

N. CHATTERJEE & ASSOCIATES
Chartered Accountants



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Date: 17th September, 2021

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
DARJEELING ORGANIC TEA ESTATES PRIVATE 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, 2021, 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, 2021 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 and lenders of External Commercial Borrowings. Details of Default with Overdue Installments and overdue interest amounting to Rs.187.75 crores have been reported in Note No.16, 20 & 22. of the Standalone Ind AS Financial Statement as on 31st March 2021. The Cash Credit & Term Loan exposure in UCO bank is NPA since June 2019 & the same from Indian Bank (erstwhile Allahabad Bank) and the term loan from State



Bank of India also identified as NPA during the course of audit amounting to Rs.91.78 crores, Rs.82.63 crores and Rs. 7.42 crores respectively as disclosed in Note No. 16, 20 & 22 read with note No. 45(e).

- 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 TDS Returns for the part of the FY 2020-21 has not been filed by the Company. The resultant liability due to non-filing of the aforesaid returns have not been determined & provided for by the Management as on 31-03-2021. 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 31-03-2021 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 31.03.2021. 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 other than managerial staffs on cash basis and at the end of the year there was no liability to the managerial staffs as it was relinquished by them under a cost cutting measure owing to pandemic situation.
- e) The company had allotted on the basis of Right Issue 33,93,656 zero coupon Compulsorily Convertible Preference Shares of face value of Rs. 10/= each along with a premium of Rs. 15.17 per share, aggregating to Rs. 8,54,18,320/= to the existing shareholders who have subscribed the right issue in proportion of their shareholding. The company was in default in submitting FC-GPR return to the appropriate authority and so far the time limit of refund of excess share application money received is concern it failed to follow the prescribed regulation under the FEMA. The management clarifies that due to change in AD Bank the matter got delayed and the FCGPR filed online is pending acceptance by the AD Bank.
- f) Compliance of Sec 188 of the Companies Act relating to Provision for Doubtful Debts of related parties to the extent of Rs. 9.43 crores, the specific resolution of the Board approving the said provisioning was passed on 26.02.2021.



- g) 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.
- h) The company has signed during the year a Memorandum of understanding with D K Industries (P) Ltd. as transferee and Ratanpur Land & Tea Estate (P) Ltd. as confirming party to transfer the ownership of Ratanpur Tea Estate, which was not yet mutated in the name of the company, and the value of assets was shown as "Assets held for Sale" as per the Point No. 3.4 of Significant Accounting Policies of the company. We refer Note No. 49 in this regard. The company has signed an Agreement to transfer the Leasehold Right to Fine Tea Pluck LLP as transferee during the year to transfer the right of Nurbong T E (consisting of Simring, Shivakhola (Gitangay) and Nurbong Divisions) and the value of assets has been shown as "Assets held for Sale" the Point No. 3.4 of Significant Accounting Policies of the company. We refer Note No. 49 in this regard.
- i) The company also transferred its receivable accounts of Bansal Agro Beverages Pvt Ltd of Rs. 8.27 crores and Dreamview Commodeal Pvt. Ltd. of Rs. 25.80 crores to the Bhumya Pvt. Ltd. (Drs) against which neither confirmation from either party was produced before us nor was special resolution u/s 185 of the Companies Act, 2013 passed by the Company.

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 for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India 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.

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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the standalone Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to



cease to continue as a going concern. In spite of the fact that UCO Bank, one of the financial creditors of the Company have initiated insolvency petition against the Company under the Insolvency and Bankruptcy Code, 2016 before the National Company Law Tribunal, Kolkata Bench for non-repayment of their dues, the Company's management is confident on the preparation of financial statement as a going concern in view of their utmost endeavor in negotiating restructuring scheme with the bank management. Refer point no. 2.1 of Accounting Policy.

- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements of the current period. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

- The Company has disclosed the risk and impact of COVID 19 pandemic on the Tea Industry and specifically on the company. It has also mentioned the steps and measures to counter the impact and has also explained the basis for Going Concern assumption in light of the developments. Refer Note 45(d).
- Due to worldwide outbreak of COVID – 19 pandemic, Government of India as well as Government of West Bengal & Assam has declared lockdown against physical movement and travel from one location to another. Moreover, social distancing norms have been prescribed as a preventive measure. In light of this, the Statutory Audit have been conducted remotely through internet and based on electronic copies of documentation, vouchers and bills. We could not verify the original copies



and have relied upon the electronic copies furnished to us by the management. We could not physically verify the Cash Balance of different locations and have relied upon the Management Certificate furnished to us as on 31-03-2021 which the management has confirmed that they have verified the same. We could not physically verify the Inventory as well as the Property Plant and Equipment and have relied upon corroborative documentary evidence to the extent available. These are limitations in our process of conducting the said Audit.

Our opinion is not modified in respect of these matters.

The management has made an assessment of realizable value of its property during the current financial year and found no material dispersion from the amount of its carrying value in the Balance Sheet and hence the provision for impairment loss of its property plant and equipment was not necessary in the financial statements.

Report on other legal and regulatory requirements

1. The provisions of the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013 ,we give in **Annexure A**, a statement on the matters specified in paragraphs 3 and 4 of the Order , to the extent applicable.

(A) As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations , except for 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, 2021, taken on record by the board of directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.



- (f) With respect to the adequacy of the internal financial controls 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. CHATTOPADHYAY
PROPRIETOR

Membership No. 053249

ICAI UDIN: 21053249AAAAC7372

Place: Kolkata
Dated: 17th September, 2021



N. CHATTERJEE & ASSOCIATES
Chartered Accountants



40/6, Dhramadas Kundu Lane
Howrah- 711 102

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E-mail : nchatterjeeassociates@gmail.com

Date: 17th September, 2021

ANNEXURE-A TO THE INDEPENDENT AUDITORS' REPORT

The annexure referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date in respect to statutory audit of DARJEELING ORGANIC TEA ESTATES PRIVATE LIMITED for the year ended March 31, 2021, we report that:

- i. (a) The Company has maintained records to show particulars of fixed assets. However this year improvements noted except for Assam Gardens in the format of record maintenance & in contents by showing quantitative details, sub-location & Asset Identification number of such fixed assets.
- (b) Excepting for Assam Gardens we have received documentation regarding the physical verification of fixed assets in a phased manner by respective garden management. However, management has confirmed that for Assam Gardens such verification has been conducted during the year and no material discrepancies have been found.
- (c) According to the information and explanations given to us by the Company, the original title deeds of immovable properties held in the name of the Company are kept under mortgage with the Banker and same could not be verified by us. Tea Estate Land and Factory at Jamguri & Ratanpur that have been capitalised in the books are not held in the name of the Company as informed to us. It has also been informed to us by the Management that the Original Title Deeds of Jamguri Tea Estate, Hrithik Tea Estate and Bought Leaf Factory are being kept as lien by a Bank against the loan outstanding for a different Promoter Company.
- ii. As informed to us, the physical verification of the inventories has been conducted by the management at some of the locations at intervals during the year & there are no material shortage / excess identified by the management during such verification process worth adjustment. None of the structured Reports on physical verification was produced before us.



