N. CHATTERJEE & ASSOCIATES
Chartered Accountants

40/6, Dhramadas Kundu Lane
Howrah- 711 102
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E-mail : nchatterjeeassociates@gmail.com

Date: 20th November, 2020

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
DARJEELING ORGANIC TEA ESTATES PVT LIMITED

Report on the Audit of the Standalone Ind AS Financial Statements

Qualified Opinion

We have audited the accompanying standalone Ind AS financial statements of Darjeeling Organic Tea Estates Private Limited ("the Company"), which comprises the Balance Sheet as at March 31, 2020, 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, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid financial statements give the information required by the Companies Act 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31st, 2020 and its loss, changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

a) The company has defaulted in the repayment of loans or borrowings to the banks & financial institutions. Details of Default with Overdue Installments and overdue interest amounting to Rs.54.90 crores have been reported in Note No.22. of the Standalone Ind AS Financial Statement as on 31st March 2020. The Cash Credit & Term Loan exposure in UCO bank is NPA since June 2019 & Allahabad Bank Cash Credit includes interest payable and overdue amounting to Rs.1.34 crores as disclosed in Note No. 20.

b) The Company has defaulted in Statutory Dues and Liabilities which have been reported in point no. vii of **Annexure A** to this report. The GST Returns and TDS Returns for the part of the FY 2019-20 has not been filed by the Company. GST RCM Liability as well as input availing has been taken on accrual basis which in our opinion is not in compliance to GST law and was Rs.0.24 crores CGST, Rs.0.24 crores SGST and Rs.0.03 crores IGST. To that extent the GST liability has been understated. (refer point no. vii of Annexure A to this report)

The SFT Return was not filed as the due date is extended upto 30.11.2020 and hence it was not produced. The resultant liability due to non-filing of the aforesaid returns have not been determined & provided for by the Management as on 31-03-2020. So to that extent, the current liabilities and loss are understated.

c) Balance Confirmation from Trade Creditors, Trade Receivables, Loans and Advances given and Deposits as on 31-03-2020 as well as regular ledger reconciliation for transactions during the current financial year of Vendors and Customers has not been provided for our verification. The company has sent request letters for balance confirmations to various parties, but none of them has confirmed the balances.

d) The Company did not provide unpaid leave encashment as per the actuarial valuation as recommended in Ind AS 19 in the Standalone Ind As Financial Statements as on 31.03.2020. However, as stated by the Management to us the Company has a policy as per which at the end of the financial year the outstanding leave is fully paid to employees on cash basis and at the end of the year a sum of Rs. 27.91 Lacs was estimated by the Company as outstanding.

e) Out of the total sales revenue of Rs. 109.55 crores during the current financial year , the sales to related party customers is Rs.108.38 crores including sales to Bhumya Private Limited Rs.99.56 crores(out of which Rs.50.85 crores have been provided for as doubtful debt in the year of sale itself). Refer Note 42(B). To the extent of provision made against the current year revenue, the realisability is uncertain and having its impact on current year's result.
Moreover, the prior Board Resolution and prior resolution of the Company in General Meeting approving the aforesaid related party transactions as required in Sec 188 of the Companies Act 2013 and rule 15 of The Companies (Meeting of Board and its Powers Rules , 2014) has not been provided to us. Ratification within the specified time limit of three months is also not made available.

f) Out of the total gross trade receivable of Rs.98.48 crores , the Company has provisioned for doubtful debts amounting to Rs.95.74 crores during the year which includes related party debts amounting to Rs.67.49 crores. Refer Note No. 42(B). Documentation in support Legal action for enforceability of collection and follow up of aforesaid debts prior to provisioning the same was not made available for our verification.
Compliance of Sec 188 of the Companies Act relating to such Provision for Doubtful Debts of related parties, the specific resolution of the Board approving the said provisioning was passed on 23.10.2020.

g) In compliance of Section 138(1) of the Companies Act, 2013 read with Rule 13 of the Companies (Accounts) Rules, 2014, the company was subject to internal audit. The enterprise wide Internal Audit in compliance of aforesaid section could not be made available for our verification.

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h) The Other Current Assets includes an unmoved balance in Input VAT Account amounting to Rs. 0.72 crores for which no details could be made available to us. So in our opinion, this should have been written off and to that extent the current assets have been overstated and loss has been understated.

i) The Company has taken loan from the Employee Gratuity Fund UBI Account amounting to Rs. 0.35 crores during the current financial year. The Employee Gratuity Fund being an irrevocable trust, it is a violation of the Trust rules if the Company being employer takes back money from irrevocable trust. However the repayment has been made by the Company after the Balance Sheet date.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities forthe 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 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 we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Information other than the standalone Ind AS financial statements and auditors' report thereon

The Company's Management & Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Company's Annual Report, but does not include the standalone Ind AS financial statements and our auditor's report thereon. The Information included in the Annual Report is expected to be made available to us after the date of the Auditors' Report.

Our opinion on the standalone 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 standalone Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the Other Information, if, we conclude that there is a material misstatement of this other information therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the applicable laws and regulations.

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Managements 'Responsibility for the Standalone Ind AS financial statements

The Company's Management &Board of Directors are responsible for the matters stated in section 134 (5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance ,cash flows & Changes in Equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian accounting standards(Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies ;making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone 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 Standalone Ind AS financial statements, management & Board of Directors are 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 Management & Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the audit of the Standalone Ind AS financial statements

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS 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 standalone 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 standalone 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.

N. Chatterjee & Associates Kolkata Chartered Accountants

the matters stated in the Basis for Qualified Opinion paragraph , 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 Standalone balance sheet, the Standalone statement of Profit and Loss (Including Other Comprehensive Income), the Standalone Changes in Equity

& standalone statement of the cash flows dealt with by this report are in agreement with the books of account;

(d) Except for the matters stated in the Basis for Qualified Opinion paragraph, in our opinion, the aforesaid standalone 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 , to the extent applicable for the Company.

(e) On the basis of the written representations received from the directors as on March 31, 2020, taken on record by the board of directors, none of the directors except Mr. Sanjay Prakash Bansal and Mr. Hrithik Bansal is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act. We have been informed that the disqualification of the above directors were due to non-compliance in some other companies because of non submission of required documents, other than the auditee company, where they have directorship.

(f)With respect to the adequacy of the internal financial controls with reference to standalone Ind AS financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in **Annexure 'B'** to this report.

(B) 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;

a. Regarding detailed reporting upon the status of the pending litigation by and against the company which would impact in its Standalone Ind AS Financial Statements we refer Note No. 34A & Accounting Policy point no. 2.1 of the attached financial statement.

b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

c. The Reporting point on whether there has been delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company is not applicable based on information and explanations provided to us.

For & On Behalf of
N. CHATTERJEE &ASSOCIATES
Chartered Accountants
ICAI FRN 317106E

N. Chatterjee & Associates
Kolkata
Chartered Accountants

Place: Kolkata
Dated: 20th November, 2020

N. CHATTOPADHYAY
PROPRIETOR
Membership No. 053249

ICAI UDIN 20053249AAAAAT7493

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans & investments made and the guarantees provided except in case of Advances made to Ambootia Tea Exports (P) Ltd. of Rs.6.43 crores (gross) & Ratanpur Land and Tea Estates (P) Ltd amounting to Rs.17.69 crores (gross) under the head Other Current Assets. 13(a). No special resolution to grant such advance has been made available to us. No interest has been charged on these loans which is not consistent with the provisions of Sce 186(7). Refer Note No. 35 and 42.

v. In our opinion and according to the information and explanations given to us, the Company did not receive any deposits covered under section 73 to 76 of the Act and the rules framed there under with regard to deposits accepted from the public during the year except for the matters stated below:-
<u>Loan from Non Corporate entities:-</u>Loan received from Ambootia Welfare Trust of Rs.1.05 crores and from Employees Gratuity Fund (UBI) of Rs.0.35 crores.
Hector Beverages Private Limited - Advances from Customer outstanding as on 31-03-2020 amounting to Rs.0.38 crores & Rs.0.001 Crores from Packaging System &Services, which has not been adjusted for a period of 365 days which comes within the purview of definition of public deposit.

vi. The Central Government has prescribed maintenance of cost records under section 148(1) of the Act, for the Company. We have broadly reviewed such accounts and records maintained by the company pursuant to the rules and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained but no detail examination of such records and accounts have been carried out by us.

vii. According to the information and explanations given to us according to the books and records as produced and examined by us, in our opinion,

(a) the Company is not regular in depositing with appropriate authorities, undisputed statutory dues/liabilities of Provident Fund, Professional Tax, GST (West Bengal Registration GSTR-3B return non filing forJan'20 to March'20, GSTR-1 Feb & March'20), stamp duty, service Tax, Corporate dividend tax and Income tax (Tax Deducted at Source), VAT & CST& Cess.

According to the information and explanations given to us, following undisputed dues as stated above are outstanding as at March 31, 2020:-:

Name of the Statute	Nature of the dues	Amount (Rs.)	Period to which amount relates
The Employees' Provident Funds And Miscellaneous Provisions Act, 1952& Assam Tea Employees Provident Fund	Provident Fund	9,19,49,084/-	April'19 to March'20
The Employees' Provident Funds And Miscellaneous Provisions Act, 1952& Assam Tea Employees Provident Fund	Provident Fund	5,92,95,368/-	Earlier to April 2019.

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Income Tax Act 1961	TDS Due under various section demanded by Income Tax Department	1,10,64,200/-	Due relates to FY 2018-19& Prior period .
Income Tax Act 1961	TDS Due under various sections	3,17,43,717/-	Related to the Period 1st April 2019 to 31st March,2020.
West Bengal State Tax on Professions, Trades, callings and Employments Act 1979	Professional Tax	3,00,826/-	Period Nov'18 to March'20
Stamp Duty Act #	Stamp Duty	36,57,496/-	April 2016-March 2017
Goods & Service Tax Act – West Bengal & Assam Gross Dues reported prior to set off against eligible input.	Goods & Service Tax For West Bengal For Assam	9,33,59,710/- 1,77,444/=	Includes dues Rs.2.03 crores of FY 2018-19 & rest for FY 2019-20.
West Bengal VAT Act CST ACT	West Bengal VAT CST	48,908/- 5,60,111/=	Prior to April,18 19-20
Income Tax Act 1961	TCS DIVIDEND TAX	2536/- 4,34,105/=	FY 2018-19 Prior to 19-20
Goods & Service Tax Act – West Bengal & Assam	GST Dues on Assam Stock Transfer has been taken input in West Bengal. The Unpaid GST Dues in Assam over 180 days as on 31-03-2020& since period till date of our review has been taken input in West Bengal to reduce the GST Liability which the Co. is not eligible to do	218101/=	January '20 to March '20.
-DO-	Liability on account of RCM was considered on accrual basis & remain unpaid during the year wrongly taken as Input credit thereby liability understated.	Rs.23,88,557 CGST Rs.23,88,557 SGST Rs.319803 IGST	

Note :

1) Reconciliation of GST Input of GSTR 3B and GSTR 2A is under process.
2) Reconciliation of GST Electronic Cash and Credit Ledger Balance with Books of Accounts is under process.
3) For the PF liability of Rs. 1,20,33,044/= to Assam Tea Employees Provident Fund, Assam, relating to the period 01/08/2018 to 30/09/2018 & 01/11/2018 to 31/12/2019 an instalment programme was granted on 26/02/20 by the Commissioner of PF for 36 equal monthly instalment of Rs.3,34,251/= against which the company was directed to pay post dated cheques in their favour.

b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax and cess as at March 31, 2020 which have not been deposited on account of dispute except for the following:

Name of the Statute	Nature of Dues	Amount (Rs.)	Forum where pending
Employees Provident Fund Act	Provident Fund – Happy Valley TE	78,00,000 (Rs.60,00,000) has been kept deposited with the Authorities.	PF Authorities
Income Tax Act 1961	Income Tax Demand out of Scrutiny Assessment order u/s 143(3) AY 2017-18	164.648 lakhs	CIT (Appeal)
Income Tax Act 1961	Income Tax Demand out of Scrutiny Assessment order u/s 143(3) AY 2016-17	7.77 lakhs	CIT (Appeal)
Income Tax Act 1961	Demand out of Rectification Order 154 Ay 2015-16	520.51 lakhs	CIT (Appeal)

Income Tax Act 1961	Income Tax Demand out of Scrutiny Assessment order u/s 143(3) AY 2014-15	71.85 lakhs	CIT (Appeal) Order reduced the demand to be given effect.
Income Tax Act 1961	Demand out of Rectification Order 154 Ay 2013-14	245.05 lakhs	CIT (Appeal)
Income Tax Act 1961	Demand out of Revision Order263 Ay 2012-13	10.05 Lkhs	Appeal effect Pending

viii. According to the records of the Company examined by us and the information and explanations provided to us, the company has defaulted in the repayment of loans or borrowings to the banks & financial institutions. Details of Default with Overdue Installments and overdue interest amounting to Rs.54.90 crores have been reported in Note No.22 of the Standalone Ind AS Financial Statement as on 31st March 2020.Exact period of default is not ascertainable from external confirmations to us.

The Company has not issued any debentures during the year nor is anything outstanding as on the balance sheet date.

Company has raised fund from ECB, where interest due has been serviced. Repayment of principal of ECB has moratorium till 14-Dec-2021.

ix. According to the information and explanation given to us and based on our overall examination of the books of accounts, we report that the company has utilized the Term Loan for the specified purpose during the year as evident from the information made available to us. Furthermore, the company has neither raised moneys through initial public offer nor through further public offer during the year. Hence, the related reporting does not apply.

x. As informed to us, there has been no fraud on or by the Company noticed during the period under review.

xi. The information as regards whether the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act is not applicable to private limited companies

N. Chatterjee & Associates Kolkata Chartered Accountants

xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable Ind AS except for matters stated in point "e" of the Basis for Qualified Opinion paragraph stated above.

xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment nor private placement of shares during the current financial year.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them.

xvi. According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

For & On Behalf of
N. CHATTERJEE & ASSOCIATES
Chartered Accountants
FRN 317106E

Place: Kolkata
Dated: 20th November, 2020

N. Chatterjee & Associates Kolkata Chartered Accountants

N. CHATTOPADHYAY
PROPRIETOR
Membership No. 053249

ICAI UDIN 20053249AAAAAT7493

The Annexure referred to in paragraph 2 (f) under the heading "Report on Other Legal and Regulatory Requirements" of our Independent Auditor's Report of even date, in respect to the internal financial control under clause (i) of sub-section 3 of section 143 of the Act, of DARJEELING ORGANIC TEA ESTATES PVT LIMITED for the year ended March 31, 2020, we report that:

We have audited the internal financial controls over financial reporting of DARJEELING ORGANIC TEA ESTATES PVT LIMITED ("the Company") as of March 31, 2020 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 and the Board of Directors are 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.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") 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 applicable to an audit of Internal Financial Controls and, both issued by ICAI. 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

N. Chatterjee & Associates
Kolkata
Chartered Accountants

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 standalone Ind AS 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 standalone Ind AS 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 standalone Ind AS 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.

QUALIFIED OPINION

Except for the matters stated in the Basis for Qualified Opinion paragraph stated below , 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, 2020,

N. Chatterjee & Associates Kolkata Chartered Accountants

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 ICAI.

Basis for Qualified Opinion

a) We have reviewed internal controls deployed within the organization & compliances and its effectiveness and in our opinion the assessment & control by the respective control owners need to be further strengthened.

b) The IT based Accounting and Financial Reporting in Garden and Head office are in different platforms and are not integrated by system process. In view of this, the entire consolidation process at HO is virtually manual using MS excel, which poses data integrity risk.

c) The company failed to comply with the provision of section 138(1) of the Companies Act, 2013 by not appointing the internal auditor during the year.

d) We have come across few cases of deviation in supervisory control over daily cash book balances of various garden accounts. This indicates need for internal control improvement and stringent supervision on the aforesaid process.

For & On Behalf of
N. CHATTERJEE & ASSOCIATES
Chartered Accountants
FRN 317106E

N. Chatterjee & Associates Kolkata Chartered Accountants

N. CHATTOPADHYAY
PROPRIETOR
Membership No. 053249

Place: Kolkata
Dated: 20th November, 2020

ICAI UDIN 20053249AAAAAT7493

DARJEELING ORGANIC TEA ESTATES PRIVATE LIMITED
BALANCE SHEET AS AT 31st MARCH, 2020

(In Rs.)

