

REPORT OF THE BOARD OF DIRECTORS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019

1. Your Directors submit their Report for the financial year ended 31st March, 2019.

2. COMPANY PERFORMANCE

The operations of the Company during the year continued to be adversely impacted pursuant to the Order of the Hon'ble High Court of Uttarakhand at Nainital in February, 2014 dismissing the writ petition filed by the Company against the Order of the District Magistrate authorising State authorities to take possession of the land leased to the Company. The appeal filed by the Company against the aforesaid Order was admitted in April, 2014 and the matter is pending before the Hon'ble High Court.

During the year, the Company recorded Total Income of ₹ 10.26 lakhs (previous year: ₹ 16.27 lakhs). The Net Loss of the Company was ₹ 54.69 lakhs (previous year: ₹ 29.35 lakhs) and the Total Comprehensive Loss for the said year was ₹ 60.97 lakhs (previous year: ₹ 29.57 lakhs).

3. DIVIDEND

In view of the losses incurred, your Directors are unable to recommend any dividend for the year under review.

4. DIRECTORS AND KEY MANAGERIAL PERSONNEL
(a) Changes in Directors and Key Managerial Personnel during the year

During the year under review, there was no change in the composition of the Board of Directors ('the Board') and Key Managerial Personnel of your Company.

(b) Retirement by Rotation

In accordance with the provisions of Section 152 of the Companies Act, 2013 ('the Act') read with Articles 100, 101 and 102 of the Articles of Association of the Company, Mr. Surendra Kumar Sipani (DIN: 02513625), Director, will retire by rotation at the ensuing Annual General Meeting ('AGM') of the Company, and being eligible, offers himself for re-election. Your Board has recommended his re-election.

5. BOARD MEETINGS

Four meetings of the Board were held during the year ended 31st March, 2019.

6. DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 134 of the Act, your Directors confirm having:

- i) followed in the preparation of the Annual Accounts, the applicable Accounting Standards with proper explanation relating to material departures, if any;
- ii) selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that period;
- iii) taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
- iv) prepared the Annual Accounts on a going concern basis; and
- v) devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

7. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Company does not have any subsidiary, associate or joint venture.

8. PARTICULARS OF EMPLOYEES

The details of top ten employees of the Company in terms of remuneration drawn, as required under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are provided in Annexure 1 to this Report.

The Company seeks to enhance equal opportunities for men and women and is committed to a gender-friendly workplace. Your Company has constituted an Internal Complaints Committee in compliance with the applicable provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year under review, no complaint for sexual harassment was received.

9. RISK MANAGEMENT

The Company's risk management framework, designed to bring robustness to the risk management processes, addresses risks intrinsic to operations, financials and compliances arising out of the overall strategy of the Company.

In terms of the Risk Management Policy of the Company approved by the Board, management of risks vest with the executives responsible for the day-to-day conduct of the affairs of the Company. Annual update is provided to the Board on the effectiveness of the Company's risk management systems and policies.

10. INTERNAL FINANCIAL CONTROLS

Your Company has in place adequate internal financial controls with respect to the financial statements, commensurate with its size and scale of operations.

During the year, the internal financial controls in the Company with respect to the financial statements were tested and no material weakness in the design or operation of such controls was observed. Nonetheless, your Company recognises that any internal financial control framework, no matter how well designed, has inherent limitations and accordingly, regular audit and review processes ensure that such systems are reinforced on an ongoing basis.

11. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

During the year ended 31st March, 2019, the Company has neither given any loan or guarantee nor has made any investment under Section 186 of the Act.

12. RELATED PARTY TRANSACTIONS

The details of material related party transaction of the Company in the prescribed Form No. AOC-2 are enclosed under Annexure 2 to this Report.

13. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS / COURTS / TRIBUNALS

During the year under review, no significant or material orders were passed by the Regulators / Courts / Tribunals impacting the going concern status of the Company and its future operations.

14. COST RECORDS

The Company is not required to maintain cost records in terms of Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014.

15. EXTRACT OF ANNUAL RETURN

The extract of Annual Return in the prescribed Form No. MGT-9 is enclosed as Annexure 3 to this Report.

16. STATUTORY AUDITORS

The Company's Auditors, Messrs. Deloitte Haskins & Sells, Chartered Accountants ('DHS'), were appointed with your approval at the 19th AGM to hold such office for a period of five years till the conclusion of the 24th AGM. DHS will complete their present term on conclusion of the ensuing 24th AGM of the Company.

Your Board has recommended for the approval of the Members, re-appointment of DHS as the Auditors of the Company for a period of five years from the conclusion of the ensuing 24th AGM till the conclusion of the 29th AGM. The Board has also recommended for the approval of the Members, remuneration of DHS for the financial year 2019-20. Appropriate resolution seeking your approval to the re-appointment and remuneration of DHS as the Auditors is appearing in the Notice convening the 24th AGM of the Company.

17. COMPLIANCE WITH SECRETARIAL STANDARDS

The Company is in compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India and approved by the Central Government under Section 118 of the Act.

18. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Considering the nature of business of your Company, no comment is required on conservation of energy and technology absorption.

There has been no foreign exchange earnings or outgo during the year under review.