- iii. The Register to be maintained under Sec 189 of the Companies Act 2013 was made available for our verification. However , the Company has not granted loans, secured or unsecured, to companies, firms or other parties that should have been covered in the register to be maintained under section 189 of the Act , except for the following cases a) Bhumya Tea Company Private Limited Rs.1.42 crores b) Darjeeling Beverages Rs.0.78 crores c) Bhumya Pvt Ltd. Rs. 82.99 Crores d) Ambootia Tea Exports Private Limited – Rs.17.70 crores e) Ratanpur Land & Tea Estates Private Limited Rs.2.18 crores and other cases reported in Related Party Transaction disclosures. The information as regards rates of interest if any , security and repayment period and repayment amount of principal and interest are not made available to us. However, out of above provision for doubtful debts has already been created in the last year against Advances given to Darjeeling Beverages Pvt Ltd and Bhumya Pvt Ltd.
- 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.16.88 crores (gross) & Ratanpur Land and Tea Estates (P) Ltd amounting to Rs.3.10 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:-
- Loan from Non Corporate entities:- Loan received from Ambootia Welfare Trust of Rs.98.30 lacs and from Hector Beverages Private Limited - Advances from Customer outstanding as on 31-03-2021 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. Also excess Share Application Money Received Rs. 9.80 lacs not refunded within 15 days of completion of 60 days from the date of receipts.
- 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 tax and returns with appropriate authorities, undisputed statutory dues/liabilities of Provident Fund, Professional Tax, 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, 2021:-

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	3,47,40,582/-	April'20 to March'21
The Employees' Provident Funds And Miscellaneous Provisions Act, 1952 & Assam Tea Employees Provident Fund	Provident Fund	9,97,40,345/-	Earlier to April 2020.
The West Bengal Labour Welfare Fund Act, 1974	Labour Welfare Fund	92,016/-	Related to December 2020
Income Tax Act 1961	TDS Due under various section demanded by Income Tax Department	1,59,71,320/-	Due relates to FY 2019-20 & Prior period.
Income Tax Act 1961	TDS Due under various sections	2,72,77,837/-	Related to the Period 1 st April 2020 to 31 st March, 2021
Income Tax Act 1961	TDS Due under various sections	67,19,398/-	Earlier to April'2020
West Bengal State Tax on Professions, Trades, callings and Employments Act 1979	Professional Tax	1,29,948/-	Period Dec'20 to March'21
Assam Professions, Trades, Callings and Employment Taxation Act, 1947	Professional Tax	4,54,241/-	Period Aug'15 to March'21
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	3,01,52,768/- 33,37,994/-	These dues are payable to Bureau against demand.



West Bengal VAT Act CST ACT	West Bengal VAT	48,908/-	Prior to April, 18 19-20
Income Tax Act 1961	Dividend Tax	4,34,105/-	Prior to 19-20

- 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, 2021 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	For AY 2018-19 Notice u/s 142(1) received on 17.11.20 for asst	Demand of Rs 1.37 cr raised, TDS & Gratuity paid in time not considered, documents on prior pd item, PF penalty to be considered.	CIT (Appeal)
Income Tax Act 1961	Income Tax Demand out of Scrutiny Assessment order u/s 143(3) AY 2017-18	164.648 crores	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 Order 263 Ay 2012-13	92.45 lakhs	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 Instalments and overdue interest amounting to Rs.180.24 crores have been reported in Note No.22 of the Standalone Ind AS Financial Statement as on 31st March 2021. 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 not been serviced. Repayment of principal of ECB has moratorium till 14-Dec-2021.



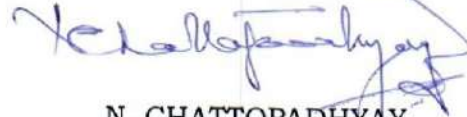
- ix. According to the information and explanation given to us and based on our overall examination of the books of accounts, we report that the company has utilized the Term Loan for the specified purpose during the year as evident from the information made available to us. Furthermore, the company 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
- 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 "j" 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. But the company had allotted on the basis of Right Issue 33,93,656 zero coupon Compulsorily Convertible Preference Shares of face value of Rs. 10/= each along with a premium of Rs. 15.17 per share, aggregating to Rs. 8,54,18,320/= to the existing shareholders who have subscribed the right issue in proportion of their shareholding. Furthermore, the company has utilized the fund for the purpose it was so raised.
- 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.

Place: Kolkata
Dated: 17th September, 2021

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



N. CHATTOPADHYAY
PROPRIETOR
Membership No. 053249
ICAI UDIN : 21053249AAAACT7372



ANNEXURE-B TO THE INDEPENDENT AUDITORS' REPORT

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, 2021, we report that:

We have audited the internal financial controls over financial reporting of DARJEELING ORGANIC TEA ESTATES PRIVATE LIMITED ("the Company") as of March 31, 2021 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



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

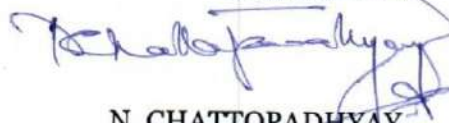


internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of 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 complied with the provision of section 138(1) of the Companies Act, 2013 by appointing the internal auditor for the year under audit.
- d) We have not come across any case of deviation in supervisory control over daily cash book balances of gardens. Improvement on supervision of this area was notable feature in the aforesaid process.

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



N. CHATTOPADHYAY
PROPRIETOR

Membership No. 053249
ICAI UDIN: 21053249AAAAC7372

Place: Kolkata
Dated: 17th September, 2021



DARJEELING ORGANIC TEA ESTATES PRIVATE LIMITED
BALANCE SHEET AS AT 31st March, 2021

(In Rs.)