		Note No.	As at 31st March, 2020	As at 31st March, 2019
A	**ASSETS**			
	1 Non-current Assets			
	Property, Plant and Equipment	4	**41886,83,038**	104365,30,094
	Capital Work-in-Progress	5	**60,19,808**	4942,69,592
	Intangible Assets	4A	**67,69,782**	35,71,936
	Financial Assets			
	(i) Other Financial Assets	6	**24,43,592**	24,26,124
	Other Non-Current Assets	7	**221,83,755**	3197,81,655
			42260,99,975	112565,79,401
	2 Current Assets			
	Current Tax Assets	8	**49,36,615**	35,17,415
	Inventories	9	**2691,64,449**	3788,37,735
	Biological Assets other than Bearer Plants	10	**-**	213,12,082
	Financial Assets			
	(i) Loans	11	**49,86,832**	59,76,374
	(ii) Trade Receivables	11A	**273,38,991**	4887,07,322
	(iii) Cash & Cash Equivalents	12	**125,75,877**	94,95,393
	Other Current Assets	13	**925,75,298**	3894,11,696
			4115,78,062	12972,58,017
	Total		**46376,78,037**	125538,37,418
B	**EQUITY & LIABILITIES**			
	1 Equity			
	Equity Share Capital	14	**3285,38,470**	3285,38,470
	Other Equity	15	**(1408,20,451)**	74670,17,949
			1877,18,019	77955,56,419
	2 Non Current Liabilities			
	Financial Liabilities			
	(i) Borrowings	16	**16004,08,942**	13566,06,802
	Provisions	17	**3291,25,555**	2398,18,141
	Other Non Current Liabilities	18	**278,49,064**	350,43,737
	Deferred Tax Liabilities (net)	19	**3722,41,201**	16131,86,633
			23296,24,762	32446,55,313
	3 Current Liabilities			
	Financial Liabilities			
	(i) Borrowings	20	**6965,02,114**	7109,98,357
	(ii) Trade Payables	21	**866,46,732**	1136,04,075
	(iii) Other Financial Liabilities	22	**6788,61,115**	4397,52,271
	Other Current Liabilities	23	**6440,71,353**	2350,17,040
	Provisions	24	**-**	-
	Current Tax Liabilities (net)	25	**142,53,943**	142,53,943
			21203,35,257	15136,25,686
	Total		**46376,78,037**	125538,37,418

Significant Accounting Policies and other information	1-3
Other notes to the financial statements	34-49

The accompanying notes form an integral part of the financial statements
This is the Balance Sheet referred to in our report of even date.

As per our Report of even date
For N. CHATTERJEE & ASSOCIATES
Chartered Accountants
ICAI Firm Registration No. 317186E

Chattopadhyay

Niladri Chattopadhyay
Proprietor
Membership No. 053249
UDIN: 20053249AAAAAT7493
Place : Kolkata
Date : 20.11.2020

N. Chatterjee & Associates Kolkata Chartered Accountants

For and on behalf of the Board of Directors

DocuSigned by:
Rembert Biemond
C10BEA40CD7D4F2...
Rembert Biemond
(Director)

Sanjay P Bansal
(Director)

R. Singh
Rajan Singh
(Company Secretary)

DARJEELING ORGANIC TEA ESTATES PRIVATE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2020

(In Rs.)

	Note No.	For the Year Ended 31st March 2020	For the Year Ended 31st March 2019
I INCOME			
Revenue from Operations	26	10955,45,991	20495,40,824
Other Income	27	16,34,764	210,24,592
Total Income		10971,80,754	20705,65,417
II EXPENSES			
Purchases		2459,27,149	7369,51,046
Changes in Inventories of Finished Goods & Stores & Spares	28	1096,73,286	(447,14,990)
Employee Benefits Expense	29	7938,11,569	6968,57,983
Finance Costs	30	2495,80,321	2443,21,959
Depreciation and amortization expense	4 & 4A	1618,37,312	1720,01,215
Other Expenses	31	18424,48,881	2537,12,361
Total Expenses		34032,78,519	20591,29,574
III PROFIT/ (LOSS) BEFORE TAX & EXCEPTIONAL ITEMS		(23060,97,765)	114,35,842
Exceptional Items	31A	(27349,90,354)	-
IV PROFIT/ LOSS) BEFORE TAX		(50410,88,118)	114,35,842
Tax expense	32		
Current tax		-	18,76,223
Income Tax for earlier years		-	-
Deferred tax		(12271,12,986)	(1514,40,412)
Total Tax expense		(12271,12,986)	(1495,64,189)
V PROFIT/ (LOSS) FOR THE YEAR AFTER TAX		(38139,75,132)	1610,00,031
VI OTHER COMPREHENSIVE INCOME	33		
i Items that will not be classified to profit and loss		(532,01,714)	(90,45,000)
ii Income tax relating to items that will not be classified to profit and loss		138,32,446	25,16,319
Total Other Comprehensive Income For The Year		(393,69,268)	(65,28,681)
VII TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(38533,44,401)	1544,71,350
EARNING PER EQUITY SHARE (Face value of Rs 10/- each)	47		
Basic (Rs.)		(116.09)	4.90
Diluted (Rs.)		(116.09)	4.90
Significant Accounting Policies and other information	1-3		
Other notes to the financial statements	34-49		

The accompanying notes form an integral part of the financial statements
This is the Balance Sheet referred to in our report of even date.

As per our Report of even date
For N. CHATTERJEE & ASSOCIATES
Chartered Accountants
ICAI Firm Registration No. 317106E

Niladri Chattopadhyay
Proprietor
Membership No. 053249
UDIN: 20053249AAAAAT7493
Place : Kolkata
Date : 20.11.2020

N. Chatterjee & Associates Kolkata Chartered Accountants

For and on behalf of the Board of Directors

DocuSigned by:
Rembert Biemond
C10BEA40CD7D4F2...
Rembert Biemond
(Director)

Sanjay P Bansal
(Director)

R. Singh
Rajan Singh
(Company Secretary)

DARJEELING ORGANIC TEA ESTATES PRIVATE LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2020

(In Rs)

	For the Year Ended 31st March 2020		For the Year Ended 31st March 2019	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit before tax & after Exceptional Items		(50410,88,118)		114,35,842
Adjustment for:				
Depreciation & amortization expense	1618,37,312		1720,01,215	
Impairment Loss	27350,74,074			
Profit on sale of Fixed Assets	(1,78,428)			
Loss on sale of Fixed Assets	192,88,982		12,51,154	
Loss due to Quality Rejection	10,60,788		-	
Provision for Doubtful Debts	9574,69,068		-	
Provision for Doubtful Capital Advances	21,59,233		-	
Provision for Doubtful Other Non Current Advances	1905,78,573		-	
Provision for Doubtful Advance Given to Suppliers	10,06,267		-	
Provision for Doubtful Other Current Advances	3090,77,999		-	
Finance cost	2495,80,321		2483,31,942	
Changes in fair value of biological assets	213,12,082		(39,54,136)	
Other comprehensive income	(532,01,714)		(90,45,000)	
		45950,64,477		4085,85,174
Operating profit before Working Capital changes		(4460,23,642)		4200,21,017
Adjustments for Working Capital changes				
Decrease/(increase) in non current other financial assets	(17,468)		(61,933)	
Decrease/(increase) in other non current assets	1048,60,094		(3007,86,741)	
Decrease/(increase) in inventories	1096,73,286		(447,14,990)	
Decrease/(increase) in Loans	9,89,541		(19,02,336)	
Decrease/(increase) in current financial assets				
Trade receivables	(4971,61,525)		(3711,84,426)	
Other financial assets	-		253,69,133	
Decrease/(increase) in other current assets	(132,47,868)		(3003,06,641)	
Increase/(decrease) in non current provisions	893,07,413		363,73,251	
Increase/(decrease) in non current liabilities	(71,94,673)		(253,11,541)	
Increase/(decrease) in current financial liabilities				
Trade payables	(369,57,343)		320,90,579	
Other financial liabilities	2391,08,844		2728,04,037	
Increase/(decrease) in other current liabilities	4086,20,209		986,63,420	
Increase/(decrease) in short term provisions	-		-	
		4079,80,513		(5789,68,188)
Cash generated from operations		(380,43,129)		(1589,47,171)
(Tax paid) / refund received (net)		(14,19,200)		(8,88,526)
Net cash from operating activities		(394,62,329)		(1598,35,697)
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Property, Plant and Equipment, CWIP	(275,12,573)		(3969,63,776)	
Sale proceeds of Property, Plant and Equipment, CWIP	928,38,510		35,00,000	
Net cash generated / (used) in investing activities		653,25,937		(3934,63,776)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Increase/(decrease) from long term borrowings	2438,02,140		3576,55,821	
Increase/(decrease) in short term borrowings	(144,96,243)		4397,42,147	
Dividend Paid	(25,08,697)		-	
Finance cost	(2495,80,321)		(2483,31,942)	
Net cash from financing activities		(227,83,121)		5490,66,025
Net changes in Cash and Bank balances		30,80,484		(42,33,448)
Net Increase / (-) Decrease in Cash and Bank balances				
Balance at the end of the year		125,75,877		94,95,393
Balance at the beginning of the year		94,95,393		137,28,841
Net changes in Cash and Bank balances		30,80,484		(42,33,448)

Notes:

The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS) 7, Statement of Cash Flows.

The accompanying notes form an integral part of the financial statements.
This is the Cash Flow Statement referred to in our report of even date

As per our Report of even date
For N. CHATTERJEE & ASSOCIATES
Chartered Accountants
ICAI Firm Registration No. 317106E

Chattopadhyay

Niladri Chattopadhyay
Proprietor
Membership No. 053249
UDIN: 20053249AAAAAT7493
Place : Kolkata
Date : 20.11.2020

N. Chatterjee & Associates, Kolkata, Chartered Accountants

For and on behalf of the Board of Directors

DocuSigned by:
Rembert Biemond

Rembert Biemond
(Director)

Sanjay P Bansal
(Director)

R. Singh

Rajan Singh
(Company Secretary)

DARJEELING ORGANIC TEA ESTATES PRIVATE LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH, 2020

(In Rs.)

A. EQUITY SHARE CAPITAL (Refer Note No. 14)

	As at 31st March, 2020	As at 31st March, 2019
Balance at the year beginning	3285,38,470	2704,48,910
Changes in equity share capital during the year	-	580,89,560
Balance at the year end	3285,38,470	3285,38,470

B. INSTRUMENTS ENTIRELY EQUITY IN NATURE (Refer Note No. 14)

	As at 31st March, 2020	As at 31st March, 2019
Balance at the year beginning	-	580,89,560
Changes in preference share capital during the year	-	(580,89,560)
Balance at the year end	-	-

C. OTHER EQUITY (Refer Note No. 15)

For the year ended 31st March, 2020

Particulars	Reserve & Surplus				Other Comprehensive Income	Total
	Capital Redemption Reserve	Securities Premium	Capital Reserve	Retained Earnings	Remeasurement of defined benefit plan	
Balance as at 1st April, 2019	159,00,000	50488,73,011	39151,07,407	(14912,05,140)	(216,57,329)	74670,17,949
Add : For the Year	-	-	-	(38139,75,132)	(393,69,268)	(38533,44,401)
Add: On conversion of CCPS into equity shares	-	-	-	-	-	-
Add: Current Year Transfer (Equity)	-	-	-	-	-	-
Add: Overcharged Depn in earlier year	-	-	-	-	-	-
Less: Dividend payable on equity shares	-	-	-	-	-	-
Less: Dividend payable on preference shares	-	-	-	-	-	-
Less: Dividend distribution tax payable	-	-	-	-	-	-
Less: Amortized during the year	-	-	-	-	-	-
Less: Adjustment of Impairment Loss			(37515,51,195)			(37515,51,195)
Balance as at 31st March, 2020	159,00,000	50488,73,011	1635,56,212	(53081,23,076)	(610,26,597)	(1408,20,451)

For the year ended 31st March, 2019

Particulars	Reserve & Surplus				Other Comprehensive Income	Total
	Capital Redemption Reserve	Securities Premium	Capital Reserve	Retained Earnings	Remeasurement of defined benefit plan	
Balance as at 1st April, 2018	159,00,000	50488,73,011	39151,07,407	(16512,37,546)	(151,28,648)	73135,14,224
Add : For the Year	-	-	-	1610,00,031	(65,28,681)	1544,71,350
Add: On conversion of CCPS into equity shares	-	-	-	-	-	-
Add: Current Year Transfer (Equity)	-	-	-	-	-	-
Add: Overcharged Depn in earlier year	-	-	-	-	-	-
Less: Dividend payable on equity shares	-	-	-	-	-	-
Less: Dividend payable on preference shares	-	-	-	(25,08,699)	-	(25,08,699)
Less: Dividend distribution tax payable	-	-	-	(4,34,105)	-	(4,34,105)
Less: Amortized during the year	-	-	-	-	-	-
Balance as at 31st March, 2019	159,00,000	50488,73,011	39151,07,407	(14912,05,140)	(216,57,329)	74670,17,949

The accompanying notes form an integral part of the financial statements

As per our Report of even date
For N. CHATTERJEE & ASSOCIATES
Chartered Accountants
ICAI Firm Registration No. 317106E

Niladri Chattopadhyay
Proprietor
Membership No. 053249
UDIN: 20053249AAAAAT7493
Place : Kolkata
Date : 20.11.2020

N. Chatterjee & Associates Chartered Accountants Kolkata

For and on behalf of the Board of Directors

DocuSigned by:
Rembert Biemond
C10BEA40CD7D4F2
Rembert Biemond
(Director)

Sanjay P Bansal
(Director)

R.Singh
Rajan Singh
(Company Secretary)

DARJEELING ORGANIC TEA ESTATES PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

1 COMPANY INFORMATION

Darjeeling Organic Tea Estates Private Limited (the Company) was incorporated in India on 13th January 2009. The Company is domiciled in India having its registered office at C/o Regus Grandeur Offices Private Limited, PS Arcadia, 9th Floor, 4A Abanindra Nath Thakur Sarani, Kolkata – 700016 (shifted from 34A METCALFE STREET 7TH FLOOR, Kolkata 700 088 since 7th October' 2020). The Company is engaged in the Cultivation and Manufacturing of Tea and other agricultural products.

2 Basis of Preparation of Financial Statements

2.1 Statement of Compliance

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate affairs pursuant to section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements.

The Company's financial performance has been adversely affected due to downturn of the tea industry, lack of working capital support from banks and operational issues mainly because of increased cost of production and adverse weather conditions. However, the Company could mitigate part of the increased cost through several cost reduction measures and increase in sales prices. The company has been facing severe working capital constraints and external factors beyond the control of the Company. The liquidity issues faced by the Company are being discussed with the lenders and shareholders. The company is exploring various fund raise options to ease of liquidity constraints on the company. Additionally, the Company is taking various cost reduction measures which shall improve its operational efficiencies. The management is confident that the Company will be able to generate sufficient cash flows through additional fund raise and profitable operations improving its net working capital position to discharge its short term and long term liabilities. Hence, financial statements have been prepared on a going concern basis.

All Assets and Liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

The financial statements are presented in Indian Rupees (Rs.), which is the Company's functional currency.

2.2 Basis of Measurement

The financial statements have been prepared on a historical cost basis (which includes deemed cost as per Ind AS 101), except for the following assets and liabilities which have been measured at fair value:

(i) Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).
(ii) Defined benefits plans - Plan assets measured at fair value
(iii) Certain Biological Assets (Including Unplucked Green leaves) - measured at Fair Value less cost to sell.

[A] Exemptions from requirement of Other IND AS

A-1] Deemed cost for Property, Plant and Equipment

The Company has elected to measure all its Property, Plant and Equipments at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS.

[A-2] Business Combination

The Company has not elected to apply IND AS 103- Business Combination , retrospectively to past business combination that are occurred before the date of transition to IND AS.

[A-3] Lease

The Company has assessed the classification of each element as finance or operating lease at the date of transition to Ind AS on the basis of the facts and circumstances existing as at that date.

[B] Mandatory Exceptions from retrospective application

The Company has applied the following exceptions to the retrospective application of Ind AS as mandatorily required under Ind AS 101.

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DARJEELING ORGANIC TEA ESTATES PVT. LTD. KOL-16

DARJEELING ORGANIC TEA ESTATES PVT. LTD. KOL-16

N. Chatterjee & Associates Kolkata Chartered Accountants

[B-1] Estimates

On assessment of the estimates made under the Previous GAAP financial statements, the Company has concluded that there is no necessity to revise the estimates under Ind AS, as there is no objective evidence of an error in those estimates. However, estimates that were required under Ind AS but not required under Previous GAAP are made by the Company for the relevant reporting dates reflecting conditions existing as at that date.

These are as under:

- Fair Valuation of financial instrument
- Impairment of financial assets based on expected credit loss model
- Determination of the discounted value for financial instruments carried at amortised cost
- Biological asset measured at Fair Value less Cost to Sell

[B-2] Classification and measurement of Financial Assets

The classification of financial assets to be measured at amortised cost or fair value through other comprehensive income or through profit & loss is made on the basis of the facts and circumstances that existed on the date of transition to Ind AS.