On behalf of the Board

S. S. Bandyopadhyay Director

S. K. Pandey Director

Dated: 22nd April, 2019

Annexure 1 to the Report of the Board of Directors for the financial year ended 31st March, 2019

[Information pursuant to Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

Names of Employees	Age	Designation	Gross Remuneration (₹)	Net Remuneration (₹)	Qualifications	Experience (Years)	Date of Commencement of Employment	Previous Employment / Position held
1	2	3	4	5	6	7	8	9
P. S. Rawat	50	Assistant Manager	2,97,108/-	2,83,830/-	B.A. and M.A. (Economics)	23	01.01.1996	N.A.
H. Singh	57	Supervisor	2,38,023/-	2,32,416/-	Under Matric	22	01.05.1997	N.A.
M. R. Morya	52	Field Assistant	2,35,981/-	2,30,394/-	Under Matric	23	01.01.1996	N.A.
Usman	50	Driver	2,32,856/-	2,27,204/-	N.A.	23	01.01.1996	N.A.
N. Kishore	51	Field Assistant	2,28,319/-	2,23,099/-	10th Pass	23	01.01.1996	N.A.
Nathuni	53	Peon	2,26,449/-	2,21,157/-	Under Matric	23	01.01.1996	N.A.
S. Lal	53	Field Assistant	2,24,415/-	2,18,988/-	12th Pass	22	01.01.1997	N.A.
K. C. Pandey	50	Assistant Manager	2,23,911/-	2,14,362/-	B.A. and M.A. (Political Science)	23	01.01.1996	N.A.
R. Singh	46	Block Assistant	2,20,565/-	2,15,237/-	12th Pass	21	01.01.1998	N.A.
S. Singh	46	Field Assistant	2,20,300/-	2,15,296/-	10th Pass	23	01.01.1996	N.A.

Notes:

- (a) Gross remuneration includes salary, variable pay, allowances & other benefits / applicable perquisites except provisions for gratuity and leave encashment which are actuarially determined on an overall Company basis. The term 'remuneration' has the meaning assigned to it under the Companies Act, 2013.
- (b) Net remuneration comprises cash income less income tax, education cess deducted at source and employee's own contribution to provident fund.
- (c) All appointments are contractual in accordance with terms and conditions as per Company's rules.
- (d) The aforesaid employees are neither relative of any Director of the Company nor hold any equity share in the Company.

On Behalf of the Board

S. S. Bandyopadhyay Director

S. K. Pandey Director

Dated: 22nd April, 2019

Annexure 2 to the Report of the Board of Directors for the financial year ended 31st March, 2019

FORM NO. AOC-2

[Pursuant to Section 134(3)(h) of the Companies Act, 2013 and

Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis

a)	Name(s) of the related party and nature of relationship	NIL
b)	Nature of contracts / arrangements / transactions	
c)	Duration of the contracts / arrangements / transactions	
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
e)	Justification for entering into such contracts or arrangements or transactions	
f)	Date(s) of approval by the Board	
g)	Amount paid as advances, if any	
h)	Date on which the special resolution was passed in general meeting as required under first proviso to Section 188	

2. Details of material contracts or arrangement or transactions at arm's length basis

a)	Name(s) of the related party and nature of relationship	ITC Limited (ITC), the Holding Company
b)	Nature of contracts / arrangements / transactions	Purchase of goods
c)	Duration of the contracts / arrangements / transactions	N.A.
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Purchase of saplings from ITC Value of the transaction during year - ₹ 2.40 lakhs
e)	Date(s) of approval by the Board, if any	15th March 2019
f)	Amount paid as advances, if any	Nil

On Behalf of the Board

S. S. Bandyopadhyay Director

S. K. Pandey Director

Dated: 22nd April, 2019

Annexure 3 to the Report of the Board of Directors

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March, 2019

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

i)	CIN	:	U01100MH1995PLC128849
ii)	Registration Date	:	27th March, 1995
iii)	Name of the Company	:	Pavan Poplar Limited
iv)	Category / Sub-Category of the Company	:	Unlisted Public Company limited by shares
v)	Address of the Registered office and contact details	:	Indian Mercantile Chambers R. Kamani Marg, Ballard Estate, Mumbai – 400 001 Phone: 022 4366 3333 Fax: 022 2269 2228 E-mail ID : suneel.pandey@itc.in
vi)	Whether listed company:		No
vii)	Name, Address and Contact details of : Registrar and Transfer Agent, if any		N.A.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated :

Sl. No.	Name and Description of main products / services	NIC Code of the product / service	% to total turnover of the Company
1.	Sale of Saplings	46205	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and address of the company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held in the Company	Applicable Section
1.	ITC Limited Virginia House 37 Jawaharlal Nehru Road Kolkata – 700 071	L16005WB1910PLC001985	Holding company	100.00%	2(46)

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Shareholding:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	–	–	–	–	–	–	–	–	N.A.
b) Central Govt.	–	–	–	–	–	–	–	–	N.A.
c) State Govt.(s)	–	–	–	–	–	–	–	–	N.A.
d) Bodies Corp.	–	55,10,004	55,10,004	100.00	–	55,10,004	55,10,004	100.00	Nil
e) Banks / FI	–	–	–	–	–	–	–	–	N.A.
f) Any Other	–	–	–	–	–	–	–	–	N.A.
Sub-total (A)(1)	–	55,10,004	55,10,004	100.00	–	55,10,004	55,10,004	100.00	Nil
(2) Foreign									
a) NRIs - Individuals	–	–	–	–	–	–	–	–	N.A.
b) Other – Individuals	–	–	–	–	–	–	–	–	N.A.
c) Bodies Corp.	–	–	–	–	–	–	–	–	N.A.
d) Banks / FI	–	–	–	–	–	–	–	–	N.A.
e) Any Other	–	–	–	–	–	–	–	–	N.A.
Sub-total (A)(2)	–	–	–	–	–	–	–	–	N.A.
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	–	55,10,004	55,10,004	100.00	–	55,10,004	55,10,004	100.00	Nil
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	–	–	–	–	–	–	–	–	N.A.
b) Banks / FI	–	–	–	–	–	–	–	–	N.A.