	Note No.	As at	As at
		31st March, 2021	31st March, 2020
A ASSETS			
1 Non-current Assets			
Property, Plant and Equipment	4	3,81,19,10,116	4,18,86,83,038
Capital Work-in-Progress	5	40,88,118	60,19,808
Intangible Assets	4A	90,71,753	67,69,782
Financial Assets			
(i) Other Financial Assets	6	25,89,192	24,43,592
Other Non-Current Assets	7	45,04,881	2,21,83,755
Total Non- Current Assets		3,83,21,64,060	4,22,60,99,974
2 Current Assets			
Current Tax Assets	8	1,12,51,078	49,36,615
Inventories	9	28,14,45,732	26,91,64,449
Biological Assets other than Bearer Plants	10	2,21,81,099	-
Financial Assets			
(i) Loans	11	24,65,218	49,86,832
(ii) Trade Receivables	11A	4,02,92,349	2,73,38,991
(iii) Cash & Cash Equivalents	12	3,30,61,263	1,25,75,877
Other Current Assets	13	11,61,88,180	9,25,75,298
		50,68,84,919	41,15,78,062
Non Current Asset held for sale	49	32,06,89,313	-
Total Current Assets		82,75,74,232	41,15,78,062
Total Assets		4,65,97,38,292	4,63,76,78,037
B EQUITY & LIABILITIES			
1 Equity			
Equity Share Capital	14	32,85,38,470	32,85,38,470
Instruments Entirely Equity in Nature	14	3,39,36,560	-
Other Equity	15	(89,99,42,355)	(14,08,20,451)
Total Equity		(53,74,67,325)	18,77,18,019
2 Non Current Liabilities			
Financial Liabilities			
(i) Borrowings	16	1,68,81,54,582	1,60,04,08,942
Provisions	17	34,04,44,078	32,91,25,555
Other Non Current Liabilities	18	29,53,950	2,78,49,064
Deferred Tax Liabilities (net)	19	45,42,16,620	37,22,41,201
Total Non- Current Liabilities		2,48,57,69,229	2,32,96,24,762
3 Current Liabilities			
Financial Liabilities			
(i) Borrowings	20	48,09,22,637	69,65,02,114
(ii) Trade Payables	21	10,34,95,784	8,66,46,732
(iii) Other Financial Liabilities	22	1,46,99,91,814	67,88,61,115
Other Current Liabilities	23	64,27,72,210	64,40,71,353
Provisions	24	-	-
Current Tax Liabilities (net)	25	1,42,53,943	1,42,53,943
Total Current Liabilities		2,71,14,36,388	2,12,03,35,257
Total Equity & Liabilities		4,65,97,38,292	4,63,76,78,037

Significant Accounting Policies and other information 1-3
Other notes to the financial statements 34-50

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 : 21053249AARACT7372
Place : Kolkata
Date : 17th September, 2021



For and on behalf of the Board of Directors

DocuSigned by:

Rembert Biemond

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Rembert Johannes Biemond

(Director)

(DIN: 07705760)

DocuSigned by:

Tobias von Glenc

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Tobias von Glenc

(Director)

(DIN: 08996812)

Rajan Singh
(Company Secretary)

DocuSigned by:

Rajan Singh

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DARJEELING ORGANIC TEA ESTATES PRIVATE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st March, 2021

		(In Rs.)	
	Note No.	For the Year Ended 31st March, 2021	For the Year Ended 31st March, 2020
I INCOME			
Revenue from Operations	26	71,11,21,104	1,09,55,45,991
Other Income	27	15,05,79,441	16,34,764
Total Income		86,17,00,545	1,09,71,80,754
II EXPENSES			
Purchases		14,83,77,706	24,59,27,149
Changes in Inventories of Finished Goods & Stores & Spares	28	(1,22,81,284)	10,96,73,286
Employee Benefits Expense	29	73,66,49,580	79,38,11,569
Finance Costs	30	28,05,55,671	24,95,80,321
Depreciation and amortization expense	4 & 4A	6,46,11,702	16,18,37,312
Other Expenses	31	40,57,51,046	1,84,24,48,881
Total Expenses		1,62,36,64,422	3,40,32,78,519
III PROFIT/ (LOSS) BEFORE TAX & EXCEPTIONAL ITEMS		(76,19,63,877)	(2,30,60,97,765)
Exceptional Items	31A	-	(2,73,49,90,354)
IV PROFIT/ (LOSS) BEFORE TAX		(76,19,63,877)	(5,04,10,88,118)
Tax expense	32		
Current tax		-	-
Income Tax for earlier years		-	-
Deferred tax		7,33,08,155	(1,22,71,12,986)
Total Tax expense		7,33,08,155	(1,22,71,12,986)
V PROFIT/ (LOSS) FOR THE YEAR AFTER TAX		(83,52,72,032)	(3,81,39,75,132)
VI OTHER COMPREHENSIVE INCOME			
	33		
i Items that will not be classified to profit and loss		3,33,35,630	(5,32,01,714)
ii Income tax relating to items that will not be classified to profit and loss		(86,67,264)	1,38,32,446
Total Other Comprehensive Income For The Year		2,46,68,366	(3,93,69,268)
VII TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(81,06,03,665)	(3,85,33,44,401)
EARNING PER EQUITY SHARE			
(Face value of Rs 10/- each)	47		
Basic (Rs.)		(25.42)	(116.09)
Diluted (Rs.)		(23.43)	(116.09)
Significant Accounting Policies and other information	1-3		
Other notes to the financial statements	34-50		

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 : 21053249AAAAC73372
Place : Kolkata
Date : 17th September, 2021



For and on behalf of the Board of Directors

DocuSigned by:

Rembert Biemond

Rembert Johannes Biemond
(Director)
(DIN: 07705760)

DocuSigned by:

Tobias von Glueck

Tobias von Glueck
(Director)
(DIN: 08996812)

Rajan Singh
(Company Secretary)

DocuSigned by:

Rajan Singh

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DARJEELING ORGANIC TEA ESTATES PRIVATE LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2021

(In Rs)

	For the Year Ended 31st March, 2021	For the Year Ended 31st March, 2020
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax & after Exceptional Items	(76,19,63,877)	(5,04,10,88,118)
Adjustment for:		
Depreciation & amortization expense	6,46,11,702	16,18,37,312
Impairment Loss	-	2,73,50,74,074
Profit on sale of Fixed Assets	(18,85,697)	(1,78,428)
Loss on sale of Fixed Assets	3,60,756	1,92,88,902
Loss due to Quality Rejection	29,85,079	10,60,788
Provision for Doubtful Debts	9,43,40,813	95,74,69,068
Provision for Doubtful Capital Advances	-	21,59,233
Provision for Doubtful Other Non Current Advances	-	19,05,78,573
Provision for Doubtful Advance Given to Suppliers	-	10,06,267
Provision for Doubtful Other Current Advances	-	30,90,77,999
Finance cost	28,05,55,671	24,95,80,321
Recovery of Doubtful Debts	(2,12,52,575)	-
Changes in fair value of biological assets	(2,21,81,099)	2,13,12,082
Other comprehensive income	3,33,35,630	(5,32,01,714)
	<u>43,08,70,280</u>	<u>4,59,50,64,477</u>
Operating profit before Working Capital changes	(33,10,93,596)	(44,60,23,642)
Adjustments for Working Capital changes		
Decrease/(increase) in non current other financial assets	(1,45,600)	(17,468)
Decrease/(increase) in other non current assets	1,76,78,874	10,48,60,094
Decrease/(increase) in inventories	(1,22,81,283)	10,96,73,286
Decrease/(increase) in Loans	25,21,614	9,89,542
Decrease/(increase) in current financial assets		
Trade receivables	(11,02,79,250)	(49,71,61,525)
Other financial assets	-	-
Decrease/(increase) in other current assets	(2,36,12,882)	(1,32,47,868)
Increase/(decrease) in non current provisions	1,13,18,523	8,93,07,413
Increase/(decrease) in non current liabilities	(2,48,95,115)	(71,94,673)
Increase/(decrease) in current financial liabilities		
Trade payables	1,68,49,052	(2,69,57,343)
Other financial liabilities	79,11,30,699	23,91,08,844
Increase/(decrease) in other current liabilities	(12,99,143)	40,86,20,209
Increase/(decrease) in short term provisions	-	-
	<u>66,69,85,489</u>	<u>40,79,80,513</u>
Cash generated from operations	33,58,91,893	(3,80,43,129)
(Tax paid) / refund received (net)	(63,14,462)	(14,19,200)
Net cash from operating activities	32,95,77,430	(3,94,62,329)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment, CWIP	1,15,90,969	(2,75,12,573)
Sale proceeds of Property, Plant and Equipment, CWIP	42,06,538	9,28,38,510
Net cash generated / (used) in investing activities	1,57,97,507	6,53,25,937
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase/(decrease) from long term borrowings	8,77,45,640	24,38,02,140
Increase/(decrease) in short term borrowings	(21,55,79,477)	(1,44,96,243)
Issue of Share Capital	8,54,18,321	-
Dividend Paid	-	(25,08,697)
Finance cost	(28,24,74,035)	(24,95,80,321)
Net cash from financing activities	(32,48,89,551)	(2,27,83,121)
Net changes in Cash and Bank balances	2,04,85,386	30,80,484
Net Increase / (-) Decrease in Cash and Bank balances		
Balance at the end of the year	3,30,61,263	1,25,75,877
Balance at the beginning of the year	1,25,75,877	94,95,393
Net changes in Cash and Bank balances	2,04,85,386	30,80,484

