to the provident fund scheme as an expenditure, when an employee renders the selected service.

Gratuity liability being a defined benefit obligation is provided for on the basis of actuarial valuation on projected unit credit method made at the end of each financial year.

Short term compensated absences are provided for based on estimates.

The Company treats accumulated leaves expected to be carried forward beyond twelve months, as long term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the end of each financial year.

Actuarial gains / losses are immediately taken to the statement of profit and loss and are not deferred.

### **k) Income taxes**

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to tax authorities in accordance with Income Tax Act, 1961 enacted in India. Deferred income tax reflects the impact of current year timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier years.

The deferred tax for timing differences between the book and tax profit for the period is accounted for using the tax rates and laws that have been enacted or substantively enacted as of the reporting date. Deferred tax asset is recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized. If the company has carry forward unabsorbed depreciation and tax losses, deferred tax asset is recognized only to the extent that there is virtual certainty supported by convincing evidence that sufficient taxable income will be available in future against which such deferred tax asset can be realized.

The carrying amount of deferred tax assets is reviewed at each reporting date. The company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient taxable income will be available in future.

At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized.



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**Notes to financial statements as at and for the year ended 31st March, 2017**

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**l) Earnings Per Share**

Basic Earning per Share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earning per share, net profit or loss for the period attributable to equity share holders and the weighted average number of shares outstanding during the period are adjusted for the effect of all dilutive potential equity shares.

**m) Cash and Cash Equivalents**

Cash and cash equivalents in the cash flow statement comprise of cash at bank and on hand and short-term investments with an original maturity of three months or less.

**n) Provisions**

A provision is recognized when the company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each reporting date and adjusted to reflect the current management estimates.

**o) Contingent Liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.



# Cinnatolliah Tea Limited

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Notes to financial statements as at and for the year ended 31 March 2017

## 4. Share Capital

	₹ in lakhs	
	As at 31 March 2017	As at 31 March 2016
<b>Authorised:</b>		
2,65,00,000 (50,000) Equity Shares of ₹10/- each	2,650.00	5.00
<b>Total</b>	<b>2,650.00</b>	<b>5.00</b>
<b>Issued, subscribed and fully paid-up:</b>		
2,61,75,396 (50,000) Equity Shares of ₹10/- each	2,617.54	5.00
<b>Total</b>	<b>2,617.54</b>	<b>5.00</b>

### (a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year :

	As at 31 March 2017		As at 31 March 2016	
	No. of shares	₹ in lakhs	No. of shares	₹ in lakhs
<b>Equity Shares of ₹ 10/- each</b>				
Outstanding at the beginning and at the end of the year	50,000	5.00	50,000	5.00
Issued pursuant of the Scheme during the year {Note2(ii)}	26,125,396	2,612.54	-	-
Outstanding at the end of the year	26,175,396	2,617.54	50,000	5.00

### (b) Terms / rights attached to Equity Shares:

Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution to equity shareholders will be in proportion to the amount paid on the shares held by them.

### (c) Details of shareholders holding more than 5% shares in the company:

Name of the shareholder	As at 31 March 2017		As at 31 March 2016	
	No. of shares	% holding in the class	No. of shares	% holding in the class
<b>Equity Shares of ₹ 10/- each</b>				
Upper Ganges Sugar & Industries Lt	-	-	50,000	100%
Ganges Securities Ltd. {Refer note 2 (ii)}	26,175,396	100%	-	-

As per records of the Company, including its register of Shareholders / Members, the above share holdings represent legal ownership of shares.

### (d) Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date;

Name of the shareholder	As at 31st March 2017	As at 31st March 2016
	Equity Shares allotted as fully paid up pursuant to the Scheme [ Note 2 (ii) ]	2,612.54

## Cinnatolliah Tea Limited

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Notes to financial statements as at and for the year ended 31 March 2017

### 5. Reserves and Surplus

	₹ in lakhs	
	As at 31 March 2017	As at 31 March 2016
<b>Surplus / (Deficit) in the Statement of Profit or Loss</b>		
Balance as per last financial statements	(1.13)	(0.29)
Profit / (Loss) for the year	146.51	(0.84)
Add/Less - Adjustment of F.Y.2015-16 due to scheme [Note 2(ii)]	407.11	-
<b>Net Surplus / (Deficit) in the Statement of Profit or Loss</b>	<b>552.49</b>	<b>(1.13)</b>
<b>Total Reserves and Surplus</b>	<b>552.49</b>	<b>(1.13)</b>

### 6. Provisions

	₹ in lakhs			
	Long-term		Short-term	
	As at 31 March 2017	As at 31 March 2016	As at 31 March 2017	As at 31 March 2016
<b>Provision for employee benefits</b>				
Gratuity	116.74	-	15.92	-
Leave	5.90	-	6.15	-
Bonus	-	-	153.56	-
	<b>122.64</b>	-	<b>175.63</b>	-
<b>Other provisions</b>				
For income tax (net of advance tax)	-	-	38.23	-
	-	-	<b>38.23</b>	-
	<b>122.64</b>	-	<b>213.86</b>	-

## Cinnatolliah Tea Limited

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Notes to financial statements as at and for the year ended 31 March 2017

### 7. Deferred Tax Liability (net)

	₹ in lakhs	
	As at 31 March 2017	As at 31 March 2016
<b>Deferred Tax Liability</b>		
Fixed assets : Impact of difference between tax depreciation and depreciation / amortization charged for the financial reporting	92.69	-
	<u>92.69</u>	<u>-</u>
<b>Deferred Tax Asset</b>		
Expenditure allowable against taxable income in future years	85.43	-
	<u>85.43</u>	<u>-</u>
<b>Net Deferred Tax Asset</b>	<u>7.26</u>	<u>-</u>

### 8. Other current liabilities

	₹ in lakhs	
	As at 31 March 2017	As at 31 March 2016
<b>Trade payables</b>		
- Total outstanding dues of micro enterprises and small enterprises	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	41.21	0.06
<b>Other liabilities</b>		
Payable to employees	19.97	-
Advance from Customer	0.09	-
Others -		
Statutory dues	11.64	-
	<u>31.70</u>	<u>-</u>
	<u>72.91</u>	<u>0.06</u>



# Cinnatollah Tea Limited

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Notes to financial statements as at and for the year ended 31 March 2017

## 9. Tangible assets

₹ in lakhs

	Leasehold Land	Buildings	Plants and Equipments	Computer and Data Processing Equipments	Furniture and Fixtures	Vehicles	Office Equipments	Total
<b>Gross block</b>								
At 1st April 2015	-	-	-	-	-	-	-	-
At 31st March 2016	94.55	673.56	684.45	16.31	22.99	116.39	1.97	1,610.22
Transfer pursuant to Scheme of arrangement	-	7.00	24.89	0.53	0.97	26.31	-	59.70
Additions from 1st April 2015 to 31st March 2016	-	-	4.25	-	-	11.26	-	15.51
Disposals from 1st April 2015 to 31st March 2016	-	13.31	31.36	0.63	1.74	17.50	-	64.54
Additions from 1st April 2016 to 31st March 2017	-	-	27.81	-	-	12.58	-	40.39
Disposals from 1st April 2016 to 31st March 2017	-	-	-	-	-	-	-	-
At 31 March 2017	94.55	693.87	708.64	17.47	25.70	136.36	1.97	1,678.56

## Depreciation

At 1 April 2016	-	-	-	-	-	-	-	-
Transfer pursuant to Scheme of arrangement	94.55	162.20	368.18	11.18	16.67	65.48	1.92	710.18
Charges for the year from 1st April 2015 to 31st March 2016	-	12.41	35.36	1.35	0.90	6.86	-	16.88
Disposals for the year from 1st April 2015 to 31st March 2016	-	-	-	-	-	13.43	-	13.43
Charges for the year from 1st April 2016 to 31st March 2017	-	13.36	42.99	2.59	1.27	10.63	-	10.84
Disposals for the year from 1st April 2016 to 31st March 2017	-	-	26.42	-	-	10.63	-	37.05
At 31 March 2017	94.55	187.97	420.11	15.12	18.84	58.91	1.92	797.42

## Net block

At 31 March 2016	-	-	-	-	-	-	-	-
At 31 March 2017	-	505.90	288.53	2.35	6.86	77.45	0.05	881.14

## Cinnatolliah Tea Limited

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Notes to financial statements as at and for the year ended 31 March 2017

### 10. Intangible assets

	₹ in lakhs	
	As at 31 March 2017	As at 31 March 2016
<b>Goodwill</b>		
<b>Gross block</b>	225.28	-
Arisen pursuant to Scheme of Arrangement {note 2(ii)}		-
<b>Closing balance</b>	<b>225.28</b>	<b>-</b>
<b>Amortisation</b>		
Charge for the year	90.12	-
<b>Closing balance</b>	<b>90.12</b>	<b>-</b>
<b>Net block</b>	<b>135.16</b>	<b>-</b>