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c) Central Govt.	-	-	-	-	-	-	-	-	N.A.
d) State Govt.(s)	-	-	-	-	-	-	-	-	N.A.
e) Venture Capital Funds	-	-	-	-	-	-	-	-	N.A.
f) Insurance Companies	-	-	-	-	-	-	-	-	N.A.
g) FIs	-	-	-	-	-	-	-	-	N.A.
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	N.A.
i) Others (specify)	-	-	-	-	-	-	-	-	N.A.
Sub-total (B)(1)	-	-	-	-	-	-	-	-	N.A.
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	-	-	-	-	-	-	-	-	N.A.
ii) Overseas	-	-	-	-	-	-	-	-	N.A.
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	-	-	-	-	-	-	-	-	N.A.
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	-	-	-	-	-	-	-	-	N.A.
c) Others (specify)	-	-	-	-	-	-	-	-	N.A.
Sub-total (B)(2)	-	-	-	-	-	-	-	-	N.A.
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	-	-	-	-	-	-	-	N.A.
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	N.A.
Grand Total (A+B+C)	-	55,10,004	55,10,004	100.00	-	55,10,004	55,10,004	100.00	Nil

(ii) Shareholding of Promoters:

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares pledged / encumbered to total Shares	No. of Shares	% of total Shares of the Company	% of Shares pledged / encumbered to total Shares	
1.	ITC Limited	55,10,004	100.00	Nil	55,10,004	100.00	Nil	Nil

(iii) Change in Promoters' Shareholding (please specify, if there is no change):

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	At the beginning of the year				
	Date wise Increase / Decrease in Promoters Shareholding during the year	No change during the year			
	At the end of the year				

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): NOT APPLICABLE

(v) Shareholding of Directors and Key Managerial Personnel: None of the Directors and Key Managerial Personnel hold any share in the Company in their individual capacity.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment: NIL

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Wholetime Directors and / or Manager: NOT APPLICABLE

B. Remuneration to other Directors:

(Amount in ₹)

Sl. No.	Name of the Directors	Particulars of Remuneration			Total Amount
		Fee for attending Board and Board Committee meetings	Commission	Others, please specify	
1.	Independent Directors				
	Total Amount (B)(1)				Nil
2.	Other Non-Executive Directors				
	S. S. Bandyopadhyay				
	S. K. Pandey	Nil	Nil	Nil	Nil
	S. K. Sipani				
	Total Amount (B)(2)				Nil
Total Amount (B) = (B)(1) + (B)(2)					Nil
Total Managerial Remuneration (A + B)					Nil
Overall ceiling as per the Companies Act, 2013					60,00,000 per annum (refer Note)

Note: Ceiling as per Part II of Schedule V to the Companies Act, 2013 has been disclosed, considering that the Company has incurred losses during the financial year ended 31st March, 2019.

C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD:

(Amount in ₹)

Sl. No.	Particulars of Remuneration	A. Chinnaiya (Company Secretary)*
1.	Gross Salary	
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	-
	(b) Value of perquisites under Section 17(2) of the Income-tax Act, 1961	-
	(c) Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	-
2.	Stock Option	-
3.	Sweat Equity	-
4.	Commission	-
	- as % of profit	
	- others, specify	
5.	Others, please specify	-

* Ms. A. Chinnaiya is an employee of ITC Limited, the Holding Company (ITC), and her services have been deputed by ITC to the Company without levy of any charge. Accordingly, Ms. Chinnaiya's remuneration for the financial year ended 31st March, 2019 has been borne by ITC.

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES against the Company, Directors and other Officers in Default under the Companies Act, 2013 : None

On Behalf of the Board

S. S. Bandyopadhyay Director

S. K. Pandey Director

Dated: 22nd April, 2019

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PAVAN POPLAR LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Pavan Poplar Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, and 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 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 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, and its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Management's Responsibility for the 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 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 Ind AS 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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.

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

Auditor's Responsibility for the Audit of the 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional

judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 the 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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 Section 143(3) of the Act, based on our audit, 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, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 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 A". 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, the Company has not paid any remuneration 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, as amended 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 financial statements.

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
Chartered Accountants
(Firm's Registration No. 302009E)
Ananthi Amarnath
Partner
(Membership No. 209252)

Place : Kolkata
Date : April 22, 2019

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' 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 Pavan Poplar Company Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone 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 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 of the Company 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, 2019, 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
Chartered Accountants
(Firm's Registration No. 302009E)
Ananthi Amarnath
Partner
(Membership No. 209252)

Place : Kolkata
Date : April 22, 2019

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Having regard to our comments in paragraph (c) below, the fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us, in respect of immovable property of land that has been taken on sub-lease, the physical possession of such land has been taken over by the State Authorities during the year 2013-14, pursuant to an Order by Hon'ble High Court of Uttarakhand (also refer Note 24 of the Ind AS financial statements). As a matter of prudence, the cost of such land has been fully provided for in the Ind AS financial statements.
- (ii) As explained to us, the inventories comprise of work-in-progress agri produce and work-in-progress poplar trees on the leasehold land, the physical possession of which land has been taken over by the State Authorities during the year 2013-14 pursuant to an Order by Hon'ble High Court of Uttarakhand (also refer Note 24 of the Ind AS financial statements). As a matter of prudence, such inventories have been fully provided for in the Ind AS financial statements.
- (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 provided 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. There were no unclaimed deposits outstanding at the end of the year.
- (vi) Having regard to the nature of the Company's business / activities, reporting under clause (vi) of the Order is not applicable.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Goods and Services Tax, and other material statutory dues applicable to it with the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods and Services Tax and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.
- (c) There were no dues with respect to Income-tax and Goods and Services Tax as on March 31, 2019, on account of any disputes.
- (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.
- (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) In our opinion and according to the information and explanations given to us, there is no managerial remuneration fixed for payment which require approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013 and hence reporting under clause (xi) of the Order is not applicable.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and Section 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the Ind AS 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.
- (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-IA of the Reserve Bank of India Act, 1934.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 302009E)
Ananthi Amarnath
Partner
(Membership No. 209252)

