

M.C.RANGANATHAN & CO.

Chartered Accountants

INDEPENDENT AUDITORS' REPORT

To the members of Tata Tea Holdings Private Limited.

Report on the Indian Accounting Standards (Ind AS) Financial Statements

1. We have audited the accompanying financial statements of Tata Tea Holdings Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017 the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements

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

Auditors' Responsibility

3. Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including 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 thereunder.

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5. We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its loss (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matter

9. The financial information of the Company for the year ended March 31, 2016 and the transition date opening balance sheet as at April 1, 2015 included in these Ind AS financial statements, are based on the previously issued statutory financial statements for the years ended March 31, 2016 and March 31, 2015 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) on which we expressed an unmodified opinion. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us.

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Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order.
11. 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) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
 - (d) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - (e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 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 Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
 - i. The Company does not have any pending litigations on its financial position in its financial statements
 - ii. The Company did not have any long-term contracts including derivative contracts as at March 31, 2017
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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(h) Based on the information and explanations provided to us, the company the Company does not have any transactions in Specified Bank Notes during the period from 8th November 2016 to 30th December 2016 and these are in accordance with the books of accounts maintained by the Company.

for **M C Ranganathan & Co**

Chartered Accountants

Firm's registration number: 003061S



S.V.Mathangi

Partner

Membership number: 207228

Chennai

M.C.RANGANATHAN & CO.

Chartered Accountants

Annexure A

Referred to in paragraph 10 on 'Report on Other Legal and Regulatory Requirements' of our report of even date

- (i) The Company does not have any Fixed Assets and hence reporting under clause (i) of the CARO 2016 is not applicable
 - (ii) The Company does not have any inventory and hence reporting under clause (ii) of the CARO 2016 is not applicable.
 - (iii) The company has not granted any loans, secured or unsecured to parties covered in the register maintained under section 189 of the Act and hence reporting under clause (iii) of the CARO 2016 is not applicable
 - (iv) The Company has not granted any loans, made investments, provided guarantees or security, and hence reporting under clause (iv) of the CARO 2016 is not applicable
 - (v) Based on our audit procedures & according to the information and explanation given to us, the Company has not accepted any deposits from the public within the meaning of the Act and the rules made there under and hence clause (v) is not applicable.
 - (vi) The Company is not required to maintain cost records specified by the Central Government under sub-section (1) of section 148 of the Act
 - (vii) According to the information and explanations given to us and the records of the Company examined by us, no amounts are payable by the Company towards statutory dues including provident fund, employees' state insurance, income-tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess. According to the information and explanation given to us and the records of the Company examined by us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues were in arrears, as at 31st March 2017 for a period of more than six months from the date they became payable.
 - (viii) The company has not taken any loans or borrowings from banks, financial institutions, government or has not issued any debentures. Hence reporting under clause (viii) of the CARO 2016 is not applicable.
 - (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the CARO 2016 is not
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applicable

- (x) To the best of our knowledge and belief and according to the information and explanations given to us, we report that no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) Based on our audit procedures and as per the information and explanations given to us, the company does not have a whole-time director or managing director. Accordingly, the provisions of clause (xi) of the Order are not applicable.
- (xii) The Company is not a Nidhi company in accordance with Nidhi Rules 2014. Accordingly, the provisions of clause (xii) of the Order are not applicable.
- (xiii) Based on our audit procedures and according to the information and explanations given to us, all the transactions entered into with the related parties during the year are in compliance with Section 177 and Section 188 of the Act where applicable and the details have been disclosed in the Financial statements etc. as required by the applicable accounting standards.
- (xiv) Based on our audit procedures and according to the information and explanations given to us, the Company has not made any preferential allotment/private placement of shares/ fully or partly convertible debentures during the year under review
- (xv) Based on our audit procedures and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) Based on our audit procedures and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of Reserve Bank of India Act, 1934.

for **M C Ranganathan & Co**

Chartered Accountants

Firm's registration number: 003061S



S.V.Mathangi

Partner

Membership number: 207228

Chennai

M.C.RANGANATHAN & CO.

Chartered Accountants

Annexure B

Referred to in paragraph 11(f) on ‘Report on Other Legal and Regulatory Requirements’ of our report of even date

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Tata Tea Holdings Private Limited (“the Company”) as of March 31, 2017 in conjunction with our audit of the standalone 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

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

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internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

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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 maintained, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 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 the Institute of Chartered Accountants of India.

for M C Ranganathan & Co

Chartered Accountants

Firm's registration number: 003061S



S.V.Mathangi

Partner

Membership number: 207228

Chennai

TATA TEA HOLDINGS PRIVATE LIMITED
Balance Sheet as at 31st March, 2017

	Note	31st March 2017	31st March 2016	figures in Rupees 1st April 2015
Assets				
Current Assets				
Cash and Cash Equivalents	3	126,730	126,730	126,730
Total		126,730	126,730	126,730
Equity and Liabilities				
Equity				
Equity Share Capital	4	500,000	500,000	500,000
Other Equity	5	(478,451)	(466,309)	(421,335)
Current Liabilities				
Other Current Liabilities	6	105,181	93,039	48,065
Total		126,730	126,730	126,730
Summary of Significant Accounting Policies	2			

The Notes are an integral part of the Financial Statements.