[C] New and amended standards adopted by the Company

[C-1] IND AS 116 Leases

Ind AS 116 was notified by the Ministry of Corporate Affairs and it is applicable for annual reporting periods beginning on or after 1 April 2019. The Company also owns 14 tea estates in Darjeeling under long term lease. The impact of this AS is not substantial with regard to the size of the company and it does not materially impact the financial statement of the company and hence the management has decided not to follow this Ind AS.

2.4 KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses and disclosure of contingent liabilities. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised prospectively.

Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes:

2.4.1 Defined Benefit Plans

The cost and the present value of the defined benefit gratuity plan are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in future. These include the determination of appropriate discount rate, estimating future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. For further details refer Note 40.

2.4.2 Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 44 for further disclosures.

2.4.3 Depreciation and amortisation

Depreciation and amortisation is based on management estimates of the future useful lives of the property, plant and equipment. Estimates may change due to technological developments, competition, changing market conditions and other factors and may result in changes in the estimated useful life and in the depreciation and amortisation charges.

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DARJEELING ORGANIC TEA ESTATES PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

2.4.4 Provisions and Contingencies

Provisions and contingencies are based on Management's best estimate of the liabilities based on the facts known at the Balance Sheet date.

2.4.5 Taxation

The Company is engaged in agricultural activities and accordingly, significant judgement is involved in determining the tax liability for the Company. Also there are many transactions and calculations during the ordinary course of business for which the ultimate tax determination is uncertain. Further judgement is involved in determining the deferred tax position on the balance sheet date.

2.4.6 Fair Value of Biological Assets

The fair value of Biological Assets is determined based on the Selling Price of Finished Goods less Cost of Sales and Manufacturing Cost.

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 Revenue Recognition

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being received.

The specific recognition criteria described below are met before revenue is recognised:

Sale of Goods

Revenue from the sale of goods is recognised when all significant risks and rewards of ownership of the goods are transferred to the buyer, as per the terms of the contract and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods. In Case of Auction Sales, revenue is recognised on Completion of Auction and in case of consignment sales, revenue is recognised on receiving information from the consignee.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment. It excludes sales tax, Value added tax (VAT), Goods and Service Tax, Trade Discounts, Volume Rebates and Returns.

Interest Income

Interest Income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

Dividend Income

Revenue is recognised when the right to receive the payment is established by the reporting date.

3.2 Property, Plant and Equipment

Property, Plant and Equipment is stated at acquisition cost net of accumulated depreciation and accumulated impairment losses (i.e. as per Cost Model), if any. Cost comprises purchase price including import duties and other non-refundable duties and taxes, borrowing cost if capitalization criteria are met and other directly attributable cost for bringing the Assets to its present location and condition. Freehold Land is however carried at Historical Cost.

Bearer Plants (comprising of mature tea bushes and shade trees) which is used in the production or supply of agriculture produce and expected to bear produce for more than a period of twelve months are capitalized as a part of Property, Plant & Equipment. The cost of Bearer Plant includes all cost incurred till the plants are ready for commercial harvest which includes the cost of land preparation, new planting and maintenance of newly planted bushes until maturity. Bearer Plants are depreciated from the date when they are ready for commercial harvest.

The cost of replacing part of an item of Property, Plant and Equipment is recognised in the carrying amount of the item only when it is probable that future economic benefits embodied within the part will flow to the Company and the cost of the item/part can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit and Loss during the period in which they are incurred. When parts of an item of Property, Plant and Equipment have different useful lives, they are accounted for as separate items (major components) of Property, Plant and Equipment.

Gains or losses arising on retirement or disposal of Property, Plant and Equipment are recognised in the Statement of Profit and Loss.

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Property, Plant and Equipment which are not ready for intended use as on the date of Balance sheet are disclosed as "Capital Work-in-progress". Immature bearer plants, including the cost incurred for procurement of new seeds and maintenance of nurseries, are carried at cost less any recognized impairment losses under capital work-in-progress. Costs incurred for infilling including block infilling are generally recognized in the Statement of Profit and Loss unless there is a significant increase in the yield of the sections, in which case such costs are capitalized and depreciated over the remaining useful life of the respective sections.

Items of Property, Plant and Equipment acquired through exchange of non-monetary assets are measured at fair value, unless the exchange transaction lacks commercial substance or the fair value of either the asset received or asset given up is not reliably measurable, in which case the asset exchanged is recorded at the carrying amount of the asset given up.

The Assets which are held for Sale shall be reclassified to Current Assets only if its carrying amount will be recovered principally through a sale transaction (within one year) rather than through continuing use.

Depreciation and Amortization:-

Depreciation on the Company's Fixed Assets has been charged on the following basis:

i) Depreciation on the fixed assets have been charged on the written down value method. Depreciation is provided based on useful life of the assets as prescribed in Schedule II of the Companies Act, 2013.

In respect of the following assets, useful lives different from Schedule II have been considered on the basis of technical evaluation, as under -

- Depreciation on Bearer Plants has been provided on Straight Line Basis at the rates determined considering useful lives of tea bushes of 75 Years to 150 Years. The Residual Value in case of Bearer Plants has been considered to be 1% of Original Cost.

- Depreciation on Building has been provided on WDV Basis at the rates determined considering useful lives of 75 year. The Residual Value in case of Building has been considered to be 10% of Original Cost.

- Depreciation on Plant & Machinery has been provided on WDV Basis at the rates determined considering useful lives of 37 year.

- Depreciation on Motor Vehicles has been provided on WDV Basis at the rates determined considering useful lives of 10 year. The Residual Value in case of Building has been considered to be 3.09% of Original Cost.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period and the effect of any changes in estimate is accounted for on a prospective basis.

3.3 Intangible Assets :

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight line basis over the estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less impairment losses.

The useful life of an intangible asset is considered finite where the rights to such assets are limited to a specified period of time by contract or law (e.g., patents, licences, trademarks, franchise and servicing rights) or the likelihood of technical, technological obsolescence (e.g., computer software, design, prototypes) or commercial obsolescence (e.g., lesser known brands are those to which adequate marketing support may not be provided). If, there are nosuch limitations, the useful life is taken to be indefinite.

Intangible assets of the Company with finite useful lives comprise acquired computer software. Cost of software is capitalised where it is expected to provide future enduring economic benefits. Capitalisation costs include licence fees and cost of implementation / system integration services. The costs are capitalised in the year in which the relevant software is implemented for use and is amortised across a period not exceeding 10 years. Expenses incurred on upgradation / enhancements is charged off as revenue expenditure unless they bring similar significant additional benefits.

The company owns trademarks in the names of various gardens owned by the company to prevent misuse of these names. As the Trademarks are not intended for contributing for future economic benefits, its cost cannot be reliably estimated. As the aforementioned conditions do not satisfy , the same have not been capitalised in the Books of Accounts by the management..

3.4 Non Current Assets held for Sale

Non-current assets or disposal groups comprising assets and liabilities are classified as 'held for sale' when all of the following criteria are met : (i) decision has been made to sell, (ii) the assets are available for immediate sale in its present condition (iii) the assets are being actively marketed and (iv) sale has been agreed or is expected to be concluded within 12 months of the Balance Sheet date.

Subsequently, such non-current assets and disposal groups classified as held for sale are measured at the lower of its carrying value and fair value less costs to sell. Non-current assets held for sale are not depreciated or amortised.

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DARJEELING ORGANIC TEA ESTATES PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

3.5 *Investment Property*

Investment Property comprises Free-Hold Lands that are held for Capital Appreciation as it has been held for a currently undetermined future use and are recognised at cost.

An Investment Property are derecognised either when they are disposed off or when they are permanently withdrawn from use and no future economic benefit is expected. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in statement of profit and loss in the period of derecognition.

3.6 Lease

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset even if that right is not explicitly specified in an arrangement.

Leases in which a substantial portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments and receipts under such leases are recognised to the Statement of Profit and Loss on a straight-line basis over the term of the lease unless the lease payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, in which case the same are recognised as an expense in line with the contractual term.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership to the lessee. Assets acquired under finance lease are capitalized at lower of the fair value and the present value of minimum lease payment.

3.7 Impairment of non-financial assets

As at each balance sheet date, the Company assesses whether there is an indication that an asset may be impaired and also whether there is an indication of reversal of impairment loss recognised in the previous periods. If any indication exists, or when annual impairment testing for an asset is required, if any, the Company determines the recoverable amount and impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount.

Recoverable amount is determined:-

a) In the case of an individual asset, at the higher of the fair value less cost to sell and the value in use ; and

b) In the case of cash generating unit (a group of asset that generates identified, independent cash flow), at the higher of the cash generating unit's fair value less cost to sell and the value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discounting rate that reflect the current market assessment of the time value of the money and the risk specific to the asset. In determining fair value less cost of disposal, recent market transaction is taken into account. If no such transaction can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

3.8 Financial Instruments

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

a) Financial Assets

Initial Recognition and measurement of Financial Assets

All financial assets are recognised initially at fair value plus or minus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Financial assets are classified, at initial recognition, in the same manner as described in subsequent measurement.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e. the date the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

(a) Financial assets at amortised cost

(b) Financial assets at fair value through other comprehensive income (FVTOCI)

(c) Financial assets at fair value through profit or loss (FVTPL)

(d) Equity instruments measured at fair value through other comprehensive income (FVTOCI)

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(a) Financial assets at amortised cost

A financial asset that meets the following two conditions is measured at amortised cost (net of any write down for impairment) unless the asset is designated at fair value through profit or loss under the fair value option

i) Business model test : The objective of the Company's business model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realize its fair value changes).

ii) Cash flow characteristics test : The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

Effective Interest Rate (EIR) method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument or where appropriate, a shorter period to the net carrying amount on initial recognition

(b) Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset that meets the following two conditions is measured at fair value through other comprehensive income unless the asset is designated at fair value through profit or loss under the fair value option

i) Business model test : The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets

ii) Cash flow characteristics test : The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

(c) Financial assets at fair value through profit or loss (FVTPL)

FVTPL is a residual category for financial assets. Any financial asset, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL

In addition, the Company may elect to designate a financial asset, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch') that would otherwise arise from measuring financial assets and financial liabilities or recognizing the gains or losses on them on different bases.

Financial assets included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss

(d) Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If an equity investment is not held for trading, an irrecoverable election is made at initial recognition to measure it at fair value through other comprehensive income with only dividend income recognized in the statement of profit and loss

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from other comprehensive income to statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss

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Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's financial statement) when:

(a) The rights to receive cash flows from the asset have expired, or

(b) The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

(i) the Company has transferred substantially all the risks and rewards of the asset, or

(ii) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Write Off

An entity shall directly reduce the gross carrying amount of a Financial Asset when the entity has no reasonable expectation of recovering a financial asset in its entirety or for a portion thereof.

Impairment of financial assets

The Company applies expected credit losses (ECL) model for measurement and recognition of impairment loss on the following financial assets:

(a) Financial assets measured at amortised cost

(b) Financial assets measured at fair value through other comprehensive income (FVTOCI)

Expected Credit Losses are measured through either 12 month ECL or lifetime ECL and it is assessed as following:

For recognition of impairment loss on financial assets, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in the subsequent period, credit quality of the instrument improves, such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The Company follows a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historical observed default rates over the expected life of the trade receivables and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward looking estimates are analysed.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

b **Financial liabilities**

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include loans and borrowings, trade and other payables and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

(a) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

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Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

(b) Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

(c) Financial Guarantee Contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

3.9 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprises cash in hand, cash at banks and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash in hand, cash at banks and short-term deposits, as defined above, net of outstanding bank overdrafts, if any, as they are considered an integral part of the cash management.

3.10 Foreign currency Transactions

The Company's financial statements are presented in Indian Rupee (Rs.) which is also Company's functional currency.

Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rates prevailing on the date of transaction. At each balance sheet date, foreign currency monetary items are reported using the closing exchange rate. Exchange rate differences that arise on settlement of monetary items or on translating of monetary items at each balance sheet reporting date at the closing rate are recognised as income or expense in the period in which they arise except exchange difference on monetary items that qualify as a hedging instrument in a cash flow hedge are recognised initially in OCI to the extent the hedge is effective.

Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rates prevailing at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are reported using the exchange rates prevailing at the date when fair value is determined.

When a gain or loss on non-monetary items is recognised in OCI any exchange component of that gain / loss shall be recognised in OCI, conversely when a gain or loss on a non-monetary item is recognised in Profit / loss any exchange component of that gain/loss shall be recognised in Profit / Loss.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

3.11 Fair Value Measurement:

The Company measures financial instruments, such as, derivatives etc at fair value at each balance sheet date.

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(a) In the principal market for the asset or liability, or

(b) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

3.12 Inventories

Raw materials including harvested tea leaves, produced from own gardens are measured at lower of cost and net realisable value. Cost being the fair value less cost to sell at the point of harvest of tea leaves.

Raw materials of purchased tea leaves, Stores and Spare parts and Finished Goods are stated at lower of cost and net realisable value. In case of Stores & Spare Parts, Cost is determined using Weighted Average Cost method. Finished goods include cost of conversion and other cost incurred for bringing the inventories to their present location and condition and Traded Goods includes purchase price and other cost incurred for bringing the inventories to their present location and condition.

Stock of Traded Goods are valued at Cost.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

3.13 Biological Assets

Tea leaves growing on tea bushes are measured at fair value less cost to sell with changes in fair value recognised in Statement of profit and loss.

3.14 Employee Benefits

Short Term Employee Benefits

Short term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be settled wholly before twelve months after the year end, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. It includes Salary, wages, paid annual leave.

Post Employment Benefits

Defined Contribution Plan

Retirement benefits in the form of contribution to Provident fund are defined contribution plans. The contributions are charged to the statement of profit and loss as and when due monthly and are paid to the Government administered Provident Fund towards which the Company has no further obligation beyond its monthly contribution.

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Defined benefit plans:

The Company operates defined benefit plan viz., gratuity. The costs of providing benefits under this plan are determined on the basis of actuarial valuation at each year-end. Actuarial valuation is carried out for the plan using the projected unit credit method.

Defined benefit costs are comprised of:

a) service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);

b) Net interest expense or income; and

c) Re-measurement.

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs. Re-measurement of net defined benefit liability/ asset pertaining to gratuity comprise actuarial gains/ losses (i.e. changes in the present value resulting from experience adjustments and effects of changes in actuarial assumptions) and is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss.

3.15 Borrowing Cost

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period in which it is incurred.

Borrowing costs include interest expense calculated using the effective interest rate method as described in Ind AS 109- Financial Instruments, finance charges in respect of finance leases are recognised in accordance with Ind AS 17- Leases and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

3.16 Government Grants

Government grants and subsidies are recognized at Fair Value when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants/subsidy will be received. When the grant or subsidy from the Government relates to revenue, it is accrued and shown as income in the period in which the right to receive grant is established. Government grants relating to the acquisition/construction of property, plant and equipment are included in non current liabilities as deferred government grant and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other Operating income.

3.17 Income Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax. It is recognised in statement of profit and loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current Tax

Current income tax represents the tax currently payable on the taxable income for the year and any adjustment to the tax in respect of the previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred Tax

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside the statement of profit and loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and liabilities are offset only if:

i) entity has a legally enforceable right to set off current tax assets against current tax liabilities; and

ii) deferred tax assets and the deferred tax liabilities relate to the income taxes levied by the same taxation authority.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

Current and deferred tax is recognised in the statement of profit and loss, except to the extent that it relates to items recognised in the Other Comprehensive Income or directly in equity. In this case, tax is also recognised in other comprehensive income or directly in equity, respectively.

Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each balance sheet date and the carrying amount of MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal tax during the specified period.

3.18 Provisions, Contingent Liabilities and Contingent Assets

General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent Liabilities and Assets

Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are not recognised but disclosed in the financial statements when economic inflow is probable.

3.19 Earnings per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period after deducting any attributable tax thereto for the period by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

3.20 Current and Non-current Classification

The Company presents assets and liabilities in the balance sheet based on current/ non current classification.

An asset is current when:

- It is expected to be realised or intended
- It is held primarily for the purpose of trading,
- It is expected to be realised within twelve months after the reporting period,
- It is cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve

Or

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

3.21 Business Combination

Business combinations, if any, are accounted for using the acquisition accounting method as at the date of the acquisition, which is the date at which control is transferred to the Company. The consideration transferred in the acquisition and the identifiable assets acquired and liabilities assumed are recognised at fair values on their acquisition date. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the Goodwill computed as per IND AS 103 is negative, the acquirer needs to reassess the identification and measurement of the acquiree's identifiable assets, liabilities and contingent liabilities and the measurement of the cost of combination. If negative goodwill remains, this is recognised immediately in OCI and accumulated in equity as Capital Reserve. The Company recognises any non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. The Company recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. Consideration transferred does not include amounts related to settlement of pre-existing relationships. Such amounts are recognised in the Statement of Profit and Loss.