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

Niladri Chattopadhyay

Proprietor

Membership No. 053249

UDIN : 21053249AAAAC73372

Place : Kolkata

Date : 17th September, 2021



For and on behalf of the Board of Directors

DocuSigned by:

Rembert Biemond

C10BEA40CQD485 Rembert Johannes Biemond

(Director)

(DIN: 07705760)

DocuSigned by:

Tobias von Glueck

DA210C7FFB68419 Tobias von Glueck

(Director)

(DIN: 08996812)

Rajan Singh
(Company Secretary)

DocuSigned by:

Rajan Singh

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DARJEELING ORGANIC TEA ESTATES PRIVATE LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31ST MARCH, 2021

(In Rs.)

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

	As at 31st March, 2021	As at 31st March, 2020
Balance at the year beginning	32,85,38,470	32,85,38,470
Changes in equity share capital during the year	-	-
Balance at the year end	<u>32,85,38,470</u>	<u>32,85,38,470</u>

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

	As at 31st March, 2021	As at 31st March, 2020
Balance at the year beginning	-	-
Changes in preference share capital during the year	3,39,36,560	-
Balance at the year end	<u>3,39,36,560</u>	<u>-</u>

C. OTHER EQUITY (Refer Note No. 15)

For the period ended 31st March, 2021

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, 2020	1,59,00,000	5,04,88,73,011	16,35,56,212	(5,30,81,23,076)	(6,10,26,597)	(14,08,20,451)
Add : For the Year	-	-	-	(83,52,72,032)	2,46,68,366	(81,06,03,665)
Add: On conversion of CCPS into equity shares	-	-	-	-	-	-
Add: Current Year Transfer (Equity)	-	5,14,81,761	-	-	-	5,14,81,761
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	-	-	-	-	-	-
Balance as at 31st March, 2021	<u>1,59,00,000</u>	<u>5,10,03,54,772</u>	<u>16,35,56,212</u>	<u>(6,14,33,95,108)</u>	<u>(3,63,58,231)</u>	<u>(89,99,42,355)</u>

For the year ended 31st March, 2020

Particulars	Surplus			Reserve &	Other Comprehensive Income	Total
	Capital Redemption Reserve	Securities Premium	Capital Reserve	Retained Earnings	Remeasurement of defined benefit plan	
Balance as at 1st April, 2019	1,59,00,000	5,04,88,73,011	3,91,51,07,407	(1,49,12,05,140)	(2,16,57,329)	7,46,70,17,949
Add : For the Year	-	-	-	(3,81,39,75,132)	(3,93,69,268)	(3,85,33,44,401)
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	-	-	(3,75,15,51,195)	-	-	(3,75,15,51,195)
Balance as at 31st March, 2020	<u>1,59,00,000</u>	<u>5,04,88,73,011</u>	<u>16,35,56,212</u>	<u>(5,30,81,23,076)</u>	<u>(6,10,26,597)</u>	<u>(14,08,20,451)</u>

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 : 21053249AAAAC7372
 Place : Kolkata
 Date : 17th September, 2021



For and on behalf of the Board of Directors

DocuSigned by:

Rembert Biemond

C10BEA49C07DAE2 Rembert Johannes Biemond

(Director)

(DIN: 07705760)

Rajan Singh
(Company Secretary)

DocuSigned by:

Tobias von Glueck

DA210C7FFB88419 Tobias von Glueck

(Director)

(DIN: 08996812)

DocuSigned by:

Rajan Singh

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DARJEELING ORGANIC TEA ESTATES PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

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 PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

[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.

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Rajan Singh
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DARJEELING ORGANIC TEA ESTATES PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

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, changes in market conditions and other factors and may result in changes in the estimated useful life and in the depreciation and amortisation charges.

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.

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DARJEELING ORGANIC TEA ESTATES PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

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.

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.

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DARJEELING ORGANIC TEA ESTATES PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

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 no such 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.

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.

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DARJEELING ORGANIC TEA ESTATES PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

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)

(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.

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DARJEELING ORGANIC TEA ESTATES PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

(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 recognising 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 irrevocable election is made at initial recognition to measure it at fair value through other comprehensive income with only dividend income recognised 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

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.

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DARJEELING ORGANIC TEA ESTATES PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

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.

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.

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DARJEELING ORGANIC TEA ESTATES PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

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.

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.

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DARJEELING ORGANIC TEA ESTATES PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

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.

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. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss.

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DARJEELING ORGANIC TEA ESTATES PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

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 recognised 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.

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.

