



## REVIEW REPORT TO

THE BOARD OF DIRECTORS OF  
**THE ANANDA-BAG TEA COMPANY LTD.**

1. We have reviewed the accompanying statement of Unaudited Financial Results of **The Ananda-Bag Tea Company Ltd.** ("the Company") for the Quarter/nine months ended 31 December, 2017 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated 5<sup>th</sup> July 2016.
2. The preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" (Ind AS 34) prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies Act (Indian Accounting Standards) Rules 2015 read with SEBI Circular No. CIR/CFD/FAC/62/2016 has been approved by the Board of Directors of the Company. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and an analytical procedure applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
- 4 We invite your attention in the statement in respecting following :
  - (a) Note 2 regarding provision of taxation for the relevant quarters/nine months ended 31<sup>st</sup> December, 2017.



(b) Note 3 regarding treatment of gratuity

(c) Note 4 regarding valuation of stock

5. Based on our review conducted as stated above and read with our comments in paragraph 4 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the aforesaid Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI, (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated 5<sup>th</sup> July 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For **K. RAY & CO**  
Chartered Accountants  
(Firm's Registration No. 312142E)



A handwritten signature in black ink, appearing to read "Supratim Roychoudhury".

Supratim Roychoudhury  
Partner  
Membership No.: 066040

**Kolkata** 14<sup>th</sup> February, 2018

# THE ANANDA-BAG TEA COMPANY LIMITED

Regd. Office : 11E, Everest House, 46C, J.L. Nehru Road, Kolkata-700 071

(Rs. in Lakhs)

Statement of Standalone Unaudited Financial Results for the Quarter and Nine Months Ended 31<sup>st</sup>. December 2017

DESCRIPTION		3 Months ended	Preceding 3 Months ended	corresponding 3 months ended	Nine Months Ended	
		(Unaudited)			(Unaudited)	
		31.12.2017	30.09.2017	31.12.2016	31.12.2017	31.12.2016
<b>Income from operations.</b>						
a) Net Sales / Income from Operations (Net of Excise Duty)	1	1,112.01	1,065.93	1078.96	3,370.26	3,261.93
b) Other Operating Income	2	39.66	42.01	52.65	119.36	136.30
<b>Total income from operations(net)</b>	3	1,151.68	1,107.94	1,131.61	3,489.62	3,398.23
<b>Expenses</b>						
a) Cost of materials consumed		151.79	193.95	90.34	454.64	365.85
b) Purchases of stock-in-trade		281.26	330.72	602.44	939.35	1,753.54
c) Change in inventories of finished goods, and stock-in-trade		158.38	(164.45)	118.26	284.51	(319.30)
d) Employee & Labour benefits expenses		231.42	259.71	156.59	660.51	586.65
e) Depreciation		15.97	12.90	16.01	47.93	48.01
f) Other Expenditure						
i) Stores & spare parts consumed		61.05	86.94	50.43	256.76	346.10
ii) Freight and charges		43.39	50.68	31.22	119.67	109.59
iii) Others Expenses		170.90	203.52	164.68	522.85	533.80
<b>Total expenses</b>	4	1,114.15	973.97	1,229.97	3,286.22	3,424.24
<b>Profit from Operations before Other Income, financial costs and exceptional items (3-4)</b>	5	37.52	133.97	(98.36)	203.40	(26.01)
<b>Finance costs</b>	6	15.93	23.19	11.30	58.15	51.47
<b>Profit from ordinary activities after finance costs but before exceptional items(5-6)</b>	7	21.59	110.78	(109.66)	145.25	(77.48)
<b>Exceptional Items</b>	8	-	-	-	-	-
<b>Profit From ordinary Activities before Tax(7-8)</b>	9	21.59	110.78	(109.66)	145.25	(77.48)
<b>Provision for Taxation - (Refer Note )</b>						
a) Current Tax	10	3.00	3.00	-	6.00	8.00
b) Deferred Tax-(Release) / Charge	11	7.03	1.22	(2.98)	8.25	1.82
<b>Net Profit from Ordinary Activities after Tax(9-10+/-11)</b>	12	11.56	106.56	(106.68)	131.00	(87.30)
<b>Other Comprehensive Income</b>	13	(11.09)	(6.53)	(0.50)	(17.91)	(18.89)
<b>total Comprehensive Income (12+/-13)</b>	14	0.47	100.03	(107.18)	113.09	(106.19)
<b>Paid-up Equity Share Capital</b> (Face Value: Rs.10/- Per Share)		17.50	17.50	17.50	17.50	17.50
<b>Reserve excluding Revaluation reserves as per balance sheet of previous accounting year</b>				-	-	-
<b>Basic and Diluted Earning per Share(Rs)</b>		0.27	57.16	(61.24)	64.62	(60.68)

The financial results of the Company have been prepared in accordance with Indian Accounting Standard (Ind AS) notified under the Companies (Indian Accounting Standards) Rule, 2015 as amended by the Company (Indian Accounting Standards) (Amendment) Rules, 2016. The Company adopted IndAS from 1st April 2017, and accordingly, these financial results (including for all periods presented in accordance with IndAs 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 the relevant rules issued thereunder and the other accounting principles generally accepted in India.