This is the Balance Sheet referred to in our Report of even date.




For M C Ranganathan & Co.
Chartered Accountants
Firm Registration No. 0030615

Krishnamoorthy Venkataramanan
Director



V Madan
Director

S.V. Mathangi
Partner
Membership No. 207228

Chennai
Date: 19th May, 2017

TATA TEA HOLDINGS PRIVATE LIMITED
Statement of Profit and Loss for the year ended 31st March, 2017

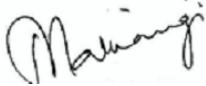
	<u>Note</u>	<u>31st March 2017</u>	<u>figures in Rupees</u> <u>31st March 2016</u>
EXPENSE			
Other Expenses			
Auditor's Remuneration			
Audit fees		11,500	11,236
Professional Fees		-	33,738
Misc Exp		642	-
Total Expenses		12,142	44,974
(Loss) Before Tax		(12,142)	(44,974)
Tax Expense		-	-
(Loss) for the Year		(12,142)	(44,974)

Earnings per Equity Share (Nominal Value per Share Rs. 10 each)		
Basic and Diluted	(0.24)	(0.90)
Number of Shares in computing Earnings per Share		
Basic and Diluted	50,000	50,000

Summary of Significant Accounting Policies **2**

The Notes are an integral part of the Financial Statements.

This is the Statement of Profit and Loss referred to in our Report of even date.




For M C Ranganathan & Co.
Chartered Accountants
Firm Registration No. 003061S

Krishnamoorthy Venkataramanan
Director



V Madan
Director

S.V. Mathangi
Partner
Membership No. 207228

Chennai
Date: 19th May, 2017

TATA TEA HOLDINGS PRIVATE LIMITED
Statement of Changes in Equity

A. Equity Share Capital

figures in Rupees

For the year ended 31st March 2017

Balance as at 31st March 2016	Changes in Equity share capital during the year	Balance as at 31st March 2017
50,000	-	50,000

For the year ended 31st March 2016

Balance as at 31st March 2015	Changes in Equity share capital during the year	Balance as at 31st March 2016
50,000	-	50,000

B. Other Equity

Particulars	31st March 2017	31st March 2016
Balance as at 1st April	(466,309)	(421,335)
Profit/Loss for the year	(12,142)	(44,974)
Balance as at 31st March	(478,451)	(466,309)

For M C Ranganathan & Co.
Chartered Accountants
Firm Registration No. 003061S

Krishnamoorthy Venkataramanan
Director




S.V. Mathangi
Partner
Membership No. 207228



V. Madan
Director

Chennai
Date: 19th May, 2017

TATA TEA HOLDINGS PRIVATE LIMITED
Notes forming part of the Financial Statements

1) OVERVIEW OF THE COMPANY

Tata Tea Holdings Private Limited ("the Company") is a Wholly-Owned Subsidiary of Tata Global Beverages Limited ("the Holding company"). The Company is a private limited company incorporated and domiciled in India and has its registered office at Bengaluru, Karnataka, India. The company has been incorporated with the objective of making core investments. However, no investment activities have yet been undertaken. The company is exploring possible business opportunities in the future with continued operating commitment from the Holding Company.

2) SIGNIFICANT ACCOUNTING POLICIES:

(a) Accounting Convention

The financial statements are prepared to comply in all material aspects 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

For all periods upto and including the year ended 31 March 2016, the Company prepared its financial statements in accordance with the accounting standards notified under the Section 133 of the Companies Act, 2013, read together with Companies (Accounts) Rules 2014 (Indian GAAP). These are the Company's first annual financial statements prepared in accordance with Indian Accounting Standards (Ind AS). The Company has adopted all applicable Ind AS standards and adoptions were carried out in accordance with Ind AS 101 – First time adoption of Indian Accounting Standards. There has been no impact of the transition to Ind AS in the reported financial position, financial performance and cash flows of the Company.

(b) Basis of Accounting

The financial statements have been prepared in accordance with the historical cost convention and on accrual basis.

3) CASH AND CASH EQUIVALENTS	31st March 2017	31st March 2016	figures in Rupees 1st April 2015
Cash and Cash Equivalents			
Bank Balance in Current Account	126,730	126,730	126,730
	126,730	126,730	126,730

4) SHARE CAPITAL	31st March 2017	31st March 2016	figures in Rupees 1st April 2015
Authorised			
2000000 Equity Shares of Rs.10 each	20,000,000	20,000,000	20,000,000
Issued, Subscribed and Paid-up			
50000 Equity Shares of Rs.10 each, fully paid	500,000	500,000	500,000
	500,000	500,000	500,000

The details of Shareholders holding more than 5% shares as at 31 March 2014 is set out as below :