Place : Kolkata
Date: April 22, 2019

BALANCE SHEET AS AT 31ST MARCH, 2019

	Note	As at 31st March, 2019 (₹)	As at 31st March, 2018 (₹)
ASSETS			
Non-current assets			
Property, Plant and Equipment	24	-	-
Advance Tax and TDS Receivables [Net of Provisions ₹ 445,035 (March 31, 2018 - ₹ 707,011)]		38,765	13,615
Total Non-current Assets		<u>38,765</u>	<u>13,615</u>
Current Assets			
Biological assets other than bearer plants	4	-	-
Financial Assets			
Trade Receivables	5	-	-
Cash and Cash Equivalents	6	5,437,826	12,466,700
Other Financial Assets	7	1,120,467	1,563,938
Other Current Assets	8	87,340	42,340
Total Current Assets		<u>6,645,633</u>	<u>14,072,978</u>
Total Assets		<u>6,684,398</u>	<u>14,086,593</u>
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	9	55,100,040	55,100,040
Other Equity	10	(50,840,429)	(44,743,212)
Total Equity		<u>4,259,611</u>	<u>10,356,828</u>
Liabilities			
Non-current Liabilities			
Provisions	11	225,585	1,250,421
Total Non-current Liabilities		<u>225,585</u>	<u>1,250,421</u>
Current Liabilities			
Financial Liabilities			
Trade Payables	23	-	-
- total outstanding dues of micro enterprises and small enterprises		-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises		507,250	329,383
Other Financial Liabilities	12	23,104	416,505
Other Current Liabilities	13	1,663,049	1,657,187
Provisions	11	5,799	76,269
Total Current Liabilities		<u>2,199,202</u>	<u>2,479,344</u>
Total Liabilities		<u>2,424,787</u>	<u>3,729,765</u>
Total Equity and Liabilities		<u>6,684,398</u>	<u>14,086,593</u>

See accompanying notes forming part of the Financial Statements

In terms of our report attached

For **Deloitte Haskins & Sells**

Chartered Accountants

Ananthi Amarnath

Partner

Place: Kolkata

Date: April 22, 2019

For and On behalf of the Board of Directors

Sib Sankar Bandyopadhyay

Director

A. Chinnaiya

Company Secretary

Place: Secunderabad

Date: April 22, 2019

Suneel Pandey

Director

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

	Note	For the year ended March 31, 2019 (₹)	For the year ended March 31, 2018 (₹)
I Revenue from Operations	14	272,800	519,800
II Other Income	15	753,359	1,107,683
III Total Income (I+II)		1,026,159	1,627,483
IV EXPENSES:			
Purchases of Stock-in-Trade		240,000	462,000
Employee Benefits Expense	16	4,611,502	3,267,884
Other Expenses	17	1,535,982	583,796
Total Expenses (IV)		6,387,484	4,313,680
V Loss Before Tax (III-IV)		(5,361,325)	(2,686,197)
VI Tax Expense:			
Current Tax	18(c)	122,100	249,000
Taxation of prior years written back (net)		(14,272)	–
Total Tax Expense (VI)		107,828	249,000
VII Loss for the Year (V-VI)		(5,469,153)	(2,935,197)
A Other Comprehensive Income:			
(i) Items that will not be reclassified to profit and loss			
- Remeasurement of the defined benefit liability	25	(628,064)	(21,603)
(ii) Income tax relating to items that will not be reclassified to profit and loss	18(b)	–	–
VIII Total Other Comprehensive Loss [(A(i-ii))]		(628,064)	(21,603)
IX Total Comprehensive Loss for the Year (VII+VIII)		(6,097,217)	(2,956,800)
Earnings per Equity Share: Basic and Diluted (face value of ₹ 10 each)	20	(0.99)	(0.53)

See accompanying notes forming part of the Financial Statements

In terms of our report attached

For **Deloitte Haskins & Sells**

Chartered Accountants

Ananthi Amarnath

Partner

For and On behalf of the Board of Directors

Sib Sankar Bandyopadhyay

Director

A. Chinnaiya

Company Secretary

Place: Secunderabad

Date: April 22, 2019

Suneel Pandey

Director

Place: Kolkata

Date: April 22, 2019

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

(All amounts are in Rupees unless otherwise stated)

	Amount			
A. Equity Share Capital:				
Balance at April 1, 2017				55,100,040
Changes in Equity Share Capital during the year 2016-17				–
Balance at March 31, 2018				55,100,040
Changes in Equity Share Capital during the year 2017-18				–
Balance at March 31, 2019				55,100,040
B. Other Equity :	Reserves and Surplus	Other items of Other	Other	Total
	General Reserve	Retained Earnings	Comprehensive Income	
Balance at April 1, 2017	500,000	(42,125,121)	(161,291)	(41,786,412)
Loss for the year 2016-17	–	(2,935,197)	–	(2,935,197)
Remeasurement of the Defined Benefit Liability [Refer Note 18(b)]	–	–	(21,603)	(21,603)
Balance at March 31, 2018	500,000	(45,060,318)	(182,894)	(44,743,212)
Loss for the year 17-18	–	(5,469,153)	–	(5,469,153)
Remeasurement of the Defined Benefit Liability [Refer Note 18(b)]	–	–	(628,064)	(628,064)
Balance at March 31, 2019	500,000	(50,529,471)	(810,958)	(50,840,429)

See accompanying notes to the Financial Statements

In terms of our report attached

For **Deloitte Haskins & Sells**

Chartered Accountants

Ananthi Amarnath

Partner

For and On behalf of the Board of Directors

Sib Sankar Bandyopadhyay

Director

A. Chinnaiya

Company Secretary

Place: Secunderabad

Date: April 22, 2019

Suneel Pandey

Director

Place: Kolkata

Date: April 22, 2019

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

	For the year ended March 31, 2019 (₹)	For the year ended March 31, 2018 (₹)
Cash Flow from Operating Activities		
Loss Before Tax	(5,361,325)	(2,686,197)
Adjustments for:		
Interest Income	<u>(753,359)</u>	<u>(1,107,683)</u>
Operating Loss Before Working Capital Changes	<u>(6,114,684)</u>	<u>(3,793,880)</u>
Adjustments for:		
(Increase)/Decrease in Other Current Assets	(45,000)	1,023
Increase in Trade Payable	177,867	50,915
Increase/ (Decrease) in Other Current Liabilities, Other Financial Liabilities and Provisions	<u>(2,110,909)</u>	<u>342,361</u>
Cash used in Operations	<u>(8,092,726)</u>	<u>(3,399,581)</u>
Income Taxes Paid (Net of Refunds)	<u>(132,978)</u>	<u>(250,829)</u>
Net Cash used in Operating Activities	<u>(8,225,704)</u>	<u>(3,650,410)</u>
Cash Flow from Investing Activities		
Interest Received	1,196,830	571,100
Net Cash generated from Investing Activities	<u>1,196,830</u>	<u>571,100</u>
Cash Flow from Financing Activities	-	-
Net decrease in Cash and Cash Equivalents	<u>(7,028,874)</u>	<u>(3,079,310)</u>
Cash and Cash Equivalents at the beginning of the year	<u>12,466,700</u>	<u>15,546,010</u>
Cash and Cash Equivalents at the end of the year (Refer Note 6)	<u>5,437,826</u>	<u>12,466,700</u>

