

**INDEPENDENT AUDITOR'S REPORT  
To The Members of Tata Tea Holdings Private Limited  
Report on the Ind AS Financial Statements**

We have audited the accompanying Ind AS financial statements of Tata Tea Holdings Private Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow 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**

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

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS 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 Ind AS financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act.

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. Those Standards 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.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's

preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

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

### **Opinion**

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 Ind AS and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its loss (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

### **Other Matters**

The comparative financial information of the Company for the year ended March 31, 2017 prepared in accordance with Ind AS included in these Ind AS financial statements have been audited by the predecessor auditor. The report of the predecessor auditor on the comparative financial information and the said opening balance sheet, dated May 19, 2017 expressed an unmodified opinion.

Our opinion on the Ind AS financial statements is not modified in respect of this matter.

### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit we report to the extent applicable that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
  - e) On the basis of the written representations received from the directors of the Company as on March 31, 2018 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

**Deloitte  
Haskins & Sells LLP**

- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)



**Mukesh Jain**  
Partner  
(Membership No. 108262)

Place: Mumbai  
Date: May 08, 2018

**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT  
(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

**Report on the Internal Financial Controls Over Financial Reporting 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, 2018 in conjunction with our audit of the Ind AS 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 the 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.

**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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 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 authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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, to the best of our information and according to the explanations given to us, 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 March 31, 2018, based on the criteria for internal financial control over financial reporting 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 **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)



**Mukesh Jain**

Partner

(Membership No. 108262)

Place: Mumbai

Date: May 08, 2018

## ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

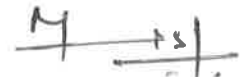
(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) The Company does not have any fixed assets and hence reporting under clause (i) of the Order is not applicable.
- (ii) The Company does not have any inventory and hence reporting under clause (ii) of the Order is not applicable.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) The Company has not granted any loans, made investments or provide guarantees and hence reporting under clause (iv) of the Order is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. In respect of unclaimed deposits, the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013.
- (vi) Having regard to the nature of the Company's business / activities, reporting under clause (vi) the Order is not applicable.
- (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, goods and service 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, goods and service tax, cess and any other statutory dues were in arrears, as at March 31, 2018 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 financial institutions, banks and government or has not issued any debentures. Hence reporting under clause (viii) of the Order is not applicable to the Company.
- (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 Order is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) The Company is a private company and hence the provisions of section 197 of the Companies Act, 2013 do not apply to the Company.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

# Deloitte Haskins & Sells LLP

- (xiii) The Company is a private company and hence the provisions of section 177 and section 188 of the Companies Act, 2013 are not applicable to the Company. In our opinion and according to the information and explanations given to us, the Company has disclosed the details of related party transactions in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)



**Mukesh Jain**  
(Partner)  
(Membership No.108262)

Place: Mumbai  
Date: May 08, 2018

**TATA TEA HOLDINGS PRIVATE LIMITED**  
**Balance Sheet as at 31st March, 2018**

	Note	31st March 2018	figures in Rupees 31st March 2017
<b>ASSETS</b>			
<b>Current assets</b>			
Financial Assets			
Cash and Cash Equivalents	3	126,730	126,730
<b>TOTAL ASSETS</b>		<b>126,730</b>	<b>126,730</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	4	500,000	500,000
Other Equity	5	(566,951)	(478,451)
<b>TOTAL EQUITY</b>		<b>(66,951)</b>	<b>21,549</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Financial Liabilities			
Other Financial Liabilities	6	193,681	105,181
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>126,730</b>	<b>126,730</b>
<b>Summary of Significant Accounting Policies</b>	2		

The accompanying notes are an integral part of the Financial Statements

In terms of our report attached

**For Deloitte Haskins & Sells LLP**  
Chartered Accountants  
Firm Registration No. 117366W/W-100018

**Mukesh Jain**  
Partner  
Membership No. 108262

Mumbai  
Date: 8th May, 2018

**Krishnamoorthy Venkataramanan**  
Director

**V Madan**  
Director



**TATA TEA HOLDINGS PRIVATE LIMITED**  
**Statement of Profit and Loss for the year ended 31st March, 2018**

	<u>Note</u>	<u>31st March 2018</u>	<u>figures in Rupees</u> <u>31st March 2017</u>
<b>EXPENSE</b>			
<b>Other Expenses</b>			
Auditor's Remuneration			
Audit fees		88,500	11,500
Miscellaneous Expense		-	642
<b>Total Expenses</b>		<b>88,500</b>	<b>12,142</b>
<b>(Loss) Before Tax</b>		<b>(88,500)</b>	<b>(12,142)</b>
Tax Expense		-	-
<b>(Loss) for the Year</b>		<b>(88,500)</b>	<b>(12,142)</b>
Earnings per Equity Share (Nominal Value per Share Rs. 10 each)			
Basic and Diluted		(1.77)	(0.24)
Number of Shares in computing Earnings per Share			
Basic and Diluted		50,000	50,000