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DARJEELING ORGANIC TEA ESTATES PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

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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DARJEELING ORGANIC TEA ESTATES PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

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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BARBEREING ORGANIC TEA ESTATES PRIVATE LIMITED
 Notes to the financial statements for the year ended 31st March, 2022

A1. Property, Plant and Equipment

Description	Gross Block				Accumulated Depreciation / Amortisation				Impairment of Assets				Net Block				
	As at 01-04-2020	Addition during the year	Sales/ Disposals	Transfer to non-current assets held for sale (refer note 49)	As at 31-03-2021	As at 01-04-2020	For the Period	Sales/ Disposals	Transfer to non-current assets held for sale (refer note 49)	As at 31-03-2021	As at 01-04-2020	For the Period	Reversal during the Year	Transfer to non-current assets held for sale (refer note 49)	As at 31-03-2021	As at 31-03-2021	As at 31-03-2020
Freehold Land	1,43,74,87,931	49,254	-	24,81,85,902	1,19,74,31,300	-	-	-	-	1,19,74,31,300	-	-	-	-	49,08,95,905	7,40,45,325	84,36,79,201
Plantations/ Bearer Plants	4,52,45,43,700	6,25,166	-	35,47,65,916	3,99,09,13,049	33,63,78,200	2,61,31,968	-	2,39,90,902	33,84,25,939	-	-	-	14,39,33,465	3,40,49,37,461	1,24,84,97,749	1,47,23,20,904
Leasehold Land	2,68,99,34,518	8,53,095	-	22,08,99,812	2,47,09,57,691	-	-	-	-	2,47,09,57,691	-	-	-	16,29,30,254	1,56,45,89,287	90,36,18,214	96,97,64,879
Buildings	2,17,03,76,200	50,00,608	-	24,27,86,608	1,94,44,75,369	26,47,99,315	1,92,49,266	-	2,52,90,712	19,87,77,969	1,28,35,10,231	-	-	15,18,52,179	1,33,16,87,882	81,10,29,547	89,08,66,722
Plant and Equipments	61,21,23,900	22,18,528	29,88,677	1,17,88,874	59,95,57,286	16,50,24,712	1,53,89,219	13,89,842	29,46,619	17,61,86,250	23,56,81,488	-	11,85,771	66,11,268	22,78,74,617	19,54,96,578	31,31,43,688
Furniture and Fixtures	1,96,58,784	-	2,88,590	4,96,772	1,89,11,812	1,819,881	18,41,286	1,97,726	3,85,847	1,36,29,615	16,92,338	-	-	1,29,862	15,72,276	43,09,631	89,76,645
Vehicles	2,78,44,471	-	98,84,878	24,51,521	1,64,56,272	1,99,24,912	10,89,286	68,21,621	18,82,441	1,33,51,267	31,02,189	-	95,805	6,63,332	25,41,744	15,44,790	49,18,389
Computer	73,23,939	6,89,863	-	2,43,219	77,66,782	67,66,173	2,80,223	-	1,35,407	69,13,890	2,80,223	-	-	29,133	1,71,228	6,78,472	3,63,412
Total	11,21,89,82,638	1,82,63,726	1,23,81,255	1,87,25,20,908	19,24,25,15,879	64,27,81,994	6,36,67,122	83,16,389	5,34,50,977	64,56,84,570	6,49,56,17,696	-	12,96,774	69,94,86,537	6,78,49,20,584	3,81,19,18,116	4,18,86,83,838

A1A. Intangible Assets

Description	Gross Block				Accumulated Depreciation / Amortisation				Impairment of Assets				Net Block				
	As at 01-04-2020	Addition during the year	Sales/ Disposals	Transfer to non-current assets held for sale (refer note 49)	As at 31-03-2021	As at 01-04-2020	For the Period	Sales/ Disposals	Transfer to non-current assets held for sale (refer note 49)	As at 31-03-2021	As at 01-04-2020	For the Period	Reversal during the Year	Transfer to non-current assets held for sale (refer note 49)	As at 31-03-2021	As at 31-03-2021	As at 31-03-2020
Computer Software	84,30,083	32,70,480	-	1,18,000	1,15,98,483	6,51,647	9,42,570	-	2,873	15,92,344	18,07,574	-	-	81,239	9,26,286	90,71,753	67,49,782
Total	84,30,083	32,70,480	-	1,18,000	1,15,98,483	6,51,647	9,42,570	-	2,873	15,92,344	18,07,574	-	-	81,239	9,26,286	90,71,753	67,49,782

B. Capital Work In Progress

Description	As at 01-04-2020	Addition during the year	Trf Adj. during the year	Transfer to non-current assets held for sale (refer note 49)	Capitalized during the year	As at 31-03-2021	As at 01-04-2020
Bearer Plants	6,35,166	-	-	-	-	6,35,166	6,35,166
Other Capital Work In Progress	52,84,642	45,58,381	-	-	-	98,43,023	53,84,642
Total	59,19,808	45,58,381	-	-	-	64,80,189	60,19,808

Notes to the financial statements for the year ended 31st March, 2022

A1. Property Plant and Equipment

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	1,43,61,78,238	8,73,09,675	-	1,43,74,87,931	-	-	-	-	-	39,48,17,430	-	-	51,48,17,438	84,36,79,201
Plantations/ Bearer Plants	2,94,28,58,240	40,23,29,259	-	3,43,52,41,708	17,45,38,864	6,67,28,117	-	-	23,52,78,800	-	-	-	2,63,74,44,113	1,47,23,20,904
Leasehold Land	2,68,02,55,511	98,68,867	-	2,68,99,24,518	-	-	-	-	1,72,91,69,641	-	-	-	1,72,91,69,641	96,97,64,879
Buildings	2,17,79,87,900	3,89,248	-	2,17,83,36,208	14,83,93,138	5,64,94,197	-	-	20,47,99,335	-	-	-	1,28,35,10,231	89,08,66,722
Plant and Equipments	73,36,12,897	1,13,77,011	15,28,66,999	61,21,22,908	16,99,93,188	3,74,92,096	4,12,59,072	-	25,56,81,488	-	-	-	23,56,81,488	58,45,19,789
Furniture and Fixtures	1,96,58,784	-	-	1,96,58,784	95,10,489	26,73,312	-	-	1,19,89,881	-	-	-	16,92,338	59,76,645
Vehicles	2,92,85,719	-	13,41,248	2,79,44,471	1,74,32,328	31,73,065	7,83,410	-	1,99,26,982	-	-	-	31,02,189	49,18,389
Computer	73,28,938	-	34,909	73,29,939	58,46,595	9,45,446	31,779	87,60,173	-	-	-	-	2,80,223	3,63,412
Total	10,96,11,93,527	51,11,30,257	15,42,43,248	11,31,80,62,638	52,46,65,433	16,14,10,722	4,22,94,261	84,87,81,984	-	6,49,56,17,696	-	-	6,49,56,17,696	41,88,83,838

A1A. 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	37,08,083	46,32,000	-	84,30,083	2,36,967	4,26,580	-	-	6,23,647	-	-	-	18,07,574	67,49,782
Total	37,08,083	46,32,000	-	84,30,083	2,36,967	4,26,580	-	-	6,23,647	-	-	-	18,07,574	67,49,782

B. Capital Work In Progress

Description	As at 01-04-2019	Addition during the year	Trf Adj. during the year	Capitalized during the year	As at 31-03-2020	As at 01-04-2019
Bearer Plants	6,35,166	-	-	-	6,35,166	6,35,166
Other Capital Work In Progress	53,84,642	57,84,642	-	-	1,11,69,284	53,84,642
Total	59,19,808	57,84,642	-	-	64,80,189	60,19,808

Other Notes to Note No 84 to 85

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. During the year 2020-21, the Company had done impairment of assets (after providing the depreciation) to the extent of Rs. 6486.23 Lakhs, based on valuation of Tea Garden done by M/s. Vardaan Global Workforce 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 valuations of the subject property has been done under the following scenarios:-

- Valuation of Property (Tea Garden) as a whole in bulk.
- Valuation of Property assuming 10% 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 kinds of Fixed Assets as on 31-03-2020 and accordingly the excess of book value over market value was charged as impairment.