See accompanying notes forming part of the Financial Statements

In terms of our report attached

For **Deloitte Haskins & Sells**

Chartered Accountants

Ananthi Amarnath

Partner

Place: Kolkata

Date: April 22, 2019

For and On behalf of the Board of Directors

Sib Sankar Bandyopadhyay

Director

A. Chinnaiya

Company Secretary

Place: Secunderabad

Date: April 22, 2019

Suneel Pandey

Director

Notes forming part of the Financial Statements

1. Company Overview

The Company is in the business of agro forestry and other related activities, which consists of harvesting and selling of poplar wood, and is based in the states of Uttarakhand and Uttar Pradesh. The Company is presently exploring business opportunities in trading of agri produce and has undertaken trading of poplar saplings.

2. Standards issued but not yet effective

Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2019 on March 30, 2019 notifying Ind AS 116, 'Leases'. The notification is applicable for annual periods beginning on or after April 1, 2019. The Company is in the process of examining the impact of this Standard on its financial statements.

3. Significant Accounting Policies

3.1 Statement of Compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The financial statements have also been prepared in accordance with the relevant presentation requirements of the Companies Act, 2013.

3.2 Basis of Preparation

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention, except for certain items that are measured at fair values, as explained in the accounting policies below, and on accrual basis. The financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that a price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement or disclosure purposes in these financial statements is determined on such a basis, except for measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

3.3 Use of Estimates and Judgements

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, disclosure of contingent liabilities and the reported amounts of income and expenses during the year. Actual results could differ from those estimates and the difference between the actual results and the estimates are recognised in the periods in which the results are known / materialise. The estimates and underlying assumptions are reviewed on an ongoing basis.

3.4 Biological Assets other than Bearer Plants

Biological assets other than bearer plants comprises of matured as well as growing poplar trees. These trees are felled for wood and are then sold to farmers, the usual production cycle ranging from 5 – 6 years. At any reporting period, these trees would be at various stages of growth. Since the trees have a growing period of 5-6 years, and there is no market for such trees in the initial 4-5 years of their growth, the fair value of the same cannot be established. Hence, such assets are measured at cost less any accumulated depreciation and any accumulated impairment losses on initial recognition and at the end of each reporting period. In determination of cost, no adjustment is made to the total cost of trees on account of undeveloped / diseased trees, being normal loss during the period of maturity of plantation (based on a technical estimate) except that realization / insurance claim for such trees is reduced from total cost. Cost includes all direct and indirect expenses in respect of the poplar plantation. Further, 75% of net standard realizable value of inter cropping, waste, etc. is reduced from the above cost because entire farm cost is first added to the cost of plantation.

Fair valuation is done for those trees which have attained a growth of 5 years and is ready for sale in the next one year, provided it is reasonably

certain that the existing market prices are unlikely to show wide variability in the next one year. To determine the fair value, reference is made to the current market price of similar grade of wood less estimated costs to be incurred for making the sale.

Unharvested agricultural produce of intercropping traditional crops are valued at fair value less costs to sell.

3.5 Inventories

Agricultural produce after harvest i.e., felled wood from poplar trees and inter-cropping of traditional crops (viz., wheat and sugarcane) are measured at 75% of their net realizable value in accordance with well-established practice in the industry.

In respect of traded items, inventories are valued at weighted average cost basis.

3.6 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated.

3.7 Property, Plant and Equipment – Recognition and Depreciation

Property, Plant and Equipment are stated at cost less accumulated depreciation and impairment, if any. The cost comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses related to acquisition.

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

3.8 Revenue Recognition

(a) Sale of Products: Revenue is recognised at fair value of amounts received and receivable from third parties for products supplied (net off estimated returns and discounts), upon transfer of significant risks and rewards of ownership of the products to the buyer, the amount of revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

(b) Interest Income on deposits with bank is accounted for on an accrual basis at the effective interest rate.

3.9 Retirement Benefits

Defined Contribution Plans

The Company's contribution to provident fund and employees' state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Defined Benefit Plans

The Company's gratuity benefit scheme is a defined benefit plan which is not funded. The cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Gain or Loss on account of remeasurements are recognised immediately through Other Comprehensive Income in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds.

Other Long-Term Employment Benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized as a liability at the present value of the defined benefit obligation at the balance sheet date.

Notes forming part of the Financial Statements (Contd.)

3.10 Earnings Per Share ('EPS')

Basic earnings per share ('EPS') is computed by dividing the net profit/(loss) attributable to the equity shareholders for the period by the weighted average number of equity shares outstanding during the reporting period. Diluted EPS is computed by dividing the net profit/(loss) attributable to the equity shareholders for the period by the weighted average number of equity and equivalent dilutive equity shares outstanding during the period, except where the results would be anti-dilutive.

3.11 Taxation

Income-tax expense comprises current tax and deferred tax charge or credit. Current tax is determined in accordance with the Income-tax Act, 1961. Income tax, in so far as it relates to items disclosed under Other Comprehensive Income or Equity, are disclosed separately under Other Comprehensive Income or Equity, as applicable.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realised. As the Company is currently engaged in trading of agricultural produce, such income is exempt from income tax. Accordingly, there are no deferred tax assets/liabilities arising therefrom.