**Summary of Significant Accounting Policies** **2**

The accompanying notes are an integral part of the Financial Statements

In terms of our report attached

**For Deloitte Haskins & Sells LLP**  
Chartered Accountants  
Firm Registration No. 117366W/W-100018

  
**Krishnamoorthy Venkataramanan**  
Director



**Mukesh Jain**  
Partner  
Membership No. 108262

  
**V Madan**  
Director

Mumbai  
Date: 8th May, 2018

**TATA TEA HOLDINGS PRIVATE LIMITED**  
Statement of Changes In Equity

**A. Equity Share Capital**

Number of shares

For the year ended 31st March 2018

Balance as at 31st March 2017	Changes In Equity share capital during the year	Balance as at 31st March 2018
50,000	-	50,000

**B. Other Equity**

Particulars	31st March 2018	31st March 2017
Balance as at 1st April	(478,451)	(466,309)
Profit/Loss for the year	(88,500)	(12,142)
Balance as at 31st March	(566,951)	(478,451)

The accompanying notes are an integral part of the Financial Statements

In terms of our report attached

**For Deloitte Haskins & Sells LLP**  
Chartered Accountants  
Firm Registration No. 117366W/W-100018

  
**Krishnamoorthy Venkataraman**  
Director



**Mukesh Jain**  
Partner  
Membership No. 108262

  
**V Madan**  
Director

Mumbai  
Date: 8th May, 2018

**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").

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

For all periods upto and including the year ended 31 March 2016, the Company prepared its financial statements in accordance with the

**(b) Basis of Accounting**

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

**(c) Summary of significant accounting policies:**

**1) Cash and Cash equivalents**

Cash and cash equivalents includes Bank balance in current account that is readily convertible to known amounts of cash and which are subject

**2) Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction

**3) Financial Instruments**

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

**4) Earnings per share**

Basic and diluted earnings per share is calculated by dividing the profit attributable to the owners by the weighted average number of equity

3) **CASH AND CASH EQUIVALENTS**

**Cash and Cash Equivalents**

Bank Balance in Current Account

	<u>31st March 2018</u>	<u>31st March 2017</u>
	126,730	126,730
	<u>126,730</u>	<u>126,730</u>

figures in Rupees

4) **SHARE CAPITAL**

**Authorised**

20,00,000 Equity Shares of Rs.10 each

**Issued, Subscribed and Paid-up**

50,000 Equity Shares of Rs.10 each, fully paid

	<u>31st March 2018</u>	<u>31st March 2017</u>
	20,000,000	20,000,000
	500,000	500,000
	<u>500,000</u>	<u>500,000</u>

figures in Rupees

The details of Shareholders holding more than 5% shares as at 31st March 2018 is set out as below :

**Name of Shareholder**

	<u>31st March 2018</u>	<u>31st March 2017</u>
	<b>No of shares % of holding</b>	<b>No of shares % of holding</b>
Tata Global Beverages Limited	50,000	50,000
	100%	100%

The reconciliation of the number of shares as at 31st March 2018 is set out below :

**Particulars**

Number of shares as at the beginning of the year

Add: Shares issued during the year

**Number of shares as at the end of the year**

	<u>31st March 2018</u>	<u>31st March 2017</u>
	50,000	50,000
	-	-
	<u>50,000</u>	<u>50,000</u>

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.

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5) RESERVES & SURPLUS	figures in Rupees	
	31st March 2018	31st March 2017
<b>Deficit in Statement of Profit and Loss</b>		
Balance in the beginning of the year	(478,451)	(466,309)
Add: Loss for the year	(88,500)	(12,142)
Balance at the end of the year	<b>(566,951)</b>	<b>(478,451)</b>

6) OTHER FINANCIAL LIABILITIES	figures in Rupees	
	31st March 2018	31st March 2017
<b>Current</b>		
Payable to related party (note 7)	93,681	93,681
Others	100,000	11,500
	<b>193,681</b>	<b>105,181</b>

7) RELATED PARTY DISCLOSURE

The following are the Related Parties and nature of relationships as of 31st March, 2018

<b>Promoter</b>	<b>Associates of Holding Company</b>
Tata Sons Limited	Amalgamated Plantations Pvt Ltd. Kanan Devan Hills Plantation Co. Pvt. Ltd. TRIL Constructions Limited
<b>Holding Company</b>	Estate Management Services Pvt Ltd(till December 28, 2017)
Tata Global Beverages Limited	
<b>Fellow Subsidiaries</b>	<b>Joint Ventures of Holding Company</b>
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	<b>Joint Venture of Subsidiaries of Holding Company</b>
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,	
Tata Global Beverages Investments Limited	
Campestres Holdings Limited	
Kahutara Holdings Limited	
Suntyco Holding Ltd	
Onomento Co Ltd	
Tea Trade LLC(till Novemeber 3, 2017)	
Sunty LLC(till Novemeber 3, 2017)	
Coffee Trade LLC(w.e.f September 18, 2017)	
Tata Coffee Ltd	
Consolidated Coffee Inc.	
Eight O'Clock Holdings Inc.	
Eight 'O Clock Coffee Company	
Tata Coffee Vietnam Company Ltd	
Tata Tea Extractions Inc	
Tata Global Beverages Capital Limited	
Zhejiang Tata Tea Extractions Company Limited(till July 28, 2017)	

Particulars of transactions during the year ended 31st March, 2018:

Entity	Nature of Transactions	figures in Rupees	
		31st March 2018	31st March 2017
Tata Global Beverages Limited	Outstanding Balance(Payable)	93,681	93,681

4

- 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.

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