As on 31.03.2020, the Company had an amount of Rs. 39551.07 Lakhs in Capital Reserve which was transferred from Revaluation Reserve during the year. 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 amortization expense" in Statement of Profit and Loss.

A4. The title deeds of the immovable properties are held in the name of the Company except for Tea Estate Land and Factory at Jangam & Ratanpur.

A5. During the year 2020-21, the company has entered into a tripartite agreement with D. K. Industries and Ratanpur Land & Tea Estate Pvt. Ltd., for the sale of tea estate which is subject to approval from Revenue department of The Government of Assam.

A6. During the year 2020-21, the company has entered into an agreement for transfer of lease rights in Narsing Tea Estate which is subject to clearance from the banks.



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DARJEELING ORGANIC TEA ESTATES PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021

(In Rs.)

	Non Current		Current	
	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020
6. FINANCIAL ASSETS - OTHERS				
Unsecured, considered good				
(a) Security Deposit	25,89,192	24,43,592	-	-
(b) Others - Advances Recoverable from Others	-	-	-	-
Total	25,89,192	24,43,592	-	-
7. OTHER NON CURRENT ASSETS				
Capital Advances				
- Considered good			45,04,881	61,21,244
- Considered doubtful			21,59,233	21,59,233
Less- Provision for Doubtful Capital Advances			(21,59,233)	(21,59,233)
Other Advances				
- Others - Unsecured, considered good			-	1,60,62,511
- Others - Unsecured, considered doubtful			2,69,05,603	19,05,78,573
Less- Provision for Doubtful Other Non Current Advances			(2,69,05,603)	(19,05,78,573)
Total			45,04,881	2,21,83,755
- (Refer Related Parties Note No. 42)				
8. CURRENT TAX ASSETS				
TDS and Advance tax (Provisions if any)				
Total			1,12,51,078	49,36,615
9. INVENTORIES				
(As taken valued and certified by the management) At Cost or Net Realisable Value whichever is lower				
(a) Finished Goods			25,99,74,250	24,64,35,509
(b) Stores & Spares			2,14,71,483	2,27,28,940
Total			28,14,45,732	26,91,64,449
- 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, 2021**

(In Rs.)

	As at 31st March, 2021	As at 31st March, 2020
10. BIOLOGICAL ASSETS		
Opening Balance	-	2,13,12,082
Add: Unharvested green tea leaves recognised at fair value	2,21,81,099	-
Less: Transfer of harvested green tea leaves for production	-	2,13,12,082
Closing Balance	2,21,81,099	-
	As at 31st March, 2021	As at 31st March, 2020
11 LOANS		
Loan given to Employees		
Unsecured, Considered Good	24,65,218	49,86,832
Others	-	-
	24,65,218	49,86,832
	As at 31st March, 2021	As at 31st March, 2020
11A TRADE RECEIVABLES		
Others- Unsecured, considered good	4,02,92,349	2,73,38,991
Others- Unsecured, considered doubtful	1,01,71,62,233	95,74,69,068
Less: Provision for Doubtful Debts	(1,01,71,62,233)	(95,74,69,068)
	4,02,92,349	2,73,38,991
- (Refer Note :No.45)		
- (Refer Related Parties Note No. 42)		
	As at 31st March, 2021	As at 31st March, 2020
12. CASH & CASH EQUIVALENTS		
(a) Balance with banks:		
In Current Accounts	2,32,27,391	90,29,834
Balance in Term Deposits *	70,93,480	24,35,522
(b) Cash in hand (As certified by the management)	27,40,392	11,10,521
	3,30,61,263	1,25,75,877
* Fixed Deposit amounting to Rs. 65,78,724/- (PY Rs. 21,05,146/-) held as Margin Money against Bank Guarantee		
	As at 31st March, 2021	As at 31st March, 2020
13. OTHER CURRENT ASSETS		
(a) Other Advances		
(i) Unsecured, considered good		
- Balances with government departments	1,81,74,200	2,42,01,241
- Green Leaf Cess	-	-
- Other Advances *		
- Considered good	5,03,47,016	3,09,79,839
- Considered doubtful	47,78,24,318	30,90,77,999
Less- Provision for Doubtful Other Current Advances	(47,78,24,318)	(30,90,77,999)

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DARJEELING ORGANIC TEA ESTATES PRIVATE LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021**

	(In Rs.)	
(b) Prepaid Expenses	24,99,157	30,70,120
(c) MAT credit Entitlement	44,83,862	44,83,862
(d) Advance paid to suppliers		
(i) Unsecured, considered good	3,11,52,347	2,03,08,637
(ii) Unsecured, considered doubtful	10,06,267	10,06,267
Less- Provision for Doubtful Advance Given to Suppliers	(10,06,267)	(10,06,267)
(e) Subsidy Receivable **	22,73,195	22,73,195
(f) Balance with government authority	72,58,404	72,58,404
	11,61,88,180	9,25,75,298

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.

* Advances made are Interest Free

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

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

130,00,000 (31.03.20: 130,00,000) Ordinary Equity Shares of Rs. 10 each	13,00,00,000	13,00,00,000
60,000 (31.03.20: 60,000,) Class A Equity Shares of Rs. 10 each	6,00,000	6,00,000
99,999 (31.03.20: 99,999) Class B Equity Shares of Rs. 10 each	9,99,990	9,99,990
1,16,00,000 (31.03.20: 1,16,00,000) Class C Equity Shares of Rs. 10/- each	11,60,00,000	11,60,00,000
77,00,000 (31.03.20 77,00,000) Investor Equity Shares of Rs. 10/- each	7,70,00,000	7,70,00,000
27,00,000 (31.03.20: 27,00,000) Class D Equity Shares of Rs. 10 each	2,70,00,000	2,70,00,000
25,00,000 (31.03.20: 25,00,000) Class E Equity Shares of Rs. 10 each	2,50,00,000	2,50,00,000

Instruments Entirely Equity in Nature

5,00,00,000 (31.03.20: Nil) Zero Coupon Compulsory Convertible Preference Shares of Rs. 10 each	50,00,00,000	-
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Total

87,65,99,990	37,65,99,990
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Issued, Subscribed and Fully Paid Up Equity Shares