3.12 Impairment of Assets

To provide for impairment loss, if any, to the extent, the carrying amount of assets exceed their recoverable amount. Recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit and loss.

3.13 Contingencies and Provisions

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settlement to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

3.14 Operating Cycle

Based on the nature of products / activities of the Company which consists of harvesting and selling of poplar wood on an annual basis from the existing trees which have attained maturity and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current. In the process of trading of agri produce also, the operating cycle has been determined as 12 months.

	As at 31 March 2019	(Amount in ₹) As at 31 March 2018
4. Biological Assets other than Bearer Plants		
Unharvested Agri-Produce (Inter cropping of traditional crops)	4,327,032	4,327,032
Unharvested Poplar Trees (Standing crops)	20,986,175	20,986,175
	<u>25,313,207</u>	<u>25,313,207</u>
Less: Provision for Write Down (Refer Note 24)	(25,313,207)	(25,313,207)
	-	-
Note: Additional disclosure in terms of Schedule III and Ind AS 41 have not been given in view of the ongoing litigation (Refer Note 24).		
5. Trade Receivables		
Current		
Unsecured, Considered Good	-	-
Doubtful	18,364	18,364
	<u>18,364</u>	<u>18,364</u>
Less: Allowance for Doubtful Debts (Expected Credit Loss Allowance)	(18,364)	(18,364)
	-	-
6. Cash and Cash Equivalents		
Balances with Banks		
Current Account	87,826	15,794
Deposit Accounts (Refer Note below)	5,350,000	12,450,000
Cash on Hand	-	906
	<u>5,437,826</u>	<u>12,466,700</u>
Note: Deposits maintained by the Company with banks comprise of time deposits, which can be withdrawn by the Company at any point without prior notice or penalty on the principal.		
7. Other Financial Assets		
Current		
Interest Accrued on the Bank Deposits	1,120,467	1,563,938
	<u>1,120,467</u>	<u>1,563,938</u>
8. Other Assets		
Current		
Deposits with Statutory Authorities	87,340	42,340
	<u>87,340</u>	<u>42,340</u>
9. Equity Share Capital		
Authorised Share Capital:		
10,000,000 Equity Shares of ₹ 10 each fully paid-up	100,000,000	100,000,000
Issued, Subscribed and Paid-Up Capital:		
5,510,004 Equity Shares of ₹ 10 each fully paid-up	55,100,040	55,100,040
A) Reconciliation of number of Equity Shares outstanding:		
	No. of Shares	Amount
Balance at April 1, 2017	5,510,004	55,100,040
Add: Issued during the year	-	-
Balance at March 31, 2018	5,510,004	55,100,040
Add: Issued during the year	-	-
Balance at March 31, 2019	<u>5,510,004</u>	<u>55,100,040</u>
B) Shareholders holding more than 5% of the Equity Shares in the Company:		
	As at March 31, 2019	As at March 31, 2018
	(No. of Shares)	(No. of Shares)
ITC Limited and its nominees	5,510,004	5,510,004
	100	100
* 5,509,998 shares are held by ITC Limited, the Holding Company and the balance 6 shares are held by nominees of the Holding Company jointly with the Holding Company.		
C) Rights, preferences and restrictions attached to the Equity Shares:		
The equity shares of the Company, having par value of ₹ 10 per share, rank pari passu in all respects including voting rights and entitlement to dividend.		
	As at 31 March 2019	(Amount in ₹) As at 31 March 2018
10. Other Equity		
Reserves and Surplus:		
General Reserve		
This represents appropriation of profit by the Company	500,000	500,000
Retained Earnings		
Retained earnings comprise of the Company's prior years' undistributed earnings after taxes	(50,529,471)	(45,060,318)
Other items of Other Comprehensive Income:		
Other items of other comprehensive income consist of remeasurement of net defined benefit liability/asset	(810,958)	(182,894)
	<u>(50,840,429)</u>	<u>(44,743,212)</u>

Notes forming part of the Financial Statements (Contd.)

	As at 31 March 2019	(Amount in ₹) As at 31 March 2018
11. Provisions		
Employee Benefits:		
Gratuity (Refer Note 25)	200,255	1,156,771
Compensated Absences	31,129	169,919
	<u>231,384</u>	<u>1,326,690</u>
Non-current		
Gratuity (Refer Note 25)	195,236	1,094,087
Compensated Absences	30,349	156,334
	<u>225,585</u>	<u>1,250,421</u>
Current		
Gratuity (Refer Note 25)	5,019	62,684
Compensated Absences	780	13,585
	<u>5,799</u>	<u>76,269</u>
	<u>231,384</u>	<u>1,326,690</u>
12. Other Financial Liabilities		
Current:		
Employee Dues Payable	23,104	416,505
	<u>23,104</u>	<u>416,505</u>
13. Other Liabilities		
Current:		
Statutory Liabilities	1,663,049	1,657,187
	<u>1,663,049</u>	<u>1,657,187</u>
	For the year ended 31 March 2019	For the year ended 31 March 2018
14. Revenue from Operations		
Sale of Products (Saplings)	272,800	519,800
	<u>272,800</u>	<u>519,800</u>
15. Other Income		
Interest Income:		
- Bank Deposits	752,867	1,107,683
- Refund from Income Tax	492	-
	<u>753,359</u>	<u>1,107,683</u>
16. Employee Benefits Expense		
Salaries and Wages (Refer Note 27)	4,342,150	2,883,939
Contribution to Provident and Other Funds	217,499	246,163
Gratuity Expense (Refer Note 25)	35,483	129,910
Staff Welfare Expenses	16,370	7,872
	<u>4,611,502</u>	<u>3,267,884</u>
17. Other Expenses		
Power and Fuel	119,259	145,970
Rent	7,760	7,760
Rates and Taxes	2,700	3,565
Insurance	6,515	7,372
Repairs and Maintenance - Others	4,876	5,944
Security Charges	118,500	113,130
Travelling and Conveyance	78,304	81,596
Legal and Consultancy Expenses	1,126,181	143,028
Miscellaneous Expenses	71,887	75,431
	<u>1,535,982</u>	<u>583,796</u>
Miscellaneous Expenses include:		
Payment to Auditors (excluding applicable taxes)		
- Statutory Audit	50,000	50,000
- Tax Audit	15,000	15,000
	<u>65,000</u>	<u>65,000</u>
18. Tax Expense		
(a) The Company is in the business of Agro Forestry and related income and expenses are agricultural income, which are exempt u/s 10 of the Income-Tax Act, 1961.		
(b) Remeasurement of actuarial losses relating to gratuity are related agricultural activities of the Company. Hence, there is no tax impact on such remeasurement of actuarial losses.		
(c) A reconciliation of the income tax provision to the amount computed		

by applying the Indian statutory income tax rate to the loss before tax is summarised below:

