

**P LUNAWAT & ASSOCIATES**  
**Chartered Accountants**

Phone: 4006-0856

E-mail: [plunawatca@gmail.com](mailto:plunawatca@gmail.com)  
"Everest House"  
Suite No. 8C, 8<sup>th</sup> Floor,  
46C, JawaharLal Nehru Road,  
Kolkata - 700 071

Auditor's Report On Annual Financial Results of SPBP Tea (India) Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

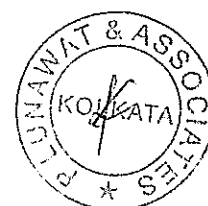
To  
The Board of Directors  
SPBP Tea (India) Limited

1) We have audited the accompanying annual Financial Results of SPBP Tea (India) Limited ("the Company") for the year ended 31st March, 2018, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular no. CIR/CFD/FAC/62/2016 dated 5th July, 2016. These Financial Results have been prepared on the basis of the Annual Audited Ind-AS Financial Statements and reviewed quarterly financial results upto the end of third quarter which are the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to express an opinion on these Financial Results, based on our audit of such Financial Statements, which have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standards (Ind-AS) specified under Section 133 of the Companies Act, 2013 ("the Act") read with relevant rules made there under and other accounting principles generally accepted in India and in compliance with requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2) We conducted our audit in accordance with the auditing standards issued by the Institute of Chartered Accountants of India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Financial Results are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed in the Financial Results. An audit also includes assessing the accounting principles used and significant estimates made by the management. We believe that our audit provides a reasonable basis for our opinion.

3) Basis for Qualified Opinion

*The Company has not provided liability on account of terminal benefits (gratuity) in accordance with IND AS-19 "Employee Benefits" amounting to Rs.245.61 Lakhs for the year in the financial statement, which constitutes a departure from the Indian Accounting Standards prescribed in section 133 of the Companies Act, 2013.*



*Had the Provision been made in the financial statements for the year, the Provision would have been increases by Rs 245.61 Lakhs as at 31<sup>st</sup> March 2018 and in the current financial year gain of Rs 7.30 lakhs due to actuarial gain, retained earning "under other equity" would have been reduced by Rs 252.89 lakhs.*

4) Opinion

Subject to above, in our opinion and to the best of our information and according to the explanations given to us, these Financial Results:

- (i) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard; and
- (ii) give a true and fair view of the net loss, total comprehensive income and other financial information for the year ended 31st March, 2018.

5) The statement includes the results for the quarter ended 31st March, 2018 (considered audited) being the derived figures between the audited figures in respect of the current full financial year ended 31st March, 2018 and the published year-to-date figures upto 31st December, 2017, being the date of the end of the 3rd quarter of the current financial year which were reviewed by us.

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



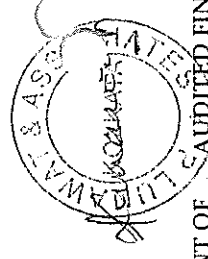
*Pankaj Lunawat*

(PANKAJ LUNAWAT)  
Proprietor  
Membership No. 067104

Place: Kolkata  
Date: 30<sup>th</sup> May, 2018

SPBP TEA (INDIA) LIMITED  
Registered Office Crescent Tower  
4th Floor, Room No 4E  
229, A.J.C Bose Road  
Kolkata- 700020

CIN NO L0132WB1981PLC197045



STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31st MARCH, 2018

(Rs in Lakhs)