91,98,759 (31.03.20, 91,98,759) Ordinary Equity Shares of Rs. 10 each	9,19,87,590	9,19,87,590
76,65,633 (31.03.20 76,65,633) Investor Equity Shares of Rs. 10 each	7,66,56,330	7,66,56,330
54,887 (31.03.20: 54,887) Class B Equity Shares of Rs. 10 each	5,48,870	5,48,870
51,457 (31.03.20, 51,457) Class A Equity Shares of Rs. 10 each	5,14,570	5,14,570
1,06,22,775 (31.03.20, 1,16,22,775) Class C Equity Shares of Rs. 10 each	10,62,27,750	10,62,27,750
25,29,659 (31.03.20: 25,29,659) Ordinary Equity Shares of Rs. 10 each	2,52,96,590	2,52,96,590
23,842 (31.03.20: 23,842) Class B Equity Shares of Rs. 10 each	2,38,420	2,38,420
23,52,620 (31.03.20: 23,52,620,) Class E Equity Shares of Rs. 10 each	2,35,26,200	2,35,26,200
1,32,170 (31.03.20: 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 (31.03.20: 22,20,450) Class D Equity Shares of Rs. 10 each, paid up Re 1 each	22,20,450	22,20,450
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Total

32,85,38,470	32,85,38,470
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Issued, Subscribed and Fully Paid Up Instruments entirely Equity in Nature

33,93,656 (31.03.20: NIL) Zero Coupon Compulsory Convertible Preference Shares of Rs. 10 each	3,39,36,560	-
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Total (B)

3,39,36,560	-
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Grand Total (A+B)

36,24,75,030	32,85,38,470
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DARJEELING ORGANIC TEA ESTATES PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021

(In Rs.)

(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, 2021		As at 31st March 2020	
	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	3,48,52,252	32,85,38,470
Equity Shares issued during the year	-	-	-	-
Equity Shares bought back during the year	-	-	-	-
Equity Shares converted from CCPS to fully paid up shares	-	-	-	-
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

(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, 2021		As at 31st March 2020	
	No. of Shares	Amount (Rs.)	No. of Shares	Amount (Rs.)
Compulsorily convertible preference shares outstanding at the beginning of the year	-	-	-	-
Compulsorily convertible preference shares issued during the year (CCPS)	33,93,656	3,39,36,560	-	-
Compulsorily convertible preference shares converted to fully paid up Equity shares (1:1 Basis)	-	-	-	-
Compulsorily convertible preference shares outstanding at the end of the year	33,93,656	3,39,36,560	-	-

(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 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).

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DARJEELING ORGANIC TEA ESTATES PRIVATE LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021**

(In Rs.)

(d) Terms/ Rights attached to Compulsorily Convertible Preference Shares issued during the financial year 2020-21

(i) During the Financial Year 2020-21, the Company issued Zero Coupon Compulsorily Convertible Preference Shares (CCPS) having a face value of Rs. 10 (Rupees Ten) per CCPS, at a premium of Rs. 15.17 (Rupees Fifteen and Seventeen Paise) per CCPS. The total value of each CCPS is Rs. 25.17 (Rupees Twenty Five and Seventeen Paise). The CCPS shall be convertible at the end of two years from the date of issue and Investors shall be entitled to one equity share for each CCPS on conversion. The equity shares so issued, on conversion of CCPS, shall carry voting rights and shall rank pari passu with the existing Equity Shares of the company.

(ii) This investment was enacted on the basis of the board resolution dated 4th June 2020 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	Artava AG	21,21,035	533.86
2	Stiftung Evidenz	4,24,207	106.77
3	AUWA Holding GmbH	8,48,414	213.55
	Total	33,93,656	854.18

(iii) During the year 33,93,656 CCPS were allotted @ Rs. 25.17 per share on 04.06.2020, which carries zero coupon rate

(iv) 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 allotment.

(v) Utilization of Funds raised through issue of Zero Coupon Compulsorily Convertible Preference Shares (CCPS):

The Company received a total of Rs. 854.18 Lakhs (Rupees Eight Hundred Fifty Four Lakhs and Eighteen Thousand) through issue of 33,93,656 (Thirty Three Lakhs Ninety Three Thousand Six Hundred and Fifty Six) CCPS to the investors. The proceeds thus received by the Company were utilized to repay the Indian Bank Debts, accumulated Bank Interest and other operating and capital business purposes.

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

Sl. No.	Name of the Shareholders	As at 31st March, 2021		As at 31st March, 2020	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding
1	Motilal Makhanlal Holdings Pvt. Ltd.	29,73,009	8.20	29,73,009	9.05
2	Sampad Vikas Limited	36,43,250	10.05	36,43,250	11.09
3	Ambotia Tea Exports Private Limited (Erstwhile IDA Organic Pvt. Ltd. Refer to Note No. A16.19)	17,66,087	4.87	17,66,087	5.38
4	Stichting Pensioenfonds Abp	-	-	1,05,97,452	32.26
5	Bhumya Tea Company Private Limited	41,79,480	11.53	41,79,480	12.72
6	Oikocredit Ecumenical Development Cooperative Society	23,77,242	6.56	23,77,242	7.24
7	Artava AG	1,47,71,470	40.75	14,13,199	4.30
8	Stiftung Evidenz	21,17,755	5.84	-	-

(f) Details of CCPS holders holding more than 5% shares in the Company

Sl. No.	Name of the Shareholders	As at 31st March, 2021		As at 31st March, 2020	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding
1	Artava Ag	21,21,035	62.50	-	-
2	Stiftung Evidenz	4,24,207	12.50	-	-
3	Auwa Holding GmbH	8,48,414	25.00	-	-

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

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DARJEELING ORGANIC TEA ESTATES PRIVATE LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021**

(In Rs.)

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 per Last Financial Statement
 Add: Current Year Transfer (CCPS)
 Total (a)

As at 31st March, 2021	As at 31st March, 2020
5,04,88,73,011	5,04,88,73,011
5,14,81,761	-
5,10,03,54,772	5,04,88,73,011

(b) Capital Redemption Reserve

As per Last Financial Statement
 Total (b)

As at 31st March, 2021	As at 31st March, 2020
1,59,00,000	1,59,00,000
1,59,00,000	1,59,00,000

(c) Capital Reserve

As per Last Financial Statement
 Less: Adjustment of Impairment Loss
 Total (c)

As at 31st March, 2021	As at 31st March, 2020
16,35,56,212	3,91,51,07,407
-	(3,75,15,51,195)
16,35,56,212	16,35,56,212

(d) Retained Earnings

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

As per Last Financial Statement
 Add: Profit/(loss) for the year
 Add: Overcharged Depn in earlier year
 Less: Dividend paid/payable on equity shares
 Less: Dividend paid/payable on preference shares
 Less: Dividend distribution tax pad/payable
 Total (d)

As at 31st March, 2021	As at 31st March, 2020
(5,30,81,23,076)	(1,49,12,05,140)
(83,52,72,032)	(3,81,39,75,132)
-	-
-	-
-	-
(6,14,33,95,108)	(5,30,81,23,076)

(e) Other Comprehensive Income

As per Last Financial Statement
 Add: During the year
 Total (e)

As at 31st March, 2021	As at 31st March, 2020
(6,10,26,598)	(2,16,57,329)
2,46,68,366	(3,93,69,268)
(3,63,58,231)	(6,10,26,598)

Total Reserves (a+b+c+d+e)

(89,99,42,355)	(14,08,20,451)
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DARJEELING ORGANIC TEA ESTATES PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021

(in Rs.)