	For the year ended 31 March 2019	For the year ended 31 March 2018
Loss before Income Tax	(5,361,325)	(2,686,187)
Enacted Tax Rates	26.00%	25.75%
Computed Expected Tax Expense	(1,393,945)	(691,696)
Tax on Income after excluding expenses for income exempt u/s 10	1,516,045	940,696
Income Tax Expense	<u>122,100</u>	<u>249,000</u>
19. Contingent Liabilities *		
Claims against the Company not acknowledged as Debts		
Local Authority Taxes	664,524	664,524
Revision of Land Lease Rent	10,700,000	10,700,000
Other Matters	42,340	42,340
	<u>11,406,864</u>	<u>11,406,864</u>
* It is not practicable for the Company to estimate the closure of the issue and the consequential timings of cash flows, if any, in respect of the above.		
20. Earnings Per Share		
Computation of earnings per share is set out below:		
Net Loss attributable to Equity Shareholders (A) (₹)	(5,469,153)	(2,935,197)
Weighted Average Number of Equity Shares outstanding during the year (B) (Nos.)	5,510,004	5,510,004
Face value of Equity Share (₹)	10.00	10.00
Earnings Per Share (Basic and Diluted) (A/B) (₹)	(0.99)	(0.53)
21. Segment Information		
The Board of the Company has been identified as the Chief Operating Decision Maker (CODM) as defined by IND AS 108 Operating Segments. The Company's activities involve predominantly business of growing and selling agricultural produce in India, which is considered to be a single business segment since these are subject to similar risks and returns. Further, the business is carried out in India and product sold primarily in India and hence there are no reportable geographical segments.		
The Company receives more than 10% of its total revenue from operations from a single customer as under		
	For the year ended 31 March 2019	For the year ended 31 March 2018
Mr. Jagdish Patharia	20%	-
Mr. Madan Gopal Sharma	15%	-
Mr. Harpinder Singh	12%	-
During the previous year, none of the customers contributed to 10% or more to the total revenue of the Company.		
22. Related Party Disclosures		
a) Details of Related Parties :		
Name	Relationship	
ITC Limited	Holding Company	
Key Management Personnel	Relationship	
S. K. Sipani	Non-Executive Director	
R.C. Dhiman	Non-Executive Director (upto December 31, 2017)	
S. Limaye	Non-Executive Director (upto December 31, 2017)	
Suneel Pandey	Non-Executive Director (with effect from December 18, 2017)	
Sib Sankar Bandyopadhyay	Non-Executive Director (with effect from December 18, 2017)	
(b) Details of Related Party Transactions:		
	For the year ended 31 March 2019	For the year ended 31 March 2018
ITC Limited:		
Purchases	240,000	462,000
(c) Details of Related Party Balances:		
	As at 31 March 2019	As at 31 March 2018
ITC Limited:	-	-

Notes forming part of the Financial Statements (Contd.)

23. The Company, based on the information available on the status of the suppliers, does not have any dues to enterprises covered under the Micro, Small and Medium Enterprises Development Act, 2006.

24. During the year 2013-14, the Hon'ble High Court of Uttarakhand at Nainital, passed an order directing the State Authorities to take possession of the land leased to the Company. The Company had filed an appeal against the said Order, which had been admitted and the matter is pending in the Hon'ble High Court.

Consequent to the aforesaid Order, as a matter of prudence, cost of the land amounting to ₹ 23,410,906 (being the difference between the premium paid on acquisition of such leasehold land amounting to ₹ 44,933,855 and amortised to the extent of ₹ 21,522,949) was fully impaired in 2013-14. On transition to Ind AS, deemed cost of such leasehold land as on April 1, 2015 is Nil. Further, as the Company does not have access to such land, biological assets (including agri-produce) thereon were fully provided for and consequently, cost of such assets is Nil.

In the interim, the Company has been examining alternate business opportunities and basis its long experience of trading in poplar wood/saplings, the Company continues to engage in trading of poplar wood / saplings in the proximate markets. In view of the above and taking into account that the Company's assets primarily include current assets (Cash and Cash Equivalents), the Board has determined that it would be appropriate to prepare its financial statements on a going concern basis.

25. Employee Benefits

Description of Plans

The Company makes contribution to defined contribution scheme (Provident Fund) for qualifying employees. The Company makes a monthly contribution as a percentage of eligible salary to Provident Fund.

The liabilities arising in the defined benefit schemes are determined in accordance with the actuarial valuation. Gratuity and Compensated Absences benefits are unfunded.

Risk Management

The defined benefit plans expose the Company to actuarial deficit arising out of interest rate risk, longevity risk and salary cost inflation risk. These plans are not exposed to any unusual, entity specific or scheme specific risks but there are general risks. The Scheme's accounting liabilities are calculated using a discount rate set with reference to the Government security yields. A decrease in yields will increase the fund liabilities, leading to accounting deficit in the funds. Increase in salary due to adverse inflationary pressures might lead to higher liabilities.