A Reconciliation of the financial results those reported under previous Generally Accepted Accounting Principles (GAAP) are summarized as follows.

Sr. No.	Particulars	(Rs. in lakhs)	
		Quarter ended 31.12.2016	Nine months ended 31.12.2016
	Net Profit/(Loss) for the period under previous GAAP	(100.43)	(68.55)
	Fair value changes (+/-) in the carrying value of investments which under previous GAAP was accounted for at cost.(Refer Note – 2)	0.50	18.89
	Impact of depreciation on recognizing bearer plants on the basis of Ind As 16	(6.25)	(18.75)
	Total comprehensive Income under Ind As	(107.18)	(106.19)

- (a) For fixed assets other than bearer plants, the Company has considered carrying cost on the date of transition as the deemed cost.
- (b) Under INDAS, tea bushes representing bearer plants have been recognized as depreciable items of PPE, fair valued on the date of transition in accordance with exemptions available in IND AS 101 and recognized as deemed cost. These are depreciated over the remaining useful life of the bearer plants. The consequent impact on depreciation is reflected in profit and loss.
- (c) Stock of tea is valued at lower of cost and net realizable value. Cost computed under INDAS comprises of fair value of green leaf plucked from the Company's estate less cost to sell at the point of harvest and estimated cost of production for the full year. However, under previous GAAP, cost comprised of the estimated cost of production (including costs for plucked green leaf) for the full year. In case of stock of tea produced out of purchases of green leaf, element of cost of green leaf is taken at purchases price of green leaf and estimated cost of production as explained above.



- d) In view of recognition of bearer plants, expenditure on uprooting and replanting of tea bushes under INDAS that qualifies for capitalization and has, therefore, been recognized as PPE/CWIP as the case may be and depreciated, as applicable over the remaining useful life. Under previous GAAP such expenditure incurred were treated as revenue expenditure.
- (e) Under previous GAAP biological assets were not required to be recognized. Under INDAS, these have been recognized at fair value less costs to sell and change in the fair value has been recognized in profit and loss.
- (f) Under previous GAAP, non-current investments were valued at cost. Where applicable, provision was made to recognize a decline, other than temporary, in valuation of such investments. Under INDAS, financial assets in equity instruments have been classified as Fair Value through Other Comprehensive Income (FVTOCI) on the date of transition.
2. The Company is engaged in the business of cultivation, manufacture and sale of tea which is seasonal in nature and the performance can be impacted by weather conditions and cropping pattern and as such the foregoing results should not be construed as being representative of the likely result for the year ending 31<sup>st</sup> March 2018. Hence provision for Income Tax has not been considered as the same is computed and provided in the annual accounts for the year ending 31<sup>st</sup> March, 2018. The payment during the periods shown in the statement represent only the advance payment of income tax.
3. The Company is consistently accounting for Gratuity for its employees in its annual accounts to the extent of payments made to the Company's gratuity fund and accordingly for the purpose of compilation of the aforesaid statement the payments made during the quarter/nine months in the above statement has been recognized.
4. Stock of the as on 31<sup>st</sup> December 2017 is valued at lower of cost and net realizable value. Cost being estimated cost of production and expenditure for the year ending 31<sup>st</sup> March 2018 and fair value of green leaf plucked from the Company's estate and at purchased price from the other tea estate which are used as raw material for production of made tea. Production of tea not being uniform through out the year, stock valuation would be unrealistic if it is based on actual expenditure and production up to 31<sup>st</sup> December 2017. The aforesaid method of stock

 Dilip Singh



valuation (based on estimated production and expenditure for the full year) is consistent with the accounting policy followed by the Company for the purpose of quarterly results in the past. Valuation of stock of tea as at 31<sup>st</sup> March 2018 will be based on actual cost of production and expenditure, other than green leaf plucked, which will be at fair value.

5. The value of consumption of materials does not include the cost of production of green leaf ( raw materials consumed by the Company for the manufacture of tea ) from the Company's own estate as it involves integrated process having various stages such as nursery, planting, cultivation etc. and their values at the intermediate stage is not readily ascertainable.
6. Consequent to the adoption of IND AS, the Company has identified one operating segment viz "Tea".
7. Previous period figures have been regrouped / rearranged wherever necessary to conform to the current period's classification.
8. The unaudited Financial Results were reviewed by the Audit Committee at the meeting held on 14<sup>th</sup> February, 2018 and were approved the meeting of the Board of Directors of the Company held on 14<sup>th</sup> February, 2018.

#### Limited Review

The limited Review of the financial results and accompanying notes 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 Exchange and are also available on the Company's website [www.anandabag.com](http://www.anandabag.com). This Report has observations that have been dealt with in Note nos. 2 , 3 and 4 above which are self explanatory.

For The Ananda Bag Tea Company Limited

Place : Kolkata  
Date : 14<sup>th</sup> February, 2018



  
Niraj Chokhani  
Managing Director