Name of Shareholder	31st March 2017	31st March 2016	1st April 2015
	No of shares % of holding	No of shares % of holding	No of shares % of holding
Tata Global Beverages Limited	50,000 100%	50,000 100%	50,000 100%

The reconciliation of the number of shares as at 31 March 2017 is set out below :

Particulars	31st March 2017	31st March 2016	31st March 2015
Number of shares as at the beginning of the year	50,000	50,000	50,000
Add: Shares issued during the year	-	-	-
Number of shares as at the end of the year	50,000	50,000	50,000

The Company has only one class of equity shares having a par value of Rs. 10 per share. 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. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

5) RESERVES & SURPLUS	31st March 2017	31st March 2016	figures in Rupees 31st March 2015
Deficit in Statement of Profit and Loss			
Balance in the beginning of the year	(466,309)	(421,335)	(384,506)
Add: Loss for the year	(12,142)	(44,974)	(36,829)
Balance at the close of the year	(478,451)	(466,309)	(421,335)

TATA TEA HOLDINGS PRIVATE LIMITED
Notes forming part of the Financial Statements

6) OTHER CURRENT LIABILITIES	31st March 2017	31st March 2016	1st April 2015
M C Ranganathan & Co.	11,500	33,708	22,472
Tata Global Beverages Limited	93,681	59,331	25,593
	105,181	93,039	48,065

7) RELATED PARTY DISCLOSURE

The following are the Related Parties and nature of relationships as of March 31, 2017

Promoter	Associates of Holding Company
Tata Sons Limited	Estate Management Services Pvt Ltd, Sri Lanka Amalgamated Plantations Pvt Ltd. Kanan Devan Hills Plantation Co. Pvt. Ltd. TRIL Constructions Limited
Holding Company	
Tata Global Beverages Limited	
Fellow Subsidiaries	Joint Ventures of Holding Company
Tata Global Beverages Group Limited	NourishCo Beverages Limited
Tata Global Beverages Holdings Limited	Tata Starbucks Private Limited
Tata Global Beverages Services Limited	
Tata Global Beverages GB Limited	Joint Venture of Subsidiaries of Holding Company
Tata Global Beverages Overseas Holdings Limited	Tetley ACI (Bangladesh) Ltd
Tata Global Beverages Overseas Limited	Southern Tea LLC
Lyons Tetley Ltd	Tetley Clover (Private) Ltd.
Tata Global Beverages U.S. Holdings, Inc.	Joekels Tea Packers (Proprietary) Ltd. (South Africa)
Tata Waters LLC	
Tetley USA Inc	
Empirical Group LLC	
Tata Global Beverages Canada Inc	
Tata Global Beverages Australia Pty Limited	
Earth Rules Pty Ltd., Australia	
Stansand Ltd	
Stansand(Brokers) Ltd	
Stansand(Africa) Ltd	
Stansand (Central Africa) Ltd	
Tata Global Beverages Polska Sp.z.o.o	
Drassington Limited, UK	
Good Earth Corporation	
Good Earth Teas Inc.	
Teapigs Ltd.	
Teapigs US LLC	
Tata Global Beverages Czech Republic a.s.	
Joekels Tea Packers (Proprietary) Ltd. (South Africa)	
Tata Global Beverages Investments Limited	
Campestres Holdings Limited	
Kahutara Holdings Limited	
Suntycy Holding Ltd	
Onomento Co Ltd	
OOO Tea Trade LLC	
OOO Sunty LLC	
Tata Coffee Ltd	
Consolidated Coffee Inc.	
Eight 'O Clock Coffee Company	
Eight O'Clock Holdings Inc.	
Tata Coffee Vietnam Company Ltd	
Tata Tea Extractions Inc	
Tata Global Beverages Capital Limited	
Zhejiang Tata Tea Extraction Company Limited.	

Particulars of transactions during the year ended March 31, 2017:

<u>Entity</u>	<u>Nature of Transactions</u>	31st March 2017	figures in Rupees 31st March 2016
Tata Global Beverages Limited	Reimbursement of Expenses	34,350	33,738
Tata Global Beverages Limited	Outstanding Balance(Payable)	93,681	59,331

TATA TEA HOLDINGS PRIVATE LIMITED
Notes forming part of the Financial Statements

- 8) The Company has been incorporated with the objective of making core investments. However, no investment activities have yet been undertaken. The company is exploring possible business opportunities in the future with continued operating commitment from the Holding company.
- 9) The company has not commenced operations and does not have any employees, tangible and intangible assets and leases.
- 10) (a) Commitment and Contingencies : Estimated amount of contracts remaining to be executed on capital account and not provided for : NIL
(b) There are no litigations and disputes pending against the company as on reporting date.
- 11) The company does not have any unhedged foreign currency exposures at the year-end.
- 12) Previous year figures have been regrouped / reclassified wherever necessary.

For M C Ranganathan & Co.
Chartered Accountants
Firm Registration No. 003061S



S.V. Mathangi
Partner
Membership No. 207228



Krishnamoorthy Venkataraman
Director



V Madan
Director

Chennai
Date: 19th May, 2017