

**S.KRISHNAMOORTHY & CO**  
**Chartered Accountants**

**Independent Auditor's Report**

**To the Members of PKT Plantations Limited**

**Report on the Ind AS Financial Statements**

**Opinion**

We have audited the Ind AS financial Statements of **PKT Plantations Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and Statement of Cash Flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the Profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial Statements of the current period. These matters were addressed in the context of our audit of the Ind AS financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. There are no specific key audit matters to be communicated in our report

**Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report,, but does not include Ind AS financial Statements and our auditor's report thereon.

Our opinion on the Ind AS financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

### **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 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, total comprehensive income changes in equity and cash flows of the Company in accordance with the Accounting principles generally accepted in India, including the Indian Accounting Standards("Ind AS") Prescribed under Section 133 Of the Act 2013, read with relevant rules issued there under.

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.

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Ind AS financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those

risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

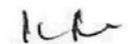
1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent 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 including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow 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 Ind AS 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 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 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". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, no remuneration is paid by the Company to its Directors during the year

- h) 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, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements.
  - ii. The Company did not have any long term contracts including derivative contracts. Hence the question of any material foreseeable losses does not arise.
  - iii. There are no amounts that are required to be transferred to investor Protection Fund by the Company.

For **S.Krishnamoorthy & Co**  
Chartered Accountants  
Registration No.001496S



**K .Raghu**  
Partner, Auditor  
Membership No. 011178

Coimbatore  
18.05.2019

## **Annexure - A referred to in paragraph 1 of Report on Other Legal and Regulatory Requirements**

According to the information and explanations sought by us and given by the Company and the books and records examined by us during the course of our Audit and to the best of our knowledge and belief we report the following:

- (ii) The Company does not have any Fixed assets.
- (iii) The Company does not have any Fixed assets
- (iv) 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.
- (v) The Company has not advanced any loans to its directors or any other person in whom the directors are interested or given any guarantee or provided any security in connection with any loan taken by the directors or such other person as contemplated under section 185 of the Act. The Company has not made any investments . Hence Section 186 of the Act does not apply.
- (vi) The Company has not accepted any deposits and therefore paragraph 3(v) of the CARO is not applicable to the Company.
- (vii) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, in respect of the pr services carried on by the Company.
- (viii) (a) The Company is regular in depositing undisputed statutory dues including provident fund, employee's state insurance, income-tax, sales tax, service tax, Goods and service tax duty of customs, duty of excise, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.  
There are, no undisputed arrears of statutory dues which were outstanding as at 31 March 2019 for a period of more than six months from the date they became payable
- (b) According to the information and explanations given to us, there are no disputed statutory dues which have not been deposited by the Company.
- (ix) The Company has not borrowed from any financial institutions or Banks and has not issued any debentures till date.
- (x) The Company has not availed any term loan or raised money by initial public offer or further public offer (including debt instruments) during the year.
- (xi) No fraud by the Company or fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xii) The Company has not paid / Provided any remuneration to any Managerial Personnel during the year.
- (xii) The Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) In our opinion the transactions with the related parties are in compliance with sections 177 and 188 of the Act and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

- (xiv) The Company has not made preferential allotment or private placement of shares or issued any debentures during the year.
- (xv) The Company has not entered into non-cash transactions with directors or persons connected with him.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For **S.Krishnamoorthy & Co**  
Chartered Accountants  
Registration No.001496S



**K .Raghu**  
Partner, Auditor  
Membership No. 011178

Coimbatore  
18.05.2019

## **Annexure - B to the Auditors' Report**

### **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 PKT Plantations Limited ("the Company") as of 31 March 2019 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 ('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 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 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 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 to the best of our information and according to the explanation 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 31 March 2019, 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 **S.Krishnamoorthy & Co**  
Chartered Accountants  
Registration No.001496S



**K .Raghu**  
Partner, Auditor  
Membership No. 011178

Coimbatore  
18.05.2019

**PKT PLANTATIONS LTD**

CIN U01132TZ2009PLC015537

" Panchratn", 286, Race Course Road,

Coimbatore - 641018

Balance Sheet as at 31.03.2019

	Note	31-03-2019	31-03-2018
<b>I ASSETS</b>			
<b>1 Non-current Assets</b>			
a Property, Plant and Equipment			-
b Capital Work In Progress			-
c Intangible assets			-
d Financial Assets	1	35,00,000	-
e Other Non - Current Assets			-
<b>2 Current Assets</b>			
a Inventories			
b Financial Assets			
i). Cash and cash equivalents	2	1,49,593	37,43,121
ii). Other Financial Assets	3	80,473	-
<b>TOTAL</b>		<b>37,30,066</b>	<b>37,43,121</b>
<b>I EQUITY AND LIABILITIES</b>			
<b>1 EQUITY</b>			
a Equity Share capital	4	25,00,000	25,00,000
b Other Equity	5	12,18,253	11,91,043
<b>2 Non-current Liabilities</b>			
a Financial Liabilities		-	-
b Other Non - Current Liabilities		-	-
<b>3 Current Liabilities</b>			
a Financial Liabilities			
i) Trade payables	6	10,615	27,700
b Other Current Liabilities	7	-	12,150
c Current Tax Liabilities ( Net)	8	1,198	12,228
<b>TOTAL</b>		<b>37,30,066</b>	<b>37,43,121</b>
<i>See accompanying notes to the financial statements.</i>			
	11		