Transaction costs are expensed as incurred, other than those incurred in relation to the issue of debt or equity securities. Any contingent consideration payable is measured at fair value at the acquisition date. Subsequent changes in the fair value of contingent consideration are recognised in the statement of Profit and Loss.

If there is an acquisition of an asset or a group of assets that does not constitute a business. In such cases the Company shall identify and recognise the individual identifiable assets acquired (including those assets that meet the definition of, and recognition criteria for, intangible assets in Ind AS 38, Intangible Assets) and liabilities assumed. The cost of the group shall be allocated to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such a transaction or event does not give rise to goodwill.

3.23 Research & Development:

Revenue expenditure on Research and Development is recognised as a charge in the Statement Profit and Loss. Capital expenditure on assets acquired for Research and Development is added to Property, Plant and Equipment, if any.

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Notes to the financial statements for the year ended 31st March, 2020

04. Property Plant and Equipment

(In Rs.)

Description	Gross Block				Accumulated Depreciation /Amortisation				Impairment of Assets				Net Block	
	As at 01-04-2019	Addition during the year	Sales/Disposals	As at 31-03-2020	As at 01-04-2019	For the Period	Sales/Disposals	As at 31-03-2020	As at 01-04-2019	For the Period	Reversal during the Year	As at 31-03-2020	As at 31-03-2020	As at 31-03-2019
Freehold Land	1,35,01,78,258	8,73,09,673	-	1,43,74,87,931	-	-	-	-	-	59,48,17,430	-	59,48,17,430	84,26,70,501	1,35,01,78,258
Plantations/ Bearer Plants	3,94,28,58,240	40,23,85,558	-	4,34,52,43,798	17,45,58,864	6,07,20,017	-	23,52,78,880	-	2,63,74,44,113	-	2,63,74,44,113	1,47,25,20,805	3,76,82,99,376
Leasehold Land	2,68,02,55,651	96,68,867	-	2,68,99,24,518	-	-	-	-	-	1,72,91,69,641	-	1,72,91,69,641	96,07,54,878	2,68,02,55,651
Buildings	2,17,79,87,040	3,89,248	-	2,17,83,76,288	14,83,95,138	5,64,04,197	-	20,47,99,335	-	1,28,35,10,221	-	1,28,35,10,221	69,00,66,732	2,02,95,91,901
Plant and Equipments	75,36,12,897	1,13,77,011	15,28,66,999	61,21,22,908	16,90,93,108	9,74,92,696	8,15,59,072	16,50,26,732	-	23,56,81,488	-	23,56,81,488	21,14,14,688	58,45,19,789
Furnitures and Fixtures	1,96,58,784	-	-	1,96,58,784	93,16,489	26,73,312	-	1,19,89,801	-	16,93,338	-	16,93,338	59,75,645	1,03,42,295
Vehicles	2,92,85,719	-	13,41,248	2,79,44,471	1,74,55,328	31,75,605	7,65,410	1,99,26,042	-	31,02,100	-	31,02,100	49,15,329	1,18,30,391
Computer	73,58,938	-	34,999	73,23,939	58,46,506	9,45,440	31,773	67,60,173	-	2,00,353	-	2,00,353	3,63,413	15,12,433
Total	10,96,11,95,527	51,11,30,357	15,42,43,246	11,31,80,82,638	51,46,65,433	21,14,10,792	8,22,94,261	64,37,81,964	-	6,48,56,17,696	-	6,48,56,17,696	4,18,86,83,038	10,43,65,30,094

04A. Intangible Assets

Description	Gross Block				Accumulated Depreciation /Amortisation				Impairment of Assets				Net Block	
	As at 01-04-2019	Addition during the year	Sales/Disposals	As at 31-03-2020	As at 01-04-2019	For the Period	Sales/Disposals	As at 31-03-2020	As at 01-04-2019	For the Period	Reversal during the Year	As at 31-03-2020	As at 31-03-2020	As at 31-03-2019
Computer Software	37,98,003	46,32,000	-	84,30,003	2,26,067	4,26,580	-	6,52,647	-	10,07,574	-	10,07,574	67,69,782	35,71,936
Total	37,98,003	46,32,000	-	84,30,003	2,26,067	4,26,580	-	6,52,647	-	10,07,574	-	10,07,574	67,69,782	35,71,936

05. Capital Work In Progress

Description	As at 01-04-2019	Addition during the year	Trf Adj. during the year	Capitalised during the year	As at 31-03-2020	As at 31-03-2019
Bearer Plants	40,23,85,556	6,33,366	-	40,23,85,556	6,33,366	40,23,85,556
Other Capital Work In Progress	9,18,84,036	53,84,642	-	9,18,84,036	53,84,642	9,18,84,036
Total	49,42,69,592	60,18,008	-	49,42,69,592	60,18,008	49,42,69,592

Notes to the financial statements for the year ended 31st March, 2019

04. Property Plant and Equipment

(In Rs.)

Description	Gross Block				Accumulated Depreciation /Amortisation				Net Block	
	As at 01-04-2018	Addition during the year	Sales/Disposals	As at 31-03-2019	As at 01-04-2018	For the Period	Sales/Disposals	As at 31-03-2019	As at 31-03-2019	As at 31-03-2018
Freehold Land	1,35,01,78,258	-	-	1,35,01,78,258	-	-	-	-	1,35,01,78,258	1,35,01,78,258
Plantations/ Bearer Plants	3,78,25,75,435	16,03,82,805	-	3,94,28,58,240	11,63,50,262	5,82,08,602	-	17,45,58,864	3,76,82,99,376	3,66,62,25,173
Leasehold Land	2,39,66,19,911	28,36,35,740	-	2,68,02,55,651	-	-	-	-	2,68,02,55,651	2,39,66,19,911
Buildings	2,12,91,46,350	4,88,40,689	-	2,17,79,87,040	8,84,25,878	5,99,69,260	-	14,83,95,138	2,02,95,91,901	2,04,07,20,472
Plant and Equipments	72,60,33,024	2,75,80,673	-	75,36,12,897	12,55,65,746	4,35,27,362	-	16,90,93,108	58,45,19,789	60,04,66,278
Furniture and Fixtures	1,88,11,176	8,47,607	-	1,96,58,784	57,58,761	35,57,708	-	93,16,489	1,03,42,295	1,30,52,397
Vehicles	2,98,27,508	43,60,383	49,02,172	2,92,85,719	1,28,48,693	48,03,412	1,96,780	1,74,55,328	1,18,30,391	1,69,78,815
Computer	63,39,226	10,19,712	-	73,58,938	41,37,703	17,08,803	-	58,46,506	15,12,433	22,01,523
Total	10,43,95,20,890	52,65,67,308	49,02,172	10,96,11,95,527	35,30,87,065	17,17,75,148	1,96,780	51,46,65,433	10,43,65,30,094	10,08,64,42,825

04A. Intangible Assets

Description	Gross Block				Accumulated Depreciation /Amortisation				Net Block	
	As at 01-04-2019	Addition during the year	Sales/Disposals	As at 31-03-2020	As at 01-04-2019	For the Period	Sales/Disposals	As at 31-03-2020	As at 31-03-2020	As at 31-03-2019
Computer Software	-	37,98,003	-	37,98,003	-	2,26,067	-	2,26,067	35,71,936	-
Total	-	37,98,003	-	37,98,003	-	2,26,067	-	2,26,067	35,71,936	-

05. Capital Work In Progress

Description	As at 01-04-2018	Addition during the year	Trf Adj. during the year	Capitalised during the year	As at 31-03-2019	As at 31-03-2018
Bearer Plants	40,19,84,066	4,01,490	16,02,87,805	16,02,87,805	40,23,85,556	40,19,84,066.00
Other Capital Work In Progress	23,00,68,472	9,18,84,036	(16,02,87,805)	6,97,80,667	9,18,84,036	23,00,68,472.00
Total	63,20,52,538	9,22,85,526	-	22,00,68,472	49,42,69,592	63,20,52,538.00

Other Notes to Note No.04 to 05

A. Disclosures for Property, Plant & Equipment (PPE), Capital Work-in-Progress (CWIP)

A1. Refer Note No. 48 for information on Property, Plant and Equipment and Intangible Assets pledged as security by the Company.

A2. The Company has done impairment of assets (after providing the depreciation) to the extent of Rs. 64866.25 Lakhs during the year based on valuation of Tea Gardens done by M/s Vestian Global Workplace Services Pvt. Ltd., a world renowned valuer. The valuer had done the valuation on the basis of Market Value as intended to mean "the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion".

The valuation of the subject property has been done under the following scenarios-
- Valuation of Property (Tea Garden) as is where is basis
- Valuation of Property assuming 15% of area is available for Tea-Tourism Purpose

The Company has considered valuation of property only as a tea estate without considering value of land available for Tea-Tourism purpose.

The valuation so done was proportionately allocated to all heads of Fixed Assets as on 31.03.2020 and accordingly the excess of book value over market value was charged as impairment.

The Company had an amount of Rs. 39151.97 Lakhs in Capital Reserve which was transferred from Revaluation Reserve during Ind As transition. The impairment loss was first adjusted with Capital Reserve and excess was recognised in Statement of Profit and Loss account.

A3. The amortisation expense of intangible assets have been included under 'Depreciation and amortisation expense' in Statement of Profit and Loss.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

(In Rs.)

6. FINANCIAL ASSETS - OTHERS

	Non Current		Current	
	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
Unsecured, considered good				
(a) Security Deposit	24,43,592	24,26,124	-	-
(b) Others - Advances Recoverable from Others	-	-	-	-
Total	24,43,592	24,26,124	-	-

7. OTHER NON CURRENT ASSETS

	As at 31st March, 2020	As at 31st March, 2019
Capital Advances		
- Considered good	61,21,244	1,57,62,298
- Considered doubtful	21,59,233	-
Less- Provision for Doubtful Capital Advances	(21,59,233)	-
Other Advances		
- Others - Unsecured, considered good	1,60,62,511	30,40,19,357
- Others - Unsecured, considered doubtful	19,05,78,573	-
Less- Provision for Doubtful Other Non Current Advances	(19,05,78,573)	-
Total	2,21,83,755	31,97,81,655

- (Refer Related Parties Note No. 42)

8. CURRENT TAX ASSETS

	As at 31st March, 2020	As at 31st March, 2019
TDS and Advance tax (Provisions if any)	49,36,615	35,17,415
Total	49,36,615	35,17,415

9. INVENTORIES

(As taken valued and certified by the management)
At Cost or Net Realisable Value whichever is lower

	As at 31st March, 2020	As at 31st March, 2019
(a) **Finished Goods**	24,64,35,509	35,81,50,092
(b) **Stores & Spares**	2,27,28,940	2,06,87,643
Total	26,91,64,449	37,88,37,735

- Refer Note No 48 for details of carrying amount of Inventories pledged with banks against Working Capital loans.
- Stores and Spares does not include machinery spares which can be used only in connection with an item of Fixed Assets.

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DARJEELING ORGANIC TEA ESTATES PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

(In Rs.)

	As at 31st March, 2020	As at 31st March, 2019
10. BIOLOGICAL ASSETS		
Opening Balance	2,13,12,082	1,73,57,946
Add: Unharvested green tea leaves recognised at fair value	-	2,13,12,082
Less: Transfer of harvested green tea leaves for production	2,13,12,082	1,73,57,946
Closing Balance	-	2,13,12,082

- Due to COVID 19 pandemic, operations at tea estates in Assam and West Bengal were disrupted and there were no usable green leaves on the tea bushes as on 31st March 2020

	As at 31st March, 2020	As at 31st March, 2019
11 LOANS		
Loan given to Employees		
Unsecured Considered Good	49,86,832	42,71,262
Others	-	17,05,112
	49,86,832	59,76,374

	As at 31st March, 2020	As at 31st March, 2019
11A TRADE RECEIVABLES		
Others- Unsecured, considered good	2,73,38,991	48,87,07,322
Others- Unsecured, considered doubtful	95,74,69,068	-
Less: Provision for Doubtful Debts	(95,74,69,068)	-
	2,73,38,991	48,87,07,322

- (Refer Note No.45)
- (Refer Related Parties Note No. 42)

	As at 31st March, 2020	As at 31st March, 2019
12. CASH & CASH EQUIVALENTS		
(a) Balance with banks:		
In Current Accounts	90,29,834	18,33,054
Balance in Term Deposits *	24,35,522	22,65,814
(b) Cash in hand (As certified by the management)	11,10,521	53,96,525
	1,25,75,877	94,95,393

* Fixed Deposit amounting to Rs 21,05,146/- (PY Rs. 22,65,814/-) held as Margin Money against Bank Guarantee

	As at 31st March, 2020	As at 31st March, 2019
13. OTHER CURRENT ASSETS		
(a) Other Advances		
(i) Unsecured, considered good		
- Balances with government departments *	2,42,01,241	2,60,68,935
- Green Leaf Cess	-	-
- Other Advances		
- Considered good	3,09,79,839	31,88,17,120
- Considered doubtful	30,90,77,999	-
Less- Provision for Doubtful Other Current Advances	(30,90,77,999)	-
(b) Prepaid Expenses	30,70,120	36,39,985
(c) MAT credit Entitlement	44,83,862	44,83,862

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

(In Rs.)

(d) Advance paid to suppliers		
(i) Unsecured, considered good	2,03,08,637	2,68,70,194
(ii) Unsecured, considered doubtful	10,06,267	-
Less- Provision for Doubtful Advance Given to Suppliers	(10,06,267)	-
(e) Subsidy Receivable**	22,73,195	22,73,195
(f) Balance with government authority	72,58,404	72,58,404
	9,25,75,298	38,94,11,696

There are no advances to directors or other officers of the Company or any of them either severally or jointly with any other persons or advances to firms or private companies respectively in which any director is a partner or a director or a member

* Balance with government department (IGST) unadjusted since last financial year

** Subsidy receivable from Tea Board Of India since earlier year

14. EQUITY SHARE CAPITAL (Refer Statement of Changes in Equity)

	As at 31st March, 2020	As at 31st March, 2019
Authorised Equity Shares		
130,00,000 (31.03.19: 130,00,000) Ordinary Equity Shares of Rs. 10 each	13,00,00,000	13,00,00,000
60,000 (31.03.19: 60,000.) Class A Equity Shares of Rs. 10 each	6,00,000	6,00,000
99,999 (31.03.19: 99,999) Class B Equity Shares of Rs. 10 each	9,99,990	9,99,990
1,16,00,000 (31.03.19: 1,16,00,000) Class C Equity Shares of Rs. 10/- each	11,60,00,000	11,60,00,000
77,00,000 (31.03.19 77,00,000) Investor Equity Shares of Rs. 10/- each	7,70,00,000	7,70,00,000
27,00,000 (31.03.19: 27,00,000) Class D Equity Shares of Rs. 10 each	2,70,00,000	2,70,00,000
25,00,000 (31.03.19: 25,00,000) Class E Equity Shares of Rs. 10 each	2,50,00,000	2,50,00,000
Total	37,65,99,990	37,65,99,990
Issued, Subscribed and Fully Paid Up Equity Shares		
91,98,759 (31.03.19, 91,98,759) Ordinary Equity Shares of Rs. 10 each	9,19,87,590	9,19,87,590
76,65,633 (31.03.19 76,65,633) Investor Equity Shares of Rs. 10 each	7,66,56,330	7,66,56,330
54,887 (31.03.19:, 54887) Class B Equity Shares of Rs. 10 each	5,48,870	5,48,870
51,457 (31.03.19, 51457) Class A Equity Shares of Rs. 10 each	5,14,570	5,14,570
1,06,22,775 (31.03.19, 1,16,22,775) Class C Equity Shares of Rs. 10 each	10,62,27,750	10,62,27,750
25,29,659 (31.03.19: 25,29,659) Ordinary Equity Shares of Rs. 10 each	2,52,96,590	2,52,96,590
23,842 (31.03.19: 23,842) Class B Equity Shares of Rs. 10 each	2,38,420	2,38,420
23,52,620 (31.03.19: 23,52,620.) Class E Equity Shares of Rs. 10 each	2,35,26,200	2,35,26,200
1,32,170 (31.03.19: 1,32,170, Class D Equity Shares of Rs. 10 each	13,21,700	13,21,700
Issued, Subscribed and Partly Paid up Equity Shares		
22,20,450 (31.03.19: 22,20,450) Class D Equity Shares of Rs. 10 each, paid up Re 1 each	22,20,450	22,20,450
Total	32,85,38,470	32,85,38,470

(a) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31st March 2020		As at 31st March 2019	
	No. of Shares	Amount (Rs.)	No. of Shares	Amount (Rs.)
Equity Shares outstanding at the beginning of the year (including Ordinary, Investor and Class A, B, C, D,E)	3,48,52,252	32,85,38,470	2,90,43,296	27,04,48,910
Equity Shares issued during the year	-	-	-	-
Equity Shares bought back during the year	-	-	-	-
Equity Shares converted from CCPS to fully paid up shares	-	-	58,08,956	5,80,89,560
Equity Shares outstanding at the end of the year	3,48,52,252	32,85,38,470	3,48,52,252	32,85,38,470

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(b) Reconciliation of the number of compulsorily convertible preference shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31st March 2020		As at 31st March 2019	
	No. of Shares	Amount (Rs.)	No. of Shares	Amount (Rs.)
Compulsorily convertible preference shares outstanding at the beginning of the year	-	-	58,08,956	5,80,89,560
Compulsorily convertible preference shares issued during the year (CCPS)	-	-	-	-
Compulsorily convertible preference shares converted to fully paid up Equity shares(1:1 Basis)			(58,08,956)	(5,80,89,560)
Compulsorily convertible preference shares outstanding at the end of the year	-	-	-	-

(c) Terms/ Rights attached to Equity Shares

The Company has issued the following classes of equity shares having a par value of Rs. 10 per share, namely

(i) Class A Shares shall mean the fully paid equity shares issued by the Company to ABP and Duxton pursuant to the First Investment Agreement which shall on and from the Closing Date, rank pari passu with the Ordinary Shares in respect of all rights and benefits, including, but not limited to, economic rights, voting rights, dividends, stock splits, bonus and/or rights issuances.