Gratuity:

The following tables set out the amount recognised in the Financial Statements as of March 31, 2019 and March 31, 2018:

	(Amount in ₹)	
	For the year ended 31 March 2019	For the year ended 31 March 2018
Change in Benefit Obligation		
Benefit Obligation at the beginning	1,156,771	1,005,258
Current Service Cost	9,478	62,055
Interest Expense	26,005	67,855
Remeasurements - Actuarial Losses	628,064	21,603
Benefits Paid	(1,620,063)	-
Benefit Obligations at the end	200,255	1,156,771

Amount for the year ended March 31, 2019 and March 31, 2018 recognised in the Statement of Profit and Loss under employee benefit expense:

Current Service Cost	9,478	62,055
Interest Expense	26,005	67,855
Gratuity Expense	35,483	129,910

Amount for the year ended March 31, 2019 and March 31, 2018 recognised in the Statement of Other Comprehensive Income:

Remeasurements of the Defined Benefit Liabilities		
Effect of changes in Financial Assumptions	628,064	97,567
Effect of Experience Adjustments	-	(75,964)
Cost recognised in the Statement of Other Comprehensive Income	628,064	21,603

Liability recognised in the Balance Sheet As at March 31, 2019 As at March 31, 2018

Remeasurements of the Defined Benefit Liabilities		
Present Value of Defined Benefit Obligation	200,255	1,156,771
Liability recognised in Balance Sheet		
- Current	5,019	62,685
- Non-Current	195,236	1,094,086
Liability recognised in Balance Sheet	200,255	1,156,771

The principal assumptions used for the purpose of the actuarial valuation were as follows:

	As at March 31, 2019	As at March 31, 2018
Discount Rates	7.50%	7.50%
Expected rates of salary increase	7.00%	7.00%
Mortality Table	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
Retirement Age	58 Years	58 Years

The Company assesses these assumptions with its projected long-term plans of growth and prevalent industry standards. The discount rate is based on the government securities yield.

As at March 31, 2019, every percentage point increase / decrease in discount rate will affect the Company's gratuity benefit obligation by approximately ₹ 2 Lakhs.

As at March 31, 2018, every percentage point increase / decrease in compensation levels will affect the Company's gratuity benefit obligation by approximately ₹ 10 Lakhs.

26. Financial Instruments and Related Disclosures

A. Capital Management

The Company's financial strategy aims to strengthen its financial position through optimum deployment of capital in the business of agro forestry and other related activities, which consists of harvesting and selling of poplar wood, and in trading of agri produce and nurture opportunities available in the markets. The Company aims at maintaining a strong capital base so as to maintain adequate supply of funds towards future growth of its businesses as a going concern.

B. Categories of Financial Instruments

	Note	As at March 31, 2019		As at March 31, 2018	
		Fair Value	Carrying Value	Fair Value	Carrying Value
Financial Assets (Measured at amortised cost)					
i) Trade Receivables	6	5,437,826	5,437,826	12,466,700	12,466,700
ii) Cash and Cash Equivalents	7	1,120,467	1,120,467	1,563,938	1,563,938
iii) Other Financial Assets					
Total Financial Assets		6,558,293	6,558,293	14,030,638	14,030,638
Financial Liabilities (Measured at amortised cost)					
(i) Trade Payables		507,250	507,250	329,383	329,383
(ii) Other Financial Liabilities	12	23,104	23,104	416,505	416,505
Total Financials Liabilities		530,354	530,354	745,888	745,888

C. Financial Risk Management Objectives

The Company's activities expose it to primarily to interest rate risk arising out of bank deposits made. Exposure to credit risk is limited to the outstanding trade receivables at hand and resulting from default by the counterparty.

i) Interest Rate Risk

Interest rate risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Though the majority of the financial assets of the Company are fixed interest bearing instruments, the Company's net exposure to interest risk is negligible as such instruments are invested in fixed interest bearing instruments which are not subject to substantial movements in rates. The maximum exposure to interest rate risk is Rs. 53,50,000 (As at March 31, 2018 - Rs. 1,24,50,000) and is represented by carrying amount of Balance with Banks - Deposit Accounts (Refer Note 6).

ii) Price Risk

The Company invests its surplus funds in bank deposits measured at amortized cost. Accordingly, these do not pose any significant price risk.

iii) Liquidity Risk

Liquidity risk is defined as the risk that the Company will not be

Notes forming part of the Financial Statements (Contd.)

able to settle or meet its obligations as they become due. The company has Cash and Cash equivalents of ₹ 54,37,826 while the aggregate of trade payables and other financial liabilities is ₹ 5,07,250. Aggregate of trade payables and other financial liabilities is about 9% of the total cash and cash equivalents, hence the company does not foresee any liquidity risk.

iv) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument which may lead to a financial loss to the Company. The company does not deal in credit unless specifically approved by the Chief Operating Decision Maker and such credit extension is short term in nature ranging from 0 - 15 days. There are no outstanding debtors for which ECL provision is required to be assessed.

The following table gives details in respect of percentage of revenues generated from top customer and top 5 customers

	(Amount in ₹)	
	For the year ended 31, March 2019	For the year ended 31, March 2018
Revenue from top customer	20%	9%
Revenue from top 5 customers	61%	33%

The Company's credit period generally ranges from 0-15 days

The movement of the expected loss provision made by the Company is as under:

	As at 31, March 2019	As at 31, March 2018
Opening Balance	(18,364)	(18,364)
Add: Provisions made (Net)	-	-
Less: Utilisation	-	-
Closing Balance	(18,364)	(18,364)

D. Fair value measurement

The Company does not have any Non-current Financial Assets and Non-current Financial Liabilities. Fair value of Current Financial Assets and Current Financial Liabilities is equivalent to their carrying values.

27. The employee benefit expense includes retrenchment compensation amounting to Rs. 20,24,034 paid to employees retrenched during the year considering the business operations of the Company, which has been approved by the Board of Directors in their meeting held on March 15, 2019.
28. Previous year's figures have been regrouped/ reclassified wherever necessary to correspond with the current year's classification/ disclosure.
29. The financial statements were approved for issue by the Board of Directors on April 22, 2019.

On behalf of the Board of Directors

Suneel Pandey Director
Sib Sankar Bandyopadhyay Director

A. Chinnaiya Company Secretary

Place: Secunderabad
Date: April 22, 2019