As per our report of even date attached

For and on behalf of the Board

For Sri Krishnamoorthy & Co

Chartered Accountants

Reg. No. 001496S



K. Raghu

Partner, Auditor

M.No. 11178

Place Coimbatore

Date:



S.K. Singh

Director

06453204



P.R. Ramakrishnan

Director

00717749



**PKT PLANTATIONS LTD**

**CASH FLOW STATEMENT**

(Amount in Rupees)

	31.03.2019	31.03.2018
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax and Extraordinary items	37,372	42,892
Adjustments for:		
Interest received	(89,415)	
Interest payments	-	
Operating Profit before working capital changes	(52,043)	42,892
Adjustments for:		
Other Financials Assets	(35,00,000)	-
Trade and other receivables	-	
Trade payables	(29,235)	28,350
Cash generated from operations	(35,81,278)	71,242
Exceptional item		
Direct Taxes paid(net)	(35,81,278)	71,242
Net Cash from operating activities	(12,250)	(99,120)
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>	(35,93,528)	(27,878)
Interest received	-	
Net Cash used in investing activities	-	
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest paid	-	
Dividend paid including dividend distribution tax	-	
Net Cash used in financing activities	-	
Net increase / decrease in Cash and Cash Equivalents	(35,93,528)	(27,878)
Opening cash and cash equivalents	37,43,121	37,70,999
Closing cash and cash equivalents	1,49,593	37,43,121

As per our report of even date attached

For and on behalf of the Board

For Sri Krishnamoorthy & Co  
Chartered Accountants  
Reg. No. 001496S



K. Raghu  
Partner, Auditor  
M.No. 11178  
Place: Coimbatore  
Date:

  
S.K. Singh  
Director  
06453204

  
P.R. Ramakrishnan  
Director  
02715749

**PKT PLANTATIONS LTD**

**NOTES TO FINANCIAL STATEMENTS**

		(Amount in Rupees)	
		31.03.2019	31.03.2018
<b>4. Equity Share Capital</b>			
<b>Authorised</b>			
10,00,000 Equity Shares of Rs. 10/- each		1,00,00,000	1,00,00,000
( Tenlakh equity shares of Rupees ten each)			
<b>Issued and Subscribed</b>			
2,50,000 Equity Shares of Rs. 10/- each fully Paid		25,00,000	25,00,000
	<b>Number of shares</b>		
At the Commencement of the year		2,50,000	2,50,000
Changes During The year		-	-
At the close of the Year		2,50,000	2,50,000
(The entire Issued, Subscribed and Paid up Share Capital is held by The Peria Karamalai Tea & Produce Co. Ltd. the Holding Company)			
<b>5. Other Equity</b>			
	<b>Particulars</b>	<b>General Reserve</b>	<b>Retained Earnings</b>
		<b>OCI</b>	<b>Total</b>
	Balance as at 01.04.2018	-	11,91,043
	Profit for the year	-	27,210
	Transfer from Other Comprehensive Income	-	-
	<b>Balance as at 31.03.2019</b>	<b>-</b>	<b>12,18,253</b>

**PKT PLANTATIONS LTD**  
**NOTES TO FINANCIAL STATEMENTS**

		31.03.2019	31.03.2018
<b>1</b>	<b>Other Financial Assets</b>		
	Balance with Banks in Deposit account (with more than 12 months maturity)	35,00,000	-
		35,00,000	-
<b>2</b>	<b>Cash and Cash Equivalents</b>		
i)	Balance with Banks in current account	1,49,593	37,43,121
ii)	In Deposit Account (with less than 3 months maturity)	-	-
iii)	Cash on hand	-	-
		1,49,593	37,43,121
<b>3</b>	<b>Other Financial Assets</b>		
	Interest accrued on Bank deposits	80,473	
<b>6</b>	<b>Trade Payables</b>		
	Dues of Micro & Small Enterprises		
	Due to Others	10,615	27,700
		10,615	27,700
<b>7</b>	<b>Other Current Liabilities</b>		
	GST Payable	-	12,150
		-	12,150
<b>8</b>	<b>Current Tax Liability ( Net)</b>		
	Provision for Taxation (Net)	1,198	12,228
		1,198	12,228

**PKT PLANTATIONS LTD**

**NOTES TO FINANCIAL STATEMENTS**

		<i>(Amount in Rupees)</i>	
		31.03.2019	31-03-2018
<b>9</b>	<b>Other Income</b>		
	Service Charges received	-	9,24,335
	Interest Income on Bank deposit	89,415	-
		<b>89,415</b>	<b>9,24,335</b>
<b>#</b>	<b>Other Expenses :</b>		
	Rent	-	1,50,000
	Rates and taxes	615	
	Payment to Auditors		
	For Statutory Audit	10,000	10,000
	For Others	19,500	17,700
	Professional Charges	21,615	16,250
	Bank Charges	313	128
	Buiding maintenance -Wages & Stores	-	6,87,365
		<b>52,043</b>	<b>8,81,443</b>