(ii) Class B Shares shall mean the equity shares of the Company issued by the Company to the Promoters pursuant to the First Investment Agreement which are fully paid up on the Effective Date and shall on and from the Closing Date rank pari passu with the Ordinary Shares in respect of all rights and benefits, including, but not limited to, economic rights, voting rights, dividends, stock splits, bonus and/or rights issuances.

(iii) Class C Shares shall mean the equity shares of the Company has been issued to the Existing Investors pursuant to the Second Investment Agreement and shall include the Peacock Investors Conversion Shares, Oikocredit Conversion Shares and Bostaurus Conversion Shares has be issued upon conversion of the Peacock Investors CCPS, Oikocredit CCPS and Bostaurus CCPS on the Conversion Date and the Peacock Investors Class C Shares, if any, constituting a separate class of Shares and rank with the Ordinary Shares in respect of all rights and benefits, including, but not limited to, economic rights, voting rights, dividends, stock splits, bonus and/or rights issuances.

(iv) Class D Shares shall mean a separate class of partly paid equity shares issued to the Promoters pursuant to the Second Investment Agreement at a premium of Rs. 207.91(Rupees Two Hundred Seven and Ninety One Paisa) per share, compounded at the rate of 8% per annum from the closing date under the Second Investment Agreement, and ranking with the Ordinary Shares in respect of all rights and benefits, including, but not limited to, economic rights, voting rights, dividends, stock splits, bonus and/or rights issuances. 132,170 (One Hundred Thirty Two Thousand One Hundred and Seventy) Class D Shares are fully paid up as on the Effective Date.

(v) Class E Shares shall mean a separate class of partly paid equity shares issued to the Promoters pursuant to the Second Investment Agreement at a price of Rs. 217.91(Rupees Two Hundred Seventeen and Ninety One Paisa) per share which are fully paid up as on the Effective Date and rank with the Ordinary Shares in respect of all rights and benefits, including, but not limited to, economic rights, voting rights, dividends, stock splits, bonus and/or rights issuances.

(vi) Investor Shares shall mean separate class of equity shares issued by the Company to Duxton and ABP pursuant to the First Investment Agreement which shall on and from the Closing Date rank with the Ordinary Shares in respect of all rights and benefits, including, but not limited to, economic rights, voting rights, dividends, stock splits, bonus and/or rights issuances without any additional rights and benefits.

(vii) Ordinary Shares shall mean the ordinary equity shares of the Company having a face value of Rs. 10 (Rupees ten only).

(viii) The Company accrues dividend in Indian Rupees to the CCPS @2 % till date of conversion. (Disclosure pertains to Previous FY 2018-19)

(d) Terms/ Rights attached to Compulsorily Convertible Preference Shares which got converted to equity in previous financial year 2018-19

(i) During the Financial Year 2016-17, the Company issued 2% Compulsorily Convertible Preference Shares (CCPS) having a face value of Rs. 10 (Rupees Ten) per CCPS, at a premium of Rs. 251.75 (Rupees Two Hundred and Fifty One and Seventy Five Paisa) per CCPS. The total value of each CCPS is Rs. 261.75 (Rupees Two Hundred and Sixty One and Seventy Five Paisa).

(ii) This investment was enacted on the basis of the Investment Agreement dated 6th December 2016 and the details of the Investors, Investment Amount and the Number of CCPS issued is as per the table below:

S. No	Name of the Investors	Number of Investors CCPS	Investors Investment Amount (in Rs. Lakhs)
1	Oikocredit Ecumenical Development Cooperative Society U.A.	14,13,562	3,700
2	Duxton Agricultural Land Fund	2,28,722	599
3	Concedar AG	14,11,199	3,693
4	Artava AG	14,11,199	3,694
5	AUWA Holding GmbH	5,63,061	1,474
6	GLS Treuhande.V	4,21,705	1,104
7	Stiftung Evidenz	2,80,349	734
8	Bostaurus Nominees Pty Ltd	79,159	207
	Total	58,08,956	15,205

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(iii) The Subscription CCPS carried a preferential right to receive dividend at the rate of 2 % (two per cent) per annum on the face value of such Subscription CCPS. The said right to dividend shall be cumulative and shall accrue from year to year whether or not paid, and accrued dividends shall be paid in full (together with dividends accrued from prior years) prior to and in preference to any dividend or distribution payable upon Shares of any other class or series in the same financial year. In addition to the fixed dividend as mentioned aforesaid, the Subscription CCPS are also be entitled to dividend at the same rate as is declared by the Board (and approved by the Shareholders of the Company) in respect of the equity shares, on the face value of such Subscription CCPS.

(iv) During the year 2018-19, 58,08,956 CCPS were converted into Class C Shares in the ratio of 1:1 on 27.03.2019 which was due for conversion on 02-02-2019.

(v) The Company has filed the necessary supporting documents and forms to the Registrar of Companies and the relevant authorities to execute and give effect to the conversion.

(vi) Utilization of Funds raised through issue of 2% Compulsorily Convertible Preference Shares (CCPS):

The Company received a total of Rs. 15205 Lakhs (Rupees One Hundred Fifty Two Crores and Five Lakhs) through issue of 5,808,956 (Fifty Eight Lakhs Eight Thousand Nine Hundred and Fifty Six) CCPS to the investors. The proceeds thus received by the Company were utilized to repay the Indian Bank Debts of Rs. 12608 Lakhs (Rupees One Hundred and Twenty Six Crores and Eight Lakhs Only). The remaining funds were utilized to pay the accumulated Bank Interest and other operating and capital business purposes.

(c) **Details of Equity shareholders holding more than 5% shares in the Company**

Sl. No.	Name of the Shareholders	As at 31st March 2020		As at 31st March, 2019	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding
1	Motilal Makhanlal Holdings Pvt. Ltd.	29,73,009	8.53	29,73,009	8.53
2	Sampad Vikas Limited	36,43,250	10.45	36,43,250	10.45
3	Ambootia Tea Exports Private Limited (Erstwhile IDA Organic Pvt. Ltd. Refer to Note No. A16.19)	17,66,087	5.07	17,66,087	5.07
4	Stichting Pensioenfonds Abp	1,05,97,452	30.41	1,05,97,452	30.41
5	Bhumya Tea Company Private Limited	41,79,480	11.99	41,79,480	11.99
6	Oikocredit Ecumenical Development Cooperative Society	23,77,242	6.82	23,77,242	6.82

(h) Aggregate number of bonus shares issued and shares bought back during the period of five years immediately preceding the reporting date: Nil

(i) The Company has issued 33,93,656 Compulsorily Convertible Preference Shares (CCPS) on June 04, 2020 of face value Rs.10/- at a premium of Rs.15.17 each. As per Board resolution dated 10th April, 2020, the CCPS shall carry voting rights from the date of allotment.

15. OTHER EQUITY (Refer Statement of Changes in Equity)

(a) Security Premium Reserve

This reserves are used to record the premium on issue of shares. The reserve would be utilized in accordance with the provisions of the Act.

	As at 31st March, 2020	As at 31st March, 2019
As per Last Financial Statement	5,04,88,73,011	5,04,88,73,011
Add: Current Year Transfer (Equity)	-	-
Total (a)	5,04,88,73,011	5,04,88,73,011

(b) Capital Redemption Reserve

	As at 31st March, 2020	As at 31st March, 2019
As per Last Financial Statement	1,59,00,000	1,59,00,000
Total (b)	1,59,00,000	1,59,00,000

(c) Capital Reserve

	As at 31st March, 2020	As at 31st March, 2019
As per Last Financial Statement	3,91,51,07,407	3,91,51,07,407
Less: Adjustment of Impairment Loss	(3,75,15,51,195)	-
Total (c)	16,35,56,212	3,91,51,07,407

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(In Rs.)

(d) Retained Earnings

Retained earnings represent accumulated profits earned by the Company and remaining undistributed as on date.

	As at 31st March, 2020	As at 31st March, 2019
As per Last Financial Statement	(1,49,12,05,140)	(1,65,12,37,546)
Add: Profit/(loss) for the year	(3,81,39,75,132)	16,10,00,031
Add: Overcharged Depn in earlier year	-	-
Less: Dividend paid/payable on equity shares	-	-
Less: Dividend paid/payable on preference shares	-	(25,08,699)
Less: Dividend distribution tax paid/payable	-	(4,34,105)
Total (d)	(5,30,81,23,076)	(1,49,12,05,140)

(e) Other Comprehensive Income

	As at 31st March, 2020	As at 31st March, 2019
As per Last Financial Statement	(2,16,57,329)	(1,51,28,648)
Add: During the year	(3,93,69,268)	(65,28,681)
Total (e)	(6,10,26,598)	(2,16,57,329)
Total Reserves (a+b+c+d+e)	(14,08,20,451)	7,46,70,17,949

16. LONG TERM BORROWINGS

	Non Current		Current	
	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
Secured				
(a) Term Loans				
From Banks				
Rupee Loan	49,37,71,676	59,06,00,595	45,94,17,288	37,16,15,614
(b) Vehicle Loans				
From Banks	1,78,400	10,84,932	10,80,563	14,78,823
From Others	-	50,473	50,473	1,28,268
Unsecured				
(a) ECB Loan	1,10,64,58,866	76,48,70,802	-	-
Total (a+b)	1,60,04,08,942	1,35,65,06,802	46,05,48,324	37,32,22,705

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Details of terms of repayment of long term borrowings

Long term borrowings	Terms of Repayment	Maturity Date	Interest Rate
Secured			
a) Term Loans			
- From Bank			
UCO Bank Term Loan -I	10 Yearly Instalments	31-03-2019	10.60%
UCO Bank Term Loan -V	7 Yearly Instalments	31-03-2021	10.60%
UCO Bank Term Loan -VI	7 Yearly Instalments	31-03-2022	10.60%
UCO Bank Term Loan -VII	7 Yearly Instalments	31-03-2023	10.60%
UCO Bank Term Loan -VIII	7 Yearly Instalments	31-03-2023	10.60%
UCO Bank Term Loan -IX	7 Yearly Instalments	31-03-2023	10.60%
UCO Bank Term Loan -X	7 Yearly Instalments	31-03-2024	10.60%
UCO Bank Term Loan -XI	8 Yearly Instalments	31-03-2024	10.60%
Allahabad Bank Term Loan	24 Quarterly Instalments	30-04-2023	BR +2 %
Allahabad Bank Term Loan	Note-1	31-05-2025	BR +2 %
State Bank Of India	20 Quarterly Instalments after 6 months from the date of first disbursements.	31-12-2021	12%

Note-1 The repayment will start after 2 years after the date of first disbursements as follows: First Quarter Rs. 70 Lakhs each, Subsequent Quarter Rs. 94 Lakhs each, Subsequent Quarter Rs. 141 Lakhs each, Subsequent Quarter Rs. 164 Lakhs Each.

b) Vehicle Loan			
HDFC Bank Ltd	60 EMI	07-05-2020	10.10%
Kotak Mahindra Prime Ltd	60 EMI	07-05-2020	10.51%
Andhra Bank	60 EMI	31-03-2021	10.25%

Details of terms of security for long term borrowings

(i) UCO BANK TERM LOAN- I ,II,III,IV,V,VI,VII,VIII,IX,X,& XI	Primary Security- Secured by Hypothecation of Tea crop, Plant & Machinery , Stores, Book Debt & Mortgage of Ambootia TE, Monteviot TE, Mullootar TE, Moondakotee TE, Nurbong TE, Sivitar TE, Nagri TE, Happy Valley TE, Chongtong TE, Sepoydhoorah TE. Collateral Security- EMTD on above 10TEs. Personal & Corporate Guarantee.
(ii) ALLAHABAD BANK TERM LOAN	Primary Security- Secured by hypothecation of Tea crop, Plant & Machinery , Stores, Book Debt & Mortgage of Claredon Purbat, Rungmook Cedar , Rangaroon & Pandam TE. Collateral Security- EMTD on above 4TEs. Personal Guarantee.
(iii) STATE BANK OF INDIA	Primary Security- Secured by hypothecation of Tea crop, Plant & Machinery , Stores, Book Debt & Mortgage of Alnobari Tea Estate. Collateral Security- EMTD on above 1TEs. Personal Guarantee.
(iv) HDFC BANK , KOTAK MAHINDRA PRIME LTD, ANDHARA BANK VEHICLE LOAN TOYATA FINANCIAL SERVICES INDIA LIMITED	Hypothecated against Motor Car.

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DARJEELING ORGANIC TEA ESTATES PVT. LTD. KOL-16

DARJEELING ORGANIC TEA ESTATES PVT. LTD. KOL-16

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Unsecured

(a) (i) ECB- I

	Amount (in Euro Million)
Sanctioned Amount	20.00
(i) Opening Balance	9.80
(ii) ECB received in financial year 19-20	-
(iii) Total repayment made in financial year 19-20	-
(iii) Balance (i - ii)	9.80

Repayment Schedule for ECB- I

Repayment Date	Amount
14th December 2021	2.5% of the outstanding principal amount of a loan
14th December 2022	2.56% of the outstanding principal amount of a loan
14th December 2023	5.26% of the outstanding principal amount of a loan
14th December 2024	5.56% of the outstanding principal amount of a loan
14th December 2025	5.88% of the outstanding principal amount of a loan
14th December 2026	12.5% of the outstanding principal amount of a loan
14th December 2027	14.29% of the outstanding principal amount of a loan
14th December 2028	16.67% of the outstanding principal amount of a loan
14th December 2029	20% of the outstanding principal amount of a loan
14th December 2030	25% of the outstanding principal amount of a loan
14th December 2031	50% of the outstanding principal amount of a loan
14th December 2032	100% of the outstanding principal amount of a loan

Note :- Applicable rate of interest is 5% p.a. (net) fixed payable on half yearly basis.

Exposure Balance as on 31-03-2020 including interest component is unhedged

ECB guaranteed by Mr. Sanjay Prakash Bansal.

(a) (ii) ECB- II

	Amount (in Euro Million)
Sanctioned Amount	13.00
(i) Opening Balance	-
(ii) ECB received in financial year 19-20	3.53
(iii) Total repayment made in financial year 19-20	-
(iii) Balance (i - ii)	3.53

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DARJEELING ORGANIC TEA ESTATES PVT. LTD. KOL-16

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Repayment Schedule for ECB- II

Repayment Date	Amount
31st March 2023	2.5% of the outstanding principal amount of a loan
31st March 2024	2.56% of the outstanding principal amount of a loan
31st March 2025	5.26% of the outstanding principal amount of a loan
31st March 2026	5.56% of the outstanding principal amount of a loan
31st March 2027	5.88% of the outstanding principal amount of a loan
31st March 2028	12.5% of the outstanding principal amount of a loan
31st March 2029	14.29% of the outstanding principal amount of a loan
31st March 2030	16.67% of the outstanding principal amount of a loan
31st March 2031	20% of the outstanding principal amount of a loan
31st March 2032	25% of the outstanding principal amount of a loan
31st March 2033	50% of the outstanding principal amount of a loan
31st March 2034	100% of the outstanding principal amount of a loan

Note :- Applicable rate of interest is 5% p.a. (net) fixed payable on half yearly basis.

Exposure Balance as on 31-03-2020 including interest component is unhedged

ECB is secured by way of mortgage on Ratanpur Tea Estate and further Tea Estates as Additional Security (as mutually agreed between Lender and Borrower in writing)

ECB is guaranteed by Mr. Sanjay Prakash Bansal.

17. LONG TERM PROVISIONS	As at 31st March, 2020	As at 31st March, 2019
(a) Employee benefits		
(i) Gratuity	32,91,25,555	23,98,18,141
Total	32,91,25,555	23,98,18,141

(Actuarial Valuation for determination of Gratuity liability has been done except 3 TE which are funded with LIC Group Gratuity Scheme which will be accounted for on demand from LIC)

18. OTHER NON CURRENT LIABILITIES	As at 31st March, 2020	As at 31st March, 2019
(a) Stamp Duty Payable	36,57,496	87,78,879
(b) Deferred Statutory Payment	2,41,91,568	2,62,64,858
Total	2,78,49,064	3,50,43,737

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(In Rs.)

19. DEFERRED TAX LIABILITIES (NET)

	As at 31st March, 2020	As at 31st March, 2019
(a) Liabilities :		
Depreciation and amortization expenses	39,54,61,128	1,62,46,09,987
Items under financial assets and financial liabilities giving temporary differences	-	-
Others	-	-
Total (a)	39,54,61,128	1,62,46,09,987
(b) Assets :		
Others	-	25,16,319
Provision for gratuity	2,32,19,927	89,07,035
Total (b)	2,32,19,927	1,14,23,354
		-
Net Liability (a-b)	37,22,41,201	1,61,31,86,633

Reconciliation of deferred tax assets/ liabilities (net):	As at 31st March, 2020	As at 31st March, 2019
Opening balance as at year beginning	1,61,31,86,633	1,76,71,43,364
Tax (benefit) / expense during the period recognised in profit or loss	(1,22,71,12,986)	(15,14,40,412)
Tax impact on items of Other Comprehensive income that will not be classified to profit & loss	(1,38,32,446)	(25,16,319)
Closing balance as at year end	37,22,41,201	1,61,31,86,633

20. SHORT TERM BORROWINGS

	As at 31st March, 2020	As at 31st March, 2019
(a) Loans repayable on demand (Secured)		
Cash credits from banks *		
- From Banks		
UCO Cash Credit Term	55,81,07,467	59,70,48,087
Allahabad Bank Cash Credit (including Interest Payable and Overdue Rs 1.34 Crore)	11,34,16,168	11,32,99,791
(b) From Related Parties (Unsecured) (Interest Free) No Fixed Repayment Schedule	1,08,48,000	10,00,000
(c) Others (Unsecured) (Interest Free) No Fixed Repayment Schedule	1,41,30,479	(3,49,521)
Total	69,65,02,114	71,09,98,357

* 1. These Loans are repayable on demand and carries interest as applicable from time to time.
2. Terms of security- Primary Security - Secured by Hypothecation of Tea crop, Plant & Machinery, Stores, Book Debts and Mortgage of Tea Estates.
3. UCO Bank Cash Credit exposure is NPA since June 2019. The bank has sent NCLT notice to the company on 30th September 2020.

21. TRADE PAYABLES

	As at 31st March, 2020	As at 31st March, 2019
(a) Micro & Small Enterprises	-	-
(b) Others		
Sundry Creditors for goods & services	8,66,46,732	11,36,04,075
Total	8,66,46,732	11,36,04,075

The Company has not received any intimation from the suppliers regarding their status under Micro, Small and Medium Enterprises Act 2006 and hence disclosures, if any relating to amounts unpaid as at the year end together with interest paid/ payable as required under the said act has not been given.

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(In Rs.)

22. CURRENT FINANCIAL LIABILITIES-OTHER

	As at 31st March, 2020	As at 31st March, 2019
(a) Current maturities of long-term debts (Refer Note No. 16)	46,05,48,324	37,32,22,705
(b) Interest payable on borrowings	21,83,12,791	6,65,29,566
Total	67,88,61,115	43,97,52,271
Uco Bank		
Overdue Instalment	29,59,97,288	29,73,12,794
Overdue Interest	15,96,65,524	1,54,07,167
Allahabad Bank		
Overdue Instalment	3,42,00,000	70,00,000
Overdue Interest	4,03,79,919	3,93,55,468
Others	8,38,00,000	6,13,39,911
State Bank Of India		
Overdue Instalment	1,51,40,000	75,70,000
Overdue Interest	36,78,306	17,61,836
Others	3,02,80,000	-
ECB		
Interest accrued but not due	1,45,89,042	1,00,05,095
Vehicle Loan		
Others	11,31,036	-
	67,88,61,115	43,97,52,271

Interest payable to Allahabad Bank & State Bank of India as on 31.03.2020 is outstanding till the date of audit report. The account was not classified as NPA, as the Reserve Bank of India had declared moratorium on loan repayment from 01.03.2020 to 31.08.2020 in view of covid pandemic.

23. OTHER CURRENT LIABILITIES

	As at 31st March, 2020	As at 31st March, 2019
(a) Advance payments from customers	20,12,47,197	58,85,616
(b) Other payables		
(i) Statutory dues (PF, TDS, GST & Others) *	28,89,52,827	13,34,76,376
(ii) Salary, Wages, Bonus & Others	14,63,09,959	8,54,03,954
(iii) Liabilities for Services & Others (Electricity, rent, etc) **	75,61,370	1,02,51,094
Total	64,40,71,353	23,50,17,040

* The company has claimed Rs. 17,22,049/- towards input of GST under reverse charge mechanism. This amount is unpaid by the company till the date of audit report and this input shall only be available for set off only on payment of the said liability.

** The PF Commissioner of Siliguri & Jamguri has in principal approved payment of outstanding PF contribution (both employer and employee contribution) till March'2020 in 72 instalments. In Cherideo Purbat the comapny has obtained approval for payment of PF dues (employer contribution) till February'2020 in 36 instalments.

24. SHORT TERM PROVISIONS

	As at 31st March, 2020	As at 31st March, 2019
(a) Employee benefits		
(i) Gratuity	-	-
Total	-	-

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Darjeeling Organic Tea Estates Pvt. Ltd. KOL-16

Darjeeling Organic Tea Estates Pvt. Ltd. KOL-16

N. Chatterjee & Associates, Kolkata, Chartered Accountants

(In Rs.)

25. CURRENT TAX LIABILITIES	As at 31st March, 2020	As at 31st March, 2019
Income Tax (Net of Payments)	1,42,53,943	1,42,53,943
Total	1,42,53,943	1,42,53,943

26. REVENUE FROM OPERATIONS	For The Year Ended 31st March, 2020	For The Year Ended 31st March, 2019
(a) Sale of Products		
(i) Sale of Products		
Finished Goods		
- Tea		
- Domestic	1,06,23,43,095	1,57,84,91,991
- Export	2,98,17,869	-
- Spices		
- Domestic	16,98,234	46,95,26,150
- Export	27,495	14,17,878
(b) Other Operating revenue		
Sale of Services & Accessories	16,59,298	1,04,805
Total	1,09,55,45,991	2,04,95,40,824

27. OTHER INCOME	For The Year Ended 31st March, 2020	For The Year Ended 31st March, 2019
(a) Interest income		
- Interest on Fixed Deposits	1,87,770	1,75,373
- Others	50,085	30,108
(b) Compensation Received	-	-
(c) Miscellaneous Income	9,40,619	9,93,719
(d) Foreign Currency Fluctuation Gain(Net)	-	1,58,49,991
(e) Changes in fair value of biological assets	-	39,54,136
(f) Liabilities written back	4,56,289	21,265
Total	16,34,764	2,10,24,592

28. CHANGES IN INVENTORIES OF FINISHED GOODS & STORES & SPARES	For The Year Ended 31st March, 2020	For The Year Ended 31st March, 2019
(a) Stocks at the beginning of the year		
Finished goods	35,81,50,092	30,91,07,714
Stock of Stores	2,06,87,643	2,50,15,031
(b) Less: Stocks at the end of the year		
Finished goods	24,64,35,509	35,81,50,092
Stock of Stores	2,27,28,940	2,06,87,643
Total	10,96,73,286	(4,47,14,990)

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

(In Rs.)

29. EMPLOYEE BENEFITS EXPENSE

	For The Year Ended 31st March, 2020	For The Year Ended 31st March, 2019
a) Salaries and wages		
- Salaries, Wages & Bonus	62,14,86,996	59,49,65,066
- Gratuity	9,64,00,148	2,90,14,000
b) Contribution to provident and other funds		
- Contribution to Provident Fund	6,08,54,747	5,67,88,092
c) Staff welfare expenses	1,50,69,679	1,60,90,824
Total	79,38,11,569	69,68,57,983

30. FINANCE COSTS

	For The Year Ended 31st March, 2020	For The Year Ended 31st March, 2019
(a) Interest expense		
- Term Loans	11,59,92,197	12,63,99,812
- Cash Credit	8,33,36,905	8,52,45,762
- ECB	4,66,60,953	3,15,40,328
(b) Others	35,90,266	11,36,057
Total	24,95,80,321	24,43,21,959

31. OTHER EXPENSES

	For The Year Ended 31st March, 2020	For The Year Ended 31st March, 2019
A. MANUFACTURING & SERVICE EXPENSES		
(i) Power and fuel	5,64,90,983	5,49,47,344
(ii) Repairs to Buildings	25,44,872	45,35,211
(iii) Repairs to Machinery	35,21,751	41,08,255
(iv) Repairs to Other Assets	95,37,281	63,26,315
(v) Changes in fair value of biological assets	2,13,12,082	-
(vi) Other Manufacturing & Service Expenses	4,24,31,818	2,74,74,618
Sub Total (a)	13,58,38,786	9,73,91,744
B. SELLING & DISTRIBUTION EXPENSES		
(i) Freight, Shipping, Delivery and Selling Expenses	67,12,433	58,54,580
(ii) Brokerage on sale	7,91,790	79,11,153
(iii) Sales Promotion Expenses	31,92,808	11,87,581
(iv) Certification	55,55,249	51,69,331
(v) Other Selling & Distribution Expenses	53,04,816	1,23,86,204
Sub Total (b)	2,15,57,095	3,25,08,848
C. PAYMENT TO AUDITOR		
(i) Statutory Auditor	4,31,250	4,31,250
(ii) For Tax Audit	86,250	86,250
Sub Total (c)	5,17,500	5,17,500

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DARJEELING ORGANIC TEA ESTATES PVT. LTD. KOL-16

(In Rs.)

D. OTHERS		
(i) Rent	1,94,13,000	2,81,42,400
(ii) Lease Rent	15,12,090	61,66,048
(iii) Rates and Taxes, excluding taxes on income	31,93,538	37,27,722
(iv) Insurance	24,92,984	33,97,687
(v) Bank Charges	23,57,506	37,41,217
(vi) Consultation and Advisory Charges	1,15,17,363	2,65,14,615
(vii) Late Fees-Tds	2,400	26,51,649
(viii) Tds-Short Deduction	28,66,795	5,41,933
(ix) Inadmissible GST	3,09,10,142	-
(xi) Foreign Currency Fluctuation Loss (Net)	7,72,75,068	-
Sub Total (d)	15,15,40,886	7,48,83,271
E. MISCELLANEOUS EXPENSES		
(i) Motor Vehicle Expense	68,64,327	93,44,797
(ii) Travelling and Conveyance Expenses	1,03,46,236	1,37,48,753
(iii) Stamps, Postage and Telegrams	3,32,782	4,08,909
(iv) Printing & Stationary	12,72,198	16,87,161
(v) Membership & Subscription	40,89,742	29,79,770
(vi) Telephone and Telex	18,96,739	14,24,251
(vii) Other Miscellaneous expenses	2,29,68,427	1,42,16,202
(viii) Director Fees	25,83,333	10,00,000
(viii) Chairman Fees	20,00,000	20,00,000
(ix) Sponsorship Fees	-	3,50,000
(x) Provision for Doubtful Debts	95,74,69,068	-
(xi) Provision for Doubtful Capital Advances	21,59,233	-
(xii) Provision for Doubtful Other Non Current Advances	19,05,78,573	-
(xiii) Provision for Doubtful Advance Given to Suppliers	10,06,267	-
(xiv) Provision for Doubtful Other Current Advances	30,90,77,999	-
(xvi) Loss due to Quality Rejection	10,60,788	-
(xvi) Loss On Sale Of Fixed Assets	1,92,88,902	12,51,154
Sub Total (e)	1,53,29,94,614	4,84,10,997
Total (a+b+c+d+e)	1,84,24,48,881	25,37,12,361

31A EXCEPTIONAL ITEMS	For The Year Ended 31st March 2018	For The Year Ended 31st March, 2019
Insurance Claim Received	83,720	-
Impairment Loss	(2,73,50,74,074)	-
	(2,73,49,90,354)	-

The Company has done impairment of Property, Plant & Equipment and Intangible Assets (after providing the depreciation) to the extent of Rs. 64866.25 Lakhs, during the year based on valuation of Tea Gardens done by M/s Vestian Global Workplace Services Pvt. Ltd., a world renowned valuer. The valuation so done was proportionately allocated to all heads of Property, Plant & Equipment and Intangible Assets as on 31.03.2020 and accordingly the excess of book value over market value was charged as impairment. The Company had an amount of Rs. 39151.07 Lakhs in Capital Reserve which was transferred from Revaluation Reserve at the time of Ind As transition. The impairment loss was first adjusted with Capital Reserve and excess was recognised in Statement of Profit and Loss account.

As a result, the company has charged an one time impairment loss of ₹ 27350.74 Lakhs in the carrying value of Property, Plant & Equipment and Intangible Assets as an exceptional item in the financial results for the financial Year ended 31st March 2020.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

(In Rs.)

32. Income Tax	For The Year Ended 31st March, 2020	For The Year Ended 31st March, 2019
I Income tax related to items charged or credited directly to profit or loss during the year:		
(a) Statement of profit and loss		
(i) Current Income Tax	-	18,76,223
(ii) Income Tax for Earlier Years	-	-
(iii) Deferred Tax expense/ (benefit)	(1,22,71,12,986)	(15,14,40,412)
	(1,22,71,12,986)	(14,95,64,189)
(b) Other Comprehensive Income		
(i) Deferred Tax related to items recognised in OCI during the year:		
- Net expense/(benefit) on remeasurements of defined benefit plans	(1,38,32,446)	(25,16,319)
	(1,38,32,446)	(25,16,319)
Total (a+b)	(1,24,09,45,432)	(15,20,80,508)

33. Other Comprehensive Income	For The Year Ended 31st March, 2020	For The Year Ended 31st March, 2019
i Items that will not be classified to profit and loss		
- Remeasurement gain/ (losses) on defined benefit plans Created during the year	(5,32,01,714)	(90,45,000)
ii Income tax relating to items that will not be classified to profit and loss		
- Remeasurement gain/ (losses) on defined benefit plans Created during the year	1,38,32,446	25,16,319
Total	(3,93,69,268)	(65,28,681)

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DARJEELING ORGANIC TEA ESTATES PVT. LTD. KOL-16

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OTHER NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Cont....)

34 Contingent liabilities & Commitments

		(Rs. In Lakhs)	
		As at 31st March, 2020	As at 31st March, 2019
A.	**Not Provided for:-**		
	(a) Claims against the Company not acknowledged as debts		
	- Demand raised by following authorities in dispute:		
	(i) Settlement of Provident Fund dues arising out of PF related litigation (Happy Valley Tea Estate)	**78.00**	78.00
	(ii) Outstanding demand raised by Income Tax Authorities	**17,118.49**	-

In addition to above, the following cases are pending on company in the court of law:-

1) In the Arbitration (AP 920 of 2016) between General Fibre Dealers Pvt Limited and Darjeeling Organic Tea Estates Pvt Limited with regards to Cheriodeo Purbut Tea Estate, an award was granted dated 28th March 2019. The award rejected all claims of General Fibre Dealers Pvt Limited as claimant (of approximately Rs. 500 Lakhs) and all claims of the Darjeeling Organic Tea Estates Pvt Limited (of approximately Rs 700 Lakhs) as respondent. The Award further stated that General Fibre Dealers Pvt Limited as claimant will indemnify Darjeeling Organic Tea Estates Pvt Limited as respondent, in the event Darjeeling Organic Tea Estates Pvt Limited is obliged to pay any amount to any of the third parties now in occupation of any portion of the tea estate. General Fibre Dealers Pvt Limited has subsequently filed a petition AP no 384 of 2019 against the arbitration in Calcutta High Court

2) An arbitration proceedings was concluded between Darjeeling Organic Tea Estates Private limited (as Claimant) and National Insurance Company Limited, with the arbitration award declared on 17th of August 2020. This was regarding a fire in the Ambootia Tea Factory in August 2014 for which the Insurance claim was settled by NICL at a lower value than claimed by DOTEPL. The verdict upheld the Claim Report of the 1st Surveyor, who had recommended Rs 822 Lakhs claim payment to Darjeeling Organic Tea Estates Private limited. Out of this, since the Company had already received Rs 548 Lakhs as settlement pre- arbitration, Rs. 274 Lakh is further have to be paid by NICL. Additionally, NICL will have to pay 7% interest (simple interest) from December 2017 (when the arbitration started) to the date of the award . Further, National Insurance Company Limited will pay the Company cost of Arbitration as ascertained to be Rs 28.99 lakhs. The overall receivables on account of the verdict is approximately Rs 350 Lakhs. National Insurance Company Limited can appeal against the verdict

B.	**Bank Guarantee**	**26.36**	26.36

35 Details of loans given, Investments made and Guarantee given covered u/s 186(4) of the Companies Act, 2013

A.	Loan Given	-	157.62
	Other Advance given for general business purpose	160.63	3015.03
	Loan To Employee	49.87	42.71
	Other Advances	-	3188.17
B.	Investment Made		
	There are no investments by the company.	NIL	NIL
C.	Securities Given		
	There is no security given during the year.	NIL	NIL

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DARJEELING ORGANIC TEA ESTATES PVT. LTD. KOL-16

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36 Disclosure on Corporate Social Responsibility Expenses

(a) **Brief**

The Company does not have adequate profit in the last three years hence is not required to spend on CSR.