PARTICULARS	Quarter ended March 31, 2018	Quarter ended March 31, 2017	Preceding Quarter ended December 31, 2017	Year ended March 31, 2018	Year ended March 31, 2017
	(AUDITED)	(AUDITED)	(UNAUDITED)	(AUDITED)	(AUDITED)
1. Revenue from Operations					
a) Net Sales / Income from Operation (Including of excise duty)	161.31	358.78	571.94	1,549.74	1,415.40
b) Other Income	0.18	7.91	0.03	0.22	8.06
<b>Total Income</b>	<b>161.49</b>	<b>366.69</b>	<b>571.97</b>	<b>1,549.96</b>	<b>1,423.46</b>
2. Expenses					
a) Cost of Materials Consumed	7.37	3.61	34.57	169.00	182.22
b) Changes in Inventories of Finished Goods	114.52	279.83	189.79	4.99	66.87
c) Employee Benefits Expense	117.22	79.33	181.11	768.94	640.26
d) Power & Fuel	22.01	39.24	65.69	214.49	191.85
e) Finance Costs	28.92	39.41	24.35	103.36	113.94
f) Depreciation & Amortisation	17.15	18.57	15.86	63.65	60.92
g) Other Expenses	(34.46)	46.62	53.17	223.78	221.92
<b>Total Expenses</b>	<b>272.73</b>	<b>506.61</b>	<b>564.54</b>	<b>1,548.21</b>	<b>1,477.98</b>
3. Profit/(Loss) before Tax (1-2)	(111.23)	(139.92)	7.43	1.76	(54.52)
4. Tax Expense					
a) Current Tax	-	-	-	-	-
b) Deferred Tax	9.20	-	-	9.20	16.26
5. Net Profit/(Loss) for the period/ year (3-4)	(120.44)	(139.92)	7.43	(7.45)	(70.78)
6. Other comprehensive Income					
a) Items that will not be reclassified to profit or loss					
- Remeasurement of Defined Benefit Plans	-	-	-	-	-
- Fair value loss/gain on long term investment	5.34	-	-	5.34	(3.59)
b) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-
c) Items that will be reclassified to profit or loss	-	-	-	-	-
d) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-
7. Total comprehensive Income for the Period/Year (5+6)	(115.10)	(139.92)	7.43	(2.11)	(74.37)
8. Paid-up Equity Share Capital (Face Value of Rs.10/- per share)	93.72	93.72	93.72	93.72	93.72
9. Earnings Per Share (of Rs. 10/- each)					
(not annualised)					
a) Basic	(12.85)	(14.93)	0.79	(0.79)	(7.55)
b) Diluted	(12.85)	(14.93)	0.79	(0.79)	(7.55)



*Handwritten signature*

## Notes :

## 1 Statement of Assets and Liabilities as at 31st March, 2018

	As at 31st March, 2018	As at 31st March, 2017
<b>A S S E T S</b>		
<b>Non-Current Assets</b>		
(a) Property, Plant and Equipment	914.59	853.49
(b) Capital Work-in-Progress	-	23.27
(c) Goodwill	22.53	22.53
(d) Other Intangible Assets	2.46	3.04
(e) Financial Assets	-	-
(i) Investments	21.02	15.68
(iii) Other Financial Assets	23.88	23.88
(f) Deferred Tax Asset (Net)	27.79	37.00
(g) Other Non-Current Assets	3.28	4.28
<b>Total Non - Current Assets</b>	<b>1,015.57</b>	<b>983.18</b>
<b>Current Assets</b>		
(a) Inventories	266.47	291.65
(b) Biological Assets other than bearer plants	4.27	7.04
(c) Financial Assets	-	-
(i) Trade Receivables	35.33	16.08
(ii) Cash and Cash Equivalents	17.56	9.37
(iii) Loans	129.00	129.00
(iv) Other Financial Assets	43.03	11.31
(d) Current Tax Assets (Net)	20.20	9.79
(e) Other Current Assets*	106.21	117.41
<b>Total Current Assets</b>	<b>622.07</b>	<b>591.64</b>
<b>Total Assets</b>	<b>1,637.64</b>	<b>1,574.82</b>
<b>E Q U I T Y A N D L I A B I L I T I E S</b>		
<b>Equity</b>		
(a) Equity Share Capital	93.72	93.72
(b) Other Equity	217.06	219.17
<b>Total Equity</b>	<b>310.78</b>	<b>312.89</b>
<b>Liabilities</b>		
<b>Non-Current Liabilities</b>		
(a) Financial Liabilities		
Borrowings	37.34	46.21
<b>Total Non- Current Liabilities</b>	<b>37.34</b>	<b>46.21</b>
<b>Current Liabilities</b>		
(a) Financial Liabilities		
(i) Borrowings	1,009.42	904.98
(ii) Trade Payables	93.71	120.07
(iii) Other Financial Liabilities	124.07	138.47
(b) Other Current Liabilities*	29.43	22.51
(c) Provision	32.89	29.69
<b>Total Current Liabilities</b>	<b>1,289.52</b>	<b>1,215.72</b>
<b>Total Equity and Liabilities</b>	<b>1,637.64</b>	<b>1,574.82</b>

\* Consequent to the introduction of GST, inter-state stock transfer of good has become taxable with availability of input tax credit, the utilisation of which is available in subsequent periods. As a result, movement in Other Current Assets and Other Current Liabilities is not comparable with earlier period.