### 11. Capital Work-in-progress

	₹ in lakhs	
	As at 31 March 2017	As at 31 March 2016
Transfer pursuant of Scheme of Arrangement {note 2(ii)}	10.78	-
Add : Additions during the year	38.61	-
Add: Expenses on Bearer Plant Capitalised during the year *	25.65	-
	75.04	-
Less : Transferred to tangible assets during the year	13.31	-
	<b>61.73</b>	<b>-</b>

\* Note : Includes development expenditure on Bearer Plants of Rs. 25.65 lakhs which meets the definition of "Property, Plant and Equipment as per AS-10, which was hitherto charged to statement of Profit & Loss, has been capitalized during the year ended 31st March, 2017



## Cinnatolliah Tea Limited

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Notes to financial statements as at and for the year ended 31 March 2017

### 12. Loans and advances

	₹ in lakhs			
	Long-term		Short-term	
	As at 31 March 2017	As at 31 March 2016	As at 31 March 2017	As at 31 March 2016
<b>(Unsecured, considered good except stated otherwise)</b>				
Capital Advance	33.15	-	-	-
Sundry Deposits	4.50	-	-	-
Advances recoverable in cash or in kind or for value to be received or pending adjustments	-	-	4.06	-
<b>Other loans and advances</b>				
Prepaid expenses	-	-	8.93	-
Balances with Government Authorities	-	-	0.11	-
Balances with Tea Development Account Scheme, 1990	481.54	-	64.55	-
	<u>519.19</u>	<u>-</u>	<u>77.65</u>	<u>-</u>

### 13. Inventories

	₹ in lakhs	
	As at 31 March 2017	As at 31 March 2016
<b>Valued at lower of cost and net realisable value</b>		
Finished goods	67.49	-
Stores, chemicals and spare parts etc.	67.56	-
	<u>135.05</u>	<u>-</u>

# Cinnatolliah Tea Limited

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Notes to financial statements as at and for the year ended 31 March 2017

## 14. Trade receivables and other assets

### 14.1 Trade receivables

	₹ in lakhs	
	As at 31 March 2017	As at 31 March 2016
<b>Outstanding for a period exceeding six months from the date they are due for payment</b>		
Unsecured, considered good	3.18	-
Considered doubtful	11.82	-
	15.00	-
Less : Provision for doubtful trade receivables	11.82	-
	<b>3.18</b>	-
<b>Other receivables</b>		
Unsecured, considered good	94.66	-
	<b>94.66</b>	-
	<b>97.84</b>	-

### 14.2 Other assets

	₹ in lakhs	
	As at 31 March 2017	As at 31 March 2016
<b>(Unsecured, considered good)</b>		
Interest accrued on deposits	52.98	-
	<b>52.98</b>	-

## Cinnatolliah Tea Limited

(CIN: U15122UP2015PLC069633)

Notes to financial statements as at and for the year ended 31 March 2017

### 15. Cash and bank balances

	₹ in lakhs	
	As at 31 March 2017	As at 31 March 2016
<b>Cash and cash equivalents</b>		
Balance with banks		
On current accounts	4.35	3.90
On cash credit accounts	35.60	-
On tea development account	2.35	-
Cheques / drafts on hand	7.08	-
Cash on hand	6.58	0.03
	<u>55.96</u>	<u>3.93</u>
<b>Other bank balances</b>		
Deposits with original maturity of more than three months and not more than twelve months	1,570.00	-
	<u>1,625.96</u>	<u>3.93</u>

### 16. Revenue from operations

	₹ in lakhs	
	As at 31 March 2017	As at 31 March 2016
<b>Revenue from operations</b>		
Sale of products		
Finished goods - Tea	2,175.59	-
<b>Other operating revenue</b>		
Tea board replanting subsidy	18.57	-
Tea waste sale	1.86	-
<b>Revenue from operations</b>	<u>2,196.02</u>	<u>-</u>

### 17. Other income

	₹ in lakhs	
	As at 31 March 2017	As at 31 March 2016
Interest income on loans, deposits, advances etc.	117.18	-
Unspent liabilities, provision no longer required and unclaimed balances adjusted	0.77	-
Profit on sale of tangible assets (net)	10.23	-
Miscellaneous Receipts	0.01	-
	<u>128.19</u>	<u>-</u>



## Cinnatolliah Tea Limited

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Notes to financial statements as at and for the year ended 31 March 2017

### 18. Change in inventories of Finished Goods, Work In Progress & Traded

	₹ in lakhs	
	As at 31 March 2017	As at 31 March 2016
Inventories at the end of the year		
Finished goods - Tea	67.49	-
Inventories at the beginning of the year {(note 2(ii))}		
Finished goods - Tea	114.41	-
	<u>46.92</u>	<u>-</u>

### 19. Employee benefits expenses

	₹ in lakhs	
	As at 31 March 2017	As at 31 March 2016
Salaries, wages, bonus etc.	947.42	-
Contribution to provident & other funds	106.66	-
Gratuity expenses	37.25	-
Employee's welfare expenses	141.30	-
	<u>1,232.63</u>	<u>-</u>



**Cinnatolliah Tea Limited**

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Notes to financial statements as at and for the year ended 31 March 2017

**20. Finance costs**

	₹ in lakhs	
	As at 31 March 2017	As at 31 March 2016
Interest	0.27	-
	<u>0.27</u>	<u>-</u>

**21. Depreciation and amortisation expenses**

	₹ in lakhs	
	As at 31 March 2017	As at 31 March 2016
Depreciation of tangible assets	70.84	-
Amortisation of intangible assets	45.06	-
	<u>115.90</u>	<u>-</u>

**22. Other expenses**

	₹ in lakhs	
	As at 31 March 2017	As at 31 March 2016
Consumption of store and spares	141.18	-
Power & Fuel	232.18	-
Repairs to and maintenance of :		
Buildings	16.21	-
Machinery	31.78	-
Others	0.95	-
Rent	4.41	-
Rates & Taxes	25.91	0.04
Cess on Tea	5.89	-
Insurance	7.48	-
Payment to Statutory Auditors		0.06
Audit Fees	2.40	
Other Services	0.25	
Payment to Cost Auditors	0.06	-
Commission on sales	35.72	-
Freight & forwarding charges etc.	101.91	-
Bad debts, irrecoverable claims and advances written off	0.01	-
Professional Fees	33.31	-
Miscellaneous expenses	85.63	0.74
	<u>725.28</u>	<u>0.84</u>

**23. Earning per share (EPS)**

	₹ in lakhs	
	As at 31 March 2017	As at 31 March 2016
Profit / (Loss) after tax (for calculation of basic and diluted EPS)	146.51	(0.84)
	Nos.	Nos.
Weighted average number of equity shares in calculating basic & diluted EPS	26,175,396	50,000
Earning per equity share (Nominal value of share ₹ 10)		
Basic & Diluted	0.56	(1.67)

## Cinnatolliah Tea Limited

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Notes to financial statements as at and for the year ended 31 March 2017

### 24. Gratuity - Defined Benefit Plan

The Company has a defined benefit gratuity plan. Every employee who has completed at least five years or more of service is entitled to Gratuity on terms as per the provisions of The Payment of Gratuity Act, 1972. The Company has got an approved gratuity fund which has taken an insurance policy with Life Insurance Corporation of India (LIC) to cover the gratuity liabilities.

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the plan.

#### Statement of profit and loss

##### Net employee benefit expense recognized in employee costs

	Year ended 31.03.2017	Year ended 31.03.2016
	₹ in lakhs	₹ in lakhs
Current service cost	17.78	
Interest cost on benefit obligation	21.93	
Expected return on plan assets	(13.90)	
Net actuarial (gain) / loss recognized in the year	11.44	
<b>Net benefit expense</b>	<b>37.25</b>	<b>-</b>
Actual return on plan assets	14.80	

#### Balance sheet

##### Net Benefit liability / (asset)

	Year ended 31.03.2017	Year ended 31.03.2016
	₹ in lakhs	₹ in lakhs
Present value of defined benefit obligation	317.79	
Fair value of plan assets	185.13	
<b>Plan liability / (asset)</b>	<b>132.66</b>	<b>-</b>

#### Changes in the present value of the defined benefit obligation are as follows :

	Year ended 31.03.2017	Year ended 31.03.2016
	₹ in lakhs	₹ in lakhs
Opening defined benefit obligation	300.08	
Current service cost	17.78	
Interest cost	21.93	-
Benefits paid	(34.34)	
Actuarial (gains) / losses on obligation	12.34	
<b>Closing defined benefit obligation</b>	<b>317.79</b>	<b>-</b>



# Cinnatolliah Tea Limited

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Notes to financial statements as at and for the year ended 31 March 2017

## Changes in the fair value of plan assets are as follows :

	Year ended 31.03.2017 ₹ in lakhs	Year ended 31.03.2016 ₹ in lakhs
Opening fair value of plan assets	188.46	
Expected return	13.90	
Contributions by employer	16.21	
Benefits paid	(34.34)	
Actuarial gains / (losses)	0.90	
<b>Closing fair value of plan assets</b>	<b>185.13</b>	<b>-</b>

The Company expects to contribute Rs. 40 lacs (Rs. lacs) to Gratuity Fund in the next year.

## The major categories of plan assets as a percentage of the fair value of total plan assets are as follows :

	Year ended 31.03.2017 ₹ in lakhs	Year ended 31.03.2016 ₹ in lakhs
Investments with insurer	100%	-

## The principal assumptions are shown below :

	Year ended 31.03.2017 ₹ in lakhs	Year ended 31.03.2016 ₹ in lakhs
Discount rate	7.32%	-
Expected rate of return on assets	7.75%	-
Withdrawal Rates	Varying between 1.80% to 4.20% per annum depending upon the duration and age of the employees	

## Experience History

	31st March 2017 ₹ in lakhs	31st March 2016 ₹ in lakhs
<b>Gratuity</b>		
Defined benefit obligation	317.79	-
Plan assets	185.13	-
Surplus / (deficit)	(132.66)	-
Experience (gain) / loss adjustments on plan liabilities	(0.19)	-
Experience gain / (loss) adjustments on plan assets	0.90	-

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.

The overall expected rate of return on assets is determined based on the market prices prevailing on the date, applicable to the year over which the obligation is to be settled.

Figures for the year 2016 pertaining to Gratuity has not been shown as this was being the first year for the Company pursuant Scheme of Arrangement as detailed in note in 2(ii)

## Defined Contribution Plan :

The Company has recognised the following amount as an expense and included under, "Contribution to Provident & Other Funds"

	31st March 2017 ₹ in lakhs	31st March 2017 ₹ in lakhs
Contribution to Provident / Pension Funds	106.66	-
	<b>106.66</b>	<b>-</b>

## Cinnatolliah Tea Limited

(CIN: U15122UP2015PLC069633)

Notes to financial statements as at and for the year ended 31 March 2017

25. The details of Specified Bank Notes (SBNs) held and transacted during the period 8th November 2016 to 30th December 2016 are as under:

	SBNs (i)	Other	Total
Closing cash in hand as at 8th November 2016	7.60	13.35	20.95
Add : Permitted receipts	-	96.46	96.46
Less : Permitted payments	-	70.84	70.84
Less : Amount deposited in Banks	7.60	-	7.60
Closing cash in hand as at 30th December 2016	-	38.97	38.97

(i) For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated November 2016

26. Details of dues to micro and small enterprises as defined under the MSMED Act, 2006 included in Trade Payables

	As at 31 March 2017	As at 31 March 2016
	₹ in lakhs	₹ in lakhs
<b>Trade payables</b>		
- Total outstanding dues of micro enterprises and small enterprises		
(i) The principal amount and the interest thereon remaining unpaid to the Interest thereon	Nil	Nil
(ii) Total amount of interest paid by the buyer in terms of section 16 of MSMED Act 2006 along with the amounts of payment made to the supplier beyond the appointed day during the accounting year.	Nil	Nil
(iii) Total amount of interest due and payable for the period delay in making payment (which have been paid but beyond the appointed day during the year) but without adding interest specified under MSMED Act 2006	Nil	Nil
(iv) The amount of interest accrued and remaining unpaid at the end of accounting year	Nil	Nil
(v) The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest due as above are actually paid to small enterprises for the purpose of disallowance as deductible under section 23 of MSMED Act 2006	Nil	Nil

The above information has been determined to the extent such parties have been identified on the basis of information available of the company

27. The Board has recommended a dividend @ 10 paise per share (Face Value of Rs.10- per share).

### 28. Related Party Disclosures

#### Names of related Parties and related party relationship

#### Related parties with whom transactions have taken place during the year

Key Management Personnel	Shri Dilip Patodia	-Director
	Shri Santosh Kumar Poddar	-Managing Director
	Shri Rajes Gupta	-Chief Financial Officer

Enterprises owned or significantly Ganges Securities Limited ( Holding Co.)

#### Related party transaction

There is no transactions that have been entered into with related parties for the reporting year .

## Cinnatolliah Tea Limited

(CIN: U15122UP2015PLC069633)

Notes to financial statements as at and for the year ended 31 March 2017

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29. Previous year's figure have been regrouped/ rearranged wherever necessary. Further, the current year figure being inclusive figures of business undertaking of Cinnatolliah Tea Limited, pursuant to the Scheme [Note 2 (ii)] are not comparable with previous year's figures.

### For Singhi & Co.

Chartered Accountants

Firm Registration No : 302049E

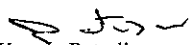
Partner : Anurag Singhi

Membership No.: 066274

Place : Kolkata

Date :30.05.2017

### For and on behalf of the board of directors

  
Dilip Kumar Patodia

Director

DIN No 00482435

  
Santosh Kumar Poddar

Managing Director

DIN No 00055786

  
Rajes Gupta

Chief Financial Officer