In Rs. Lakhs

Year	Profit/(Loss)
2016-17	(2,942.17)
2017-18	(2,411.83)
2018-19	114.36
Average Profit / (Loss)	(1,746.55)

(b) Since the average profit is negative for the last three years, the company is not required to spend on CSR in the year 2019-20. Gross amount required to be spent by the Company during the year in pursuance to the provisions of Section 135 of the Companies Act, 2013 and rules made thereunder : Rs. Nil (PY Rs. Nil)

(c) Amount spent during the year 2019-20 & 2018-19 is shown under Other Expenses in the Statement of Profit and Loss (Refer Note No. 31):

Sl. No.	Particulars	As at 31st March, 2020 (Rs. In Lakhs)	As at 31st March, 2019 (Rs. In Lakhs)
(i)	Spent in Cash	-	-
(ii)	Yet to Spend	-	-
	Total	-	-

37 Scheme of Arrangements

37.1 As a condition precedent to the investment in 2% Compulsorily Convertible Preference Shares by the Investors, basis the Investment Agreement dated 6th December 2016, the Company has acquired two Tea Estates and one bought leaf factory viz. Hrithik Tea Estate situated in Darjeeling, Jamguri Tea Estate situated in Golaghat, Assam, and Jamguri Bought Leaf Factory, situated in Jamguri Tea Estate situated in Golaghat, Assam during the financial year 2016-17, as detailed below:-

S No	Name of the Tea Estate & Address	Value as per Approved Valuer (Rs. Lakhs)
1	Jamguri Tea Estate, P.O. Oating, Dist. Golaghat, Assam	7,500.00
2	Jamguri Bought Leaf Factory, P.O. Oating, Dist. Golaghat, Assam	1,500.00
3	Hrithik Tea Estate, Dist. Darjeeling, West Bengal	1,000.00
	Total	**10,000.00**

The consideration towards the acquisition of the above mentioned 2 Tea Estates and 1 Bought Leaf Factory was paid in kind through conversion of partly paid up shares to fully paid up shares (including Interest in the case of Class D Shares) of Rs. 8440 Lakhs and the balance amount was through liabilities taken over of Rs. 1560 Lakhs.

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DARJEELING ORGANIC TEA ESTATES PVT. LTD. KOL-16

DARJEELING ORGANIC TEA ESTATES PVT. LTD. KOL-16

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DARJEELING ORGANIC TEA ESTATES PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

The following partly paid Shares of the Company held by the Promoters have been made fully paid up during Financial Year 2016-17, pursuant to the contribution in kind by the Promoters of the tea estates as detailed in above.

S. No	Particulars	Number of Shares	Price Per Share (Rs.)	Amount (Rs. Lakhs)
1	Ordinary Shares	25,29,659	116.44	2,945.53
2	Class B Shares	23,842	116.44	27.80
3	Class D Shares	1,32,170	275.1	363.60
4	Class E Shares	23,52,620	216.91	5,103.07
	Total	50,38,291		8,440.00

[Explanation: As per the Rules of The Companies Act, 1956, any material acquisition or disposal of assets by the Company has to be disclosed and reported in the Notes to the Accounts for 8 Financial Years subsequent to the Year of the transaction and hence, the details provided in Point 37.2 to 37.7 relates to the acquisition of the Tea Estates acquired by the Company since its formation in Financial Year 2009-10]

37.2 The Company has acquired three new Tea Estates on 20.03.2015, as detailed below, all situated in the District of Darjeeling, West Bengal from West Bengal Tea Development Corporation Ltd. including but not limited to, plant and machinery not constituting immovable property, and other tangible movable assets on Tender Proposal and valued by the approved valuer

Sl. No.	Name of the Tea Estate & Address	Value
a)	Pandam Tea Estate, P.O. Uday Gram, Dist. Darjeeling 734 101	Rs. 1076 Lakhs
b)	Rangaroon Tea Estate, P.O. Ghoom, Dist. Darjeeling, 734102	Rs. 817 Lakhs
c)	Rungmook / Cedar Tea Estate, P.O. Sonada, Dist. Darjeeling, 734209	Rs. 3788 Lakhs

37.3 The Company has acquired two new Tea Estates during the financial year 2015-16, as detailed below, all situated in the State of Assam The General Fibers Dealers Pvt. Ltd. And Ratanpur Tea Estates Pvt. Ltd. respectively including but not limited to, plant and machinery not constituting immovable property, and other tangible movable assets valued by the approved valuer

Sl. No.	Name of the Tea Estate & Address	Value
a)	Cherideo Purbat Tea Estate, Dist Sibsagar, Assam.	Rs. 4500 Lakhs
b)	Ratanpur Tea Estate, Dist. Sibsagar, Assam	Rs. 2000 Lakhs

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

38 Foreign Currency Inflows / Outflows

A. Expenditure in Foreign Currency

Particulars	As on 31.03.2020	As on 31.03.2019
Account Head	**Amount (Rs. in Lakhs)**	**Amount (Rs. in Lakhs)**
Certification Fees and Sustainability Report Fees	24.14	31.10
Travelling/Board Meeting Expenses	12.09	32.22
Purchase Of Stores	0.32	15.14
Purchase Of Plant & Machinery (CIF Value)	-	42.21
Membership Fees	-	0.97
Sales Promotion Expenses	-	-
Professional Fees	-	21.62
Interest on ECB	436.96	183.81
Total	**473.50**	**327.07**

B. Inflows / Earnings in Foreign Currency

Particulars	As on 31.03.2020	As on 31.03.2019
Account Head	**Amount (Rs. in Lakhs)**	**Amount (Rs. in Lakhs)**
Collection From Export Sales	144.80	3.57
Trade Advance	1,859.34	-
ECB Loan (Net Of Brokerage)	2,743.08	7,807.21
Total	**4,747.22**	**7,810.78**

39 Value of Imports calculated on C.I.F Basis to be disclosed

Particulars	As on 31.03.2020	As on 31.03.2019
Account Head	**Amount (Rs. in Lakhs)**	**Amount (Rs. in Lakhs)**
Component & Spare Parts	0.32	15.14
Capital Goods	-	42.21

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40 Disclosures as required by Ind AS 19, Employee Benefits

(a) Defined contribution plans:

		(Rs. In Lakhs) 2019-20	2018-19
	Contribution to defined contribution plan, recognised as expense for the year as under:		
(i)	Employer's contribution to Government Provident Fund	608.55	567.88
	Total	608.55	567.88

(b) Defined benefit plan:

Gratuity

The Employee's Gratuity Fund Scheme, which is defined benefit plan, is managed by Trust maintained with Life Insurance Corporation of India for 3 Gardens. The liabilities with respect to Gratuity Plan are determined by actuarial valuation on projected unit credit method on the balance sheet date, based upon which the Company contributes to the Group Gratuity Scheme. The difference, if any, between the actuarial valuation of the gratuity of employees at the year end and the balance of funds with Life Insurance Corporation of India, is provided for as assets/ (liability) in the books. Actuarial gains/ (losses) for defined benefit plans are recognised in full and are immediately taken to the statement of profit and loss and Other Comprehensive Income accordingly as per Actuarial Valuation Report. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount as per Gratuity Act. Vesting occurs upon completion of five continuous years of service in accordance with Indian law.

I. Following information are based on report of actuary for employee benefit expenses

			(Rs. In Lakhs) Gratuity (Funded) 2019-20	2018-19
(A)		Change in present value of the obligation during the year		
	(1)	Present value of obligation at year beginning	2,434.29	2,053.74
	(2)	Current service cost	187.44	132.00
	(3)	Past service cost	-	-
	(4)	Interest cost	187.44	158.14
	(5)	Benefits paid	-	-
	(6)	Actuarial (gain) / loss arising from changes in demographic assumptions	-	-
	(7)	Actuarial (gain) / loss arising from changes in financial assumptions	139.80	6.99
	(8)	Actuarial (gain) / loss arising from changes in experience adjustments	392.21	83.43
	(9)	Present value of obligation at year end	3,341.19	2,434.29
(B)		Change in fair value of plan assets during the year		
	(1)	Fair value of plan assets at year beginning	-	-
	(2)	Interest income on plan assets	-	-
	(3)	Expected return on plan assets other than interest income	-	-
	(4)	Contribution made by the Employer	-	-
	(5)	Benefits paid	-	-
	(6)	Fair value of plan assets at year end	-	-
(C)		Reconciliation of obligation and fair value of assets		
	(1)	Present value of the obligation at year end	3,341.19	2,434.29
	(2)	Fair value of plan assets at year end		-
	(3)	Funded status [surplus / (deficit)]	3,341.19	2,434.29

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(D)	Expense recognised in the Statement of Profit and Loss		
	(1) Current service cost	187.44	132.00
	(2) Interest cost	187.44	158.14
	(3) Interest income on plan assets	-	-
	Net cost recognised in Profit or Loss	**374.88**	290.14
(E)	Recognised in Other Comprehensive Income		
	(1) Expected return on plan assets other than interest income	-	-
	(2) Actuarial (gain) / loss arising from changes in demographic assumptions	-	-
	(3) Actuarial (gain) / loss arising from changes in financial assumptions	139.80	6.99
	(4) Actuarial (gain) / loss arising from changes in experience adjustments	392.21	83.43
	Net (gain)/ loss recognised in Other Comprehensive Income	**532.02**	90.41
(F)	Net Defined benefit liability/(Asset) Reconciliation		
	(1) Net Defined benefit liability/(Asset) at the beginning of the year	2,434.29	2,053.74
	(2) Defined benefit cost included in P/L	374.88	290.14
	(3) Total remeasurement included in OCI	532.02	90.41
	(4) Employers contribution	-	-
	Net Defined benefit liability/(Asset) at the end of the year	**3,341.19**	2,434.29

II.	**Maturity profile of defined benefit obligations:**	**2019-20**	**2018-19**
	Year 1	799.28	628.70
	Year 2	168.64	154.73
	Year 3	210.76	219.78
	Year 4	197.73	211.67
	Year 5	238.07	210.12
	Year 6	255.44	198.43
	Year 7	280.97	235.10
	Year 8	300.01	184.20
	Year 9	324.53	212.25
	Year 10	297.58	181.90
	Above 10 year	14,992.04	1,928.33
	Total expected payments	**18,065.04**	4,365.21

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 67.30 Years (31st March, 2019: 63.39 years).

The best estimate contribution for the company during the next year would be Rs 1196.66 Lakhs (31st March, 2019: Rs. 936.25 Lakhs).

Amount payable upon discontinuance of all employment is Rs. 3436.67 Lakhs (31st March, 2019: Rs. 2603.48 Lakhs).

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

III. Experience Adjustments on Present Value of DBO and Plan Assets

	2019-20	2018-19
(Gain)/Loss on Plan Liabilities	392.21	93.68
% of Opening Plan Liabilities	16.11%	4.56%
(Gain)/Loss on Plan Assets	-	-
% of Opening Plan Assets	-	-

IV. Quantitative sensitivity analysis for significant assumptions considered for defined benefit obligation (Gratuity):

Sensitivity analysis presented below represents expected change in present value of defined benefit obligation based on reasonably possible changes in the assumptions occurring at the year end.

Defined Benefit Obligation (Base)	2019-20	2018-19
(1) One percentage increase in discount rate	3,138.74	2,294.67
(2) One percentage decrease in discount rate	3,570.54	2,591.72
(3) One percentage increase in rate of salary escalation	3,573.48	2,594.33
(4) One percentage decrease in rate of salary escalation	3,132.64	2,290.88
(5) One percentage increase in rate of withdrawal rate	3,354.34	2,450.08

V. Actuarial Assumptions

	Gratuity (Funded)	
	2019-20	2018-19
(1) Discount rate	7.60%	7.70%
(2) Mortality Rate		
(3) Salary Escalation - First 5 years	6%	6%
(4) Salary Escalation - After 5 years	6%	6%
(5) Expected Rate of Return on Plan Assets	NA	NA
(6) Disability Rate	5% of Mortality Rate	5% of Mortality Rate
(7) Retirement Age	58 Years	58 Years
(8) Average Future Service	14.80 Years	14.99 Years
(9) Withdrawal rates, based on age: (per annum)		
Up to 25 years	8.00%	8.00%
26 - 30 years	7.00%	7.00%
31 - 35 years	6.00%	6.00%
36 - 40 years	5.00%	5.00%
41 - 45 years	4.00%	4.00%
46 - 50 years	3.00%	3.00%
51 - 55 years	2.00%	2.00%
Above 56 years	1.00%	1.00%

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41 Disclosures as required by Ind AS 108, Operating Segments

(a) Identification of Operating Segments:

The Company Operates in a Single Reportable Operating Segment i.e. Cultivation, manufacture and sale of Tea

No other operating segments have been aggregated to form the above reportable operating segments as per the criteria specified in the Ind AS.

Rs. In Lakhs

	Gardens	Trading	Others	Total
Sales	76,07,34,902	33,48,11,089	-	1,09,55,45,991
Other Income	16,34,764	-	83,720	17,18,484
	76,23,69,666	33,48,11,089	83,720	1,09,72,64,474
Purchase	9,69,33,319	14,89,93,830	-	24,59,27,149
Changes in Inventories of Finished Goods	(8,19,69,644)	19,16,42,930	-	10,96,73,286
& Stores & Spares				
Employee Benefits Expense	79,38,11,569	-	-	79,38,11,569
Finance Costs	24,95,80,321	-	-	24,95,80,321
Depreciation	16,18,37,312	-	-	16,18,37,312
Impairment Loss	-	-	2,73,50,74,074	2,73,50,74,074
Other Expenses	21,18,46,274	-	1,63,06,02,607	1,84,24,48,881
Total Expenses	1,43,20,39,152	34,06,36,760	4,36,56,76,681	6,13,83,52,593
	(66,96,69,486)	(58,25,671)	(4,36,55,92,961)	(5,04,10,88,118)

(b) Business Segment wise revenue/results/assets/liabilities

Since there is Single Reportable Operating Segment that is Agriculture Product, disclosure of Operating Segment wise Assets, Liabilities, Revenue and Results are not applicable, except what is reported above

(c) Geographical Information

The Companies Revenue is generated in the Geographical Region of Indian territory except for a marginal export sale amounting to Rs 298.45 Lakhs for the Current Year (P.Y - 14.18 Lakhs) which has taken place in the Region of Europe. Further the Assets are also located in India, hence Geographical Segment wise Assets/Liability Revenue & Results are not applicable.