- The financial results of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016. The Company adopted Ind AS from 1st April, 2017, and accordingly, the financial results for the quarter ended 31st March, 2018 (including for all the periods presented in accordance with Ind AS 101 - First-time Adoption of Indian Accounting Standards) have been prepared in accordance with the recognition and measurement principles in Ind AS 34 - Interim Financial Reporting, prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued there under and the other accounting principles generally accepted in India.
- In regard to Tea business the value of consumption of raw materials includes green leaf purchased from the parties and own raw materials. As the production of green leaf (Raw materials consumed by the Company for manufacture of Tea) is also from the Company's own estate and involves integrated process having various stages as nursery, planting, cultivation etc. their values at the intermediate stages could not be ascertained.
- The Company is engaged in the business of cultivation, manufacture and sale of tea which is seasonal in character and due to consignment sale during the first quarter, sales has been recorded based on account sale received so far, hence the foregoing figures should not be construed as being representative of likely results for the year ended 31.03.2018
- Segment Reporting as defined in Indian Accounting Standard-108 is not applicable since the operation of the Company relates to only one segment i.e. "Manufacturing and Sale of Tea".
- The above Audited Financial Results for the quarter and year ended 31st March, 2018 were reviewed by the Audit Committee and approved by the Board of Directors of the Company at their respective meetings held on 30th May, 2018. Limited Review of the Audited Financial Results for the quarter ended 31st March, 2018, as required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been carried out by the Statutory Auditors of the Company.
- This Statement is as per Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.



- 7) A Reconciliation between the profit as reported earlier (Previous GAAP) and the Ind AS recast profits for the corresponding quarter and year ended March 31, 2017 is given below previous Generally Accepted Accounting Principles (GAAP) is summarised as follows:

Particulars	(Rs in Lakhs)	
	Quarter ended March 31, 2017	For Year ended March 31, 2017
Net Profit as per erstwhile India GAAP	(151.99)	(66.59)
Adjustment:		
Effect of changes in fair value of Biological Assets	-	4.60
Changes in Inventories of Raw Material	-	0.81
Deferred tax	-	(9.61)
Other Comprehensive Income	-	(3.59)
Net Profit as Ind AS	(151.99)	(74.38)
<b>Total Comprehensive Income</b>	<b>(151.99)</b>	<b>(74.37)</b>

- 8) A Reconciliation between the equity as reported earlier (Previous GAAP) and the equity as per Ind AS as at 31 March, 2017 is given below:-

Particulars	(Rs in Lakhs)	
	31st March 2017	1st April 2016
Total equity (shareholder's funds) as per previous GAAP	306.02	372.61
Adjustments:		
Changes in Inventories of Raw Material	1.98	1.17
Effect of recognizing Biological Assets	7.04	2.44
Effect of recognizing Provision for Employee Benefit		
Deferred Tax	3.93	13.54
Effect of change in Fair Value of Investments	(6.08)	(2.49)
<b>Total Equity as per Ind AS</b>	<b>312.89</b>	<b>387.27</b>

9) Exemptions applied at transition

Ind AS 101 (First-time Adoption of Indian Accounting Standards) provides a suitable starting point for accounting in accordance with Ind AS and is required to be mandatorily followed by first-time adopters. Ind AS 101 allows first-time adopters exemptions from the retrospective application of certain requirements under Ind AS.


The Company has applied the following exemptions in its financial results:-

- Property, Plant and Equipment were carried in the Statement of Financial Results prepared under previous GAAP as at 31st March, 2016. The Company has elected to regard such carrying amount as deemed cost at the date of transition i.e. 1st April, 2016.
- Under previous GAAP, Investments were stated at lower of cost and fair value. Under Ind AS, these Instruments are required to be measured at Fair Value. Fair Value Changes with respect to Investments in Equity Instruments have been recognised in FVTOCI - Equity Investments as at the date of transition and subsequently in other comprehensive income for the Year ended 31st March, 2017. This has decreased FVTOCI Equity Investments by Rs 15.68 Lakhs as at 31st March, 2017 (1st April, 2016 Rs 19.27 Lakhs)
- Consequent to the introduction of Goods and Services Tax (GST) with effect from 1st July, 2017 Central Excise Duty, Value Added Tax (VAT), etc. have been replaced by GST. In accordance with Indian Accounting Standard -18 on Revenue and Schedule III of the Companies Act, 2013, GST, VAT, and Excise are not included in Gross Revenue from sale of products for applicable periods. In view of the aforesaid restructuring of indirect taxes, Gross Revenue from sale of products and excise duty for the quarter and year ended 31st March, 2018 are not comparable with the previous periods. As a result of introduction of GST, Stock Transfer from Tea Estate in Durrung, Assam to Head Office in Kolkata during the quarter ended 31st March, 2018 was subjected to IGST and hence was considered as a Sale of Durrung Tea Estate of the Company and Purchase of the Head Office of the Company. As a whole, this simultaneous sale and purchase has no effect on the Financial Statements of the Company.
- The Limited Review, as required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been completed and the related Report forwarded to the Stock Exchanges. This Report does not have any impact on the above 'Results and Notes' for the Quarter and year ended 31st March, 2018 which needs to be explained.
- The Company hereby declares that the Auditors have issued modified opinion in their Audit Report for financial statements for the year ended 31st March, 2018 in so far as it relates to non-provision of gratuity liabilities as per payment of Gratuity Act 1972 amounting to Rs. 245.61 lakhs for the year.
- Figures for the quarter ended 31st March, 2018 represents the derived figures between the audited figures in respect of the current full financial year ended 31st March, 2018 and the published year-to-date reviewed figures upto 31st December, 2017, being the date of the end of the 3rd quarter of the current financial year.
- The figures of previous periods for the quarter and year ended 31st March, 2017 were audited by other firm of Chartered Accountants.