	Non Current		Current	
	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020
16. LONG TERM BORROWINGS				
Secured				
(a) Term Loans				
From Banks*				
Rupee Loan	-	49,37,71,676	95,42,84,921	45,94,17,288
(b) Vehicle Loans				
From Banks	-	1,78,400	8,51,040	10,80,563
From Others	-	-	-	50,473
Unsecured				
(a) ECB Loan	1,68,81,54,582	1,10,64,58,866	2,10,14,742	-
Total (a+b)	1,68,81,54,582	1,60,04,08,942	97,61,50,703	46,05,48,324

* UCO Bank exposure is NPA since June 2019. The bank has sent NCLT notice to the company on 30th September 2020. The company has approached the bank for restructuring of the account which is under active consideration.

* Indian Bank (erstwhile Allahabad Bank) and State Bank of India exposures have also slipped into NPA. The company has approached the Indian Bank (erstwhile Allahabad Bank) for restructuring of the account which is under active consideration.

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			
State Bank Of India	20 Quarterly Instalments after 6 months from the date of first disbursements.	31-12-2021	12%
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%

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DARJEELING ORGANIC TEA ESTATES PRIVATE LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021**

(In Rs.)

Details of terms of security for long term borrowings

- (i) UCO BANK TERM LOAN 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 Cherideo Purbat, Rungmook Cedar , Rangaroon & Pandam TE. Collateral Security- EMTD on above 4TEs. Personal Guarantee.
- (iii) STATE BANK OF INDIA TERM LOAN Primary Security- Secured by hypothecation of Tea crop, Plant & Machinery , Stores, Book Debt & Mortgage of Aloobari 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.

Unsecured**(a) (i) ECB-I**

	<u>Amount (in Euro Million)</u>
Sanctioned Amount	20.00
(i) Opening Balance	9.80
(ii) ECB received in financial year 20-21	-
(iii) Total repayment made in financial year 20-21	-
(iii) Balance (i - ii)	<u>9.80</u>

Repayment Schedule for ECB-I

<u>Repayment Date</u>	<u>Amount</u>
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 31-03-2021 including interest component is unhedged
ECB guaranteed by Mr. Sanjay Prakash Bansal.

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DARJEELING ORGANIC TEA ESTATES PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021

(In Rs.)

(a) (ii) <u>ECB- II</u>	<u>Amount (in Euro Million)</u>
Sanctioned Amount	13.00
(i) Opening Balance	3.53
(ii) ECB received in financial year 20-21	6.61
(iii) Total repayment made in financial year 20-21	-
(iii) Balance (i - ii)	<u>10.14</u>

Repayment Schedule for ECB- II

<u>Repayment Date</u>	<u>Amount</u>
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 31-03-2021 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

- (a) **Employee benefits**
(i) Gratuity

Total

As at 31st March, 2021	As at 31st March, 2020
34,04,44,078	32,91,25,555
<u>34,04,44,078</u>	<u>32,91,25,555</u>

(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)

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DARJEELING ORGANIC TEA ESTATES PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021

(In Rs.)

18. OTHER NON CURRENT LIABILITIES

- (a) Stamp Duty Payable
(b) Security Deposit
(c) Deferred Statutory Payment
Total

As at 31st March, 2021	As at 31st March, 2020
-	36,57,496
10,00,000	-
19,53,950	2,41,91,568
29,53,950	2,78,49,064

19. DEFERRED TAX LIABILITIES (NET)

- (a) **Liabilities :**
Depreciation and amortization expenses
Items under financial assets and financial liabilities giving temporary differences
Others
Total (a)
- (b) **Assets :**
Others
Provision for gratuity
Total (b)
- Net Liability (a-b)**

As at 31st March, 2021	As at 31st March, 2020
45,71,59,436	39,54,61,128
-	-
-	-
45,71,59,436	39,54,61,128
-	-
29,42,816	2,32,19,927
29,42,816	2,32,19,927
-	-
45,42,16,620	37,22,41,201

Reconciliation of deferred tax assets/ liabilities (net):

- Opening balance as at year beginning
Tax (benefit) / expense during the period recognised in profit or loss
Tax impact on items of Other Comprehensive income that will not be classified to profit & loss
Closing balance as at year end

As at 31st March, 2021	As at 31st March, 2020
37,22,41,201	1,61,31,86,633
7,33,08,155	(1,22,71,12,986)
86,67,264	(1,38,32,446)
45,42,16,620	37,22,41,201

20. SHORT TERM BORROWINGS

- (a) Loans repayable on demand (Secured)
Cash credits from banks *
- From Banks
UCO Cash Credit Term
Indian Bank (erstwhile Allahabad Bank) Cash Credit
- (b) From Related Parties (Unsecured) (Interest Free) No Fixed Repayment Schedule
- (c) Others (Unsecured) No Fixed Repayment Schedule
Total

As at 31st March, 2021	As at 31st March, 2020
36,01,90,067	55,81,07,467
10,00,54,233	11,34,16,168
1,08,48,000	1,08,48,000
98,30,337	1,41,30,479
48,09,22,637	69,65,02,114

- * 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. The company has approached the bank for restructuring of the account which is under active consideration.
4. Indian Bank (erstwhile Allahabad Bank) Cash Credit exposure has slipped into NPA. The company has approached the bank for restructuring of the account which is under active consideration.

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DARJEELING ORGANIC TEA ESTATES PRIVATE LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021**

(In Rs.)

21. TRADE PAYABLES

- (a) Micro & Small Enterprises
 (b) Others
 Sundry Creditors for goods & services
Total

As at 31st March, 2021	As at 31st March, 2020
12,49,587	-
10,22,46,197	8,66,46,732
10,34,95,784	8,66,46,732

22. CURRENT FINANCIAL LIABILITIES-OTHER

- (a) Current maturities of long-term debts (Refer Note No. 16)
 (b) Interest payable on borrowings
Total

As at 31st March, 2021	As at 31st March, 2020
97,61,50,703	46,05,48,324
49,38,41,110	21,83,12,791
1,46,99,91,814	67,88,61,115

Uco Bank

- Overdue Instalment
 Overdue Interest
 Overdue Interest- CC

Indian Bank (erstwhile Allahabad Bank)

- Overdue Instalment
 