(d) Revenue from five customers is Rs. 10756.84 Lakhs (P.Y. Rs. 17,343.20 Lakhs) which is more than 10% of the total revenue of the Company

42 (A) Related parties and their relationship with the Company :

(i)	Key Management Personnel of the Company:	Mr. Sanjay Prakash Bansal - Director Mrs. Reena Bansal – Director Mr. Hrithik Bansal – Director Mr. Rahul Chandra Prakash- Director Mr. Michael Joseph Sweeney – Director Mr. Weldon Robert Scott – Director Mr. Anil Bansal – Director Mr. Rembert Biemond – Director Mr. Vikram Kapur- CFO and CS - Joined on 01.02.2019 Resigned on 15.06.2019 Ms. Urvi Kanodia- CS - Joined on 16.06.2019 Resigned on 21.02.2020 Mr. Rajan Singh- CS- Joined on 10.08.2020
(ii)	Shareholder Holding more than 20% of Equity Shares of the Company	Stichting Pensioenfonds ABP
(iii)	Enterprises over which key management personnel are able to exercise significant influence with whom there were transactions during the year	Ambootia Tea Exports Private Limited Bhumya Private Limited Bhumya Tea Company Private Limited Bush Tea Company Private Limited Darjeeling Beverages Private Limited Dreamview Commodeal Private Limited Motilal Makhanlal Holding Private Limited Ratanpur Land & Tea Estates Private Limited Sampad Vikas Limited Sevoke Tower Private Limited Natural Hydro & Industrial Cooperative Society Parbat Hydro & Industrial Cooperative Society

(B) Disclosure of transactions with Related Parties

Nature of transactions Remuneration	Ref. to Note (A) above	2019-20 (Rs. In Lakhs)	2018-19 (Rs. In Lakhs)
Mr. Sanjay Prakash Bansal - Director	(i)	**334.51**	231.12
Mrs. Reena Bansal – Director	(ii)	**78.98**	-
Mr. Anil Bansal – Director	(iii)	**33.25**	29.25
Mr. Hrithik Bansal – Director	(iv)	**104.46**	49.91
Mr. Vikram Kapur	(v)	**7.71**	8.13
Ms. Urvi Kanodia	(vi)	**2.36**	-
		561.27	318.41

The Company has provided for Rs. 102.25 Lakhs to Mr. Sanjay Prakash Bansal towards Leave Salary Entitlement and Rs. 43.10 Lakhs to Mrs. Reena Bansal towards Bonus and Leave salary entitlement, for the previous years.

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Director Fees

		(Rs. In Lakhs)	
		2019-20	2018-19
Mr. Sanjay Prakash Bansal - Director	(i)	**10.00**	10.00
Mrs. Reena Bansal – Director	(ii)	**2.50**	-
Mr. Hrithik Bansal – Director	(iii)	**13.33**	-
		25.83	10.00

Chairman fees

		(Rs. In Lakhs)	
		2019-20	2018-19
Mr. Sanjay Prakash Bansal - Director	(i)	**20.00**	20.00
		20.00	20.00

Professional Fees

		(Rs. In Lakhs)	
		2019-20	2018-19
Mr. Rembert Biemond – Director	(i)	**35.50**	28.62
		35.50	28.62

Sales

		(Rs. In Lakhs)	
		2019-20	2018-19
Bush Tea Company Private Limited	(i)	-	4,097.71
Bhumya Tea Company Private Limited	(ii)	**9.33**	4.15
Ratanpur Land & Tea Estates Private Limited	(iii)	**752.53**	-
Bhumya Private Limited	(iv)	**9,956.01**	-
Ambootia Tea Exports Private Limited	(v)	**120.58**	-
		10,838.45	4,101.86

Purchases

		(Rs. In Lakhs)	
		2019-20	2018-19
Bhumya Tea Company Private Limited	(i)	**694.33**	869.71
Ratanpur Land & Tea Estates Private Limited	(ii)	**1,767.86**	-
Ambootia Tea Exports Private Limited	(iii)	**15.77**	-
		2,477.96	869.71

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Rent		(Rs. In Lakhs)	
		2019-20	2018-19
Mr. Sanjay Prakash Bansal	(i)	77.13	126.62
Mrs. Reena Bansal	(ii)	21.60	39.60
Ambootia Tea Exports Private Limited	(iii)	45.00	-
		143.73	166.22

Provision for Doubtful Assets		(Rs. In Lakhs)	
		2019-20	2018-19
Bhumya Private Limited	(i)	5,085.76	-
Bush Tea Company Private Limited	(ii)	1,663.62	-
Darjeeling Beverages Private Limited	(iii)	78.47	-
Dreamview Commodeal Private Limited	(iv)	1,636.73	-
Natural Hydro & Industrial Co-operative Society	(v)	0.82	-
Parbat Hydro & Industrial Co-operative Society	(vi)	189.76	-
		8,655.16	-

Remuneration of key management personnel : The remuneration of key management personnel of the Company are set out below in aggregate for each of the categories specified in Ind AS 24 Related party disclosures.

		(Rs. In Lakhs)	
		2019-20	2018-19
Salaries & Wages	(i)	540.72	301.90
Contribution to Provident & Other Funds *	(ii)	20.55	16.50
		561.27	318.40

*Does not include gratuity as it is provided in the books of accounts on the basis of actuarial valuation for the company as a whole and hence individual amount cannot be determined.

The transactions with related parties are net of taxes & reimbursement of expenses and have been made on terms equivalent to those that prevail in arm's length transactions. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

(C) **Balances as at year end are set out below:**

Other Current Liabilities

		(Rs. In Lakhs) 2019-20	2018-19
Sanjay Prakash Bansal	(i)	112.05	182.71
Reena Bansal	(ii)	42.25	74.60
Hrithik Bansal	(iii)	42.97	18.69
Anil Bansal	(iv)	4.55	4.77
Vikram Kapur	(v)	-	2.16
		201.82	282.93

Trade Payable

		(Rs. In Lakhs) 2019-20	2018-19
Sevoke Towers Private Limited	(i)	103.56	103.56
Rembert Biemond AB	(ii)	-	59.87
		103.56	163.43

Short Term Borrowings

		(Rs. In Lakhs) 2019-20	2018-19
Sanjay Prakash Bansal	(i)	98.50	-
Motilal Makhanlal Holding Private Limited	(ii)	6.98	7.00
Sampad Vikas Limited	(iii)	3.00	3.00
		108.48	10.00

Trade Receivable (net of provisions)

		(Rs. In Lakhs) 2019-20	2018-19
Ambootia Tea Exports Private Limited	(i)	126.61	-
Bhumya Private Limited	(ii)	-	-
Bush Tea Company Private Limited	(iii)	-	1,659.77
		126.61	1,659.77

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Other Non Current Assets (net of provisions)

		(Rs. In Lakhs) 2019-20	2018-19
Bhumya Tea Company Private Limited	(i)	160.63	80.64
Darjeeling Beverages Private Limited	(ii)	-	3.08
Dreamview Commodeal Private Limited	(iii)	-	1,636.73
Natural Hydro & Industrial Co-operative Society	(iv)	-	0.82
Parbat Hydro & Industrial Co-operative Society	(v)	-	189.76
		160.63	1,911.03

Other Current Assets

		(Rs. In Lakhs) 2019-20	2018-19
Ambootia Tea Exports Private Limited	(i)	**84.18**	(3.55)
Ratanpur Land & Tea Estates Private Limited	(ii)	**165.46**	58.80
		249.64	55.26

43 Non-cancellable leases

The Company has entered into non-cancellable 14 lease agreements for Fourteen tea estates situated in the states of West Bengal for a period ranging between 19 to 30 years with option for renewal on mutually agreed terms and a tea-manufacturing factory. The Lease Rent is charged in the Statement of Profit and Loss and future lease commitments are:

	(Rs. In Lakhs) 2019-20	2018-19
Commitments for minimum lease payments in relation to non-cancellable leases as follows:		
Within one year	**5.98**	6.78
Later than one year but not later than five years	**29.88**	33.91
Later than five years	**Not Ascertainable**	Not Ascertainable

44 Fair Value Measurement

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values

(1) Fair value of cash and cash equivalence, trade and other short term receivables, trade payables, other current liabilities, short-term loans from banks and other financial institutions approximate their carrying amounts largely due to the short term maturities of these instruments.

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(2) Financial instruments with fixed and variable interest rate are evaluated by the Company based on parameter such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken into account for the expected losses of these receivables.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique.

Level 1 : quoted (unadjusted) prices in active markets for identical assets or liabilities.
Level 2 : other techniques for which all inputs which have a significant effects on the recorded fair value are observable, either directly or indirectly.
Level 3 : techniques which use inputs that have a significant effects on the recorded fair value that are not based on observable market data.

The following tables provides classification of financial instruments and the fair value hierarchy of the Company's assets and liabilities.

(a) Disclosure for the year ended 31st March, 2020

	Carrying Value	Fair Value	Fair Value hierarchy Level 1	Level 2	Level 3
(1) Financial Assets					
Financial Assets at amortised cost					
Trade Receivables	2,73,38,991	2,73,38,991	-	-	2,73,38,991
Other Financial assets excluding derivative financial instruments	24,43,592	24,43,592	-	-	24,43,592
Cash & cash equivalents	1,25,75,877	1,25,75,877	-	-	1,25,75,877
	4,23,58,460	4,23,58,460	-	-	4,23,58,460
(2) Financial Liability					
Financial Liabilities at amortised cost					
Borrowings from banks and financial institutions	2,75,74,59,380	2,75,74,59,380	-	-	2,75,74,59,380
Trade Payables	8,66,46,732	8,66,46,732	-	-	8,66,46,732
Other Financial liabilities excluding derivative	21,83,12,791	21,83,12,791	-	-	21,83,12,791
Total	3,06,24,18,903	3,06,24,18,903	-	-	3,06,24,18,903
(3) Biological Assets other than Bearer Plants					
(Valued at Fair Value Less Cost to Sale)					
Unharvested Tea Leaves	-	-	-	-	-
Total	-	-	-	-	-

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(b) Description of significant unobservable inputs to valuation:

Financial Asset/ Liability	Valuation Technique	Significant unobservable input
Trade Receivables	ECL	Realisation pattern or past experience
Loans	DCF using EIR method	Discount rate
Other Financial assets excluding derivative financial instruments	DCF using EIR method	Discount rate
Borrowings from banks and financial institutions	DCF using EIR method	Discount rate

45 Financial Risk Management Objective and Policies:

The Company's activities expose it to market risk, liquidity risk and credit risk. In order to minimise any adverse effects on the financial performance of the Company, the company has risk management policies as described below -

(a) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and commodity price risk. Financial instruments affected by market risk include foreign currency receivables, payables, loans and borrowings.

The Company manages market risk through a treasury department, which evaluates and exercises independent control over the entire process of market risk management. The activities of this department include management of cash resources, implementing borrowing strategies and ensuring compliance with market risk limits and policies.

(i) Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's main interest rate risk arises from short term and long-term Borrowings with variable rates, which expose the company to cash flow interest rate risk. During 31st March 2019 and 31st March'2018 the company's borrowings at variable rate were denominated in INR.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on the loans and borrowings. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

	2019-20	2018-19
	(+/ -) 50 Basis Points	(+/ -) 50 Basis Points
Effect on profit before tax due to interest rate sensitivity (Rs. In Lakhs)	136.62	98.58

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(ii) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating and financing activities. As on March 31, 2019, the Company have foreign currency exposure, which is unhedged and hence exposed to risk, which depends upon market variability in future which cannot be predicted as of now.

(iii) Price Risk

Factors that can affect prices include political and regulatory changes, seasonal variations, weather, technology and market conditions.

(b) Credit Risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The Company is exposed to credit risk from its operating activities (primarily Trade Receivables). Trade receivables are typically unsecured and are derived from revenue earned from customers. Customer credit risk is managed by each business unit subject to the Company's policy and procedures which involve credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business. Outstanding customer receivables are regularly monitored. Credit risk from balances with banks, term deposits, loans, is managed by Company's finance department. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments. The Company monitors ratings, credit spreads and financial strength of its counterparties. The Company's maximum exposure to credit risk for the components of the Balance Sheet as of 31st March,2019 & 31st March, 2018 is the carrying amounts.

(i) Trade Receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored. An impairment analysis is performed at each reporting date on an individual basis for major clients.

The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets.

During the year 2019-20, comapny's 90% of the total revenue from operations is from Bhumya Private Limited, realisability of which is doubtful to the extent of more than 50%. The company has made a provision against such doubtful receivables.

The ageing analysis of the receivables (gross of provisions) have been considered from the date of the invoice falls due.

(Rs in Lakhs)

	As at 31st March, 2020	As at 31st March, 2019
Less than 6 months	5,135.28	4,743.14
More than 6 Months	4,712.80	143.93
Total	**9,848.08**	**4,887.07**

(ii) Financial Instruments and Cash and bank balances

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Credit limits of all authorities are reviewed by the Management on regular basis. All balances with banks and financial institutions is subject to low credit risk due to good credit ratings assigned to these entities.

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(c) Liquidity Risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and maintains adequate sources of financing.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual payments.

(Rs in Lakhs)

	Less than 1 year	1 to 5 years	> 5 years	Total
31st March, 2020				
Borrowings				
Term Loans from Banks	4,594.17	4,937.72	-	9,531.89
Vehicle Loans	10.81	1.78	-	12.59
Cash credit from Banks (Renewable every year)	6,715.24	-	-	6,715.24
ECB	-	2,604.05	10,418.96	13,023.01
Others	108.48	-	-	108.48
Other Financial Liabilities other than current maturities of borrowings and lease obligation	866.47	-	-	866.47
	12,295.16	**7,543.55**	**10,418.96**	**30,257.67**

(d) On account of pandemic due to COVID 19, the Company's operations were temporarily disrupted across all estates in Assam and West Bengal, warehouse, supply chain and front end operations in line with Government's directives. The Company have since resumed operations, as per guidelines and norms prescribed by the Government authorities.

The Company based on the assessment made believes impact of the pandemic on operations would be a temporary and over a short term period. The impact of covid to the business has been done except for the loss of production due to lockdown. The covid does not have any significant impact on sales. Company's sales this year to the existing customers and the new customers have been steady. Global and domestic demand for indian tea has firmed up and due to lower production even the prices have firmed up this year as well. Overall, tea industry and the company has seen positive revenue impact. The tea industry and the company as well, however has higher cost of production in this year due to the loss of production during the lockdown period (24th March to 14th April) and also because during the period the comapny had to pay 50% wages to the workers in spite of no work being done. The increased price realisation however enables the industry and the company to recover the cost to some extent.

Loan accounts with UCO bank became NPA in June 2019 and consequent to this, the company had initiated discussion with the bank since Dec 2019 for restructuring / settlement of the outstanding loan and the bank had offered a One Time Settlement (OTS) Proposal to the company vide letter dated 28th May 2020. Whilst the discussions were still in progress, the company has received a copy of a petition filed under section 7 of the Insolvency and Bankruptcy Code, 2016, from UCO Bank on 30.09.2020. The Company has again submitted the restructuring proposal to the bank on 28.10.2020 and continues to be in discussions with the bank for the approval of the said restructuring proposal. The restructuring proposal of the Company is fully backed by the foreign investors and the Company is confident of resolving all issues with the bank, before the admission of the NCLT petition. In view of the above the management of the company is confident of the company remaining as a going concern.

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46 Capital Management:

A. For the purpose of the Company's capital management, equity includes issued equity capital, securities premium and all other equity reserves attributable to the equity share holders, including capital reserve and net debt includes interest bearing loans and borrowings except cash and cash equivalents. The primary objective of the Company's capital management is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The funding requirement is met through a mixture of equity, internal accruals, long term borrowings and short term borrowings. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

	Rs. in Lakhs	
	As at 31st March, 2020	As at 31st March, 2019
Borrowings	**27,466**	20,680
Less: Current investments	-	-
Less: Cash and cash equivalents	**125.76**	94.95
(a) Net Debt	**27,340**	20,585
(b) Equity	**1,877**	81,240
(c) Equity and Net Debt (a+b)	**29,218**	1,01,825
Gearing Ratio (a/c)	**0.94**	0.20

B. Dividend

		31st March, 2020	31st March, 2019
(i)	**Equity Shares**		
	Final dividend	-	-
(ii)	**Compulsory Convertible Preference Shares**		
	Cumulative Dividend Accrued	-	25.09
(iii)	**Dividends not recognised at the end of the reporting period**	-	-

47 Earning per share (EPS)

			2019-20	2018-19
(I)	**Basic**			
(a)	Face value of equity shares	Rs.	**10.00**	10.00
(b)	Profit attributable to equity shareholders	Rs.	**(3,81,39,75,132)**	16,10,00,031
(c)	Weighted average number of equity shares outstanding	Nos	**3,28,53,847**	3,28,53,847
(d)	Weighted average earning per share (basic and diluted)	Rs.	**(116.09)**	4.90
(II)	**Diluted**			
(a)	Face value of equity shares	Rs.	**10.00**	10.00
(b)	Profit attributable to equity shareholders	Rs.	**(3,81,39,75,132)**	16,10,00,031
(c)	Weighted average number of equity shares outstanding	Nos	**3,28,53,847**	3,28,53,847
(d)	Weighted average earning per share (basic and diluted)	Rs.	**(116.09)**	4.90

48 Assets Pledged as Security

The carrying amount of Assets pledged as security for current and non current borrowings are :-

	Rs. in Lakhs	
	As at **31st March, 2020**	As at 31st March, 2019
Current		
Trade Receivables	273.39	4,887.07
Inventories	2,691.64	3,788.38
Biological Assets	-	-
Total Current Assets Pledged as Security	**2,965.03**	8,675.45
Non Current		
Property Plant & Equipments	41,887	1,04,365
Total Non Current Assets Pledged as Security	**41,887**	1,04,365
Total Assets Pledged as securities	**44,852**	1,13,041

49 Previous year figures are regrouped / rearranged wherever considered necessary.

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