Figures for the previous period /year have been re-arranged /re-grouped wherever found necessary.

Place: Kolkata  
Date: 30th May, 2018




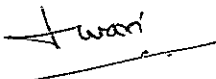

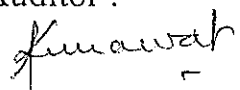
  
Manish Kumar  
(Director)  
DIN No: 00121900

**Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results**

**Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2018**

**(Rs. in Lakhs, unless otherwise stated)**

<b>I.</b>	<b>Sl. No.</b>	<b>Particulars</b>	<b>Audited Figures (as reported before adjusting for qualifications)</b>	<b>Adjusted Figures (audited figures after adjusting for qualifications)</b>
	1.	Turnover / Total income	1,549.96	1,549.96
	2.	Total Expenditure	1,548.21	1540.91
	3.	Net Profit/ (Loss)	(7.45)	(0.15)
	4.	Earnings Per Share (Amount in Rs.)	(0.79)	(0.02)
	5.	Total Assets	1,637.64	1,637.64
	6.	Total Liabilities	1,326.86	1,572.47
	7.	Net Worth	310.78	65.17
	8.	Any other financial item(s) (as felt appropriate by the management)	-	-
<b>II.</b>	<b><u>Audit Qualification(each audit qualification separately):</u></b>			
	a.	<b>Details of Audit Qualification :</b> <i>The Company has not provided liability on account of terminal benefits (gratuity) in accordance with Ind AS 19 "Employees Benefit" amounting to Rs.245.61/- Lakhs for the year in the financial statement, which constitutes a departure from the Indian Accounting Standards prescribed in section 133 of the Companies Act, 2013.</i> <i>The outstanding amount of the provisions in the financial statement would have increased by Rs.245.61/- Lakhs as at March 31, 2018, and "profit" for the year and "retained earnings" under other equity would have increases by Rs 7.30/- Lakhs due to actuarial gain and Rs.252.89 Lakhs respectively.</i>		
	b.	<b>Type of Audit Qualification :</b> Qualified Opinion / Disclaimer of Opinion / Adverse Opinion  Qualified Opinion		
	c.	<b>Frequency of Qualification :</b> Whether appeared first time / repetitive / since how long continuing  <b>Appearing First Time</b>		
	d.	<b>For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views :</b> The company is following the practice of payment of Gratuity on actual payment basis for years together and the same is being followed in the current year also.		

	e. For Audit Qualification(s) where the impact is not quantified by the auditor :
	(i) Management's estimation on the impact of audit qualification: <u>Not Applicable</u>
	(ii) If management is unable to estimate the impact, reasons for the same: <u>Not Applicable</u>
	(iii) Auditor's Comments on (i) or (ii) above : <u>Not Applicable</u>
<b>J.</b>	<b><u>Signatories :</u></b>
	<ul style="list-style-type: none"> <li>CEO/ Managing Director :  <b>PURUSHOTTAM DALMIA</b></li> </ul>
	<ul style="list-style-type: none"> <li>CFO :  <b>DHARMENDRA MAHESHWARI</b></li> </ul>
	<ul style="list-style-type: none"> <li>Audit Committee Chairman :  <b>MANISH KUMAR</b> (DIN: 00121900)</li> </ul>
	<ul style="list-style-type: none"> <li>Statutory Auditor :  <b>Pankaj Lunawat</b> Membership No.:067104</li> </ul>

Place: **Kolkata**

Date: 30.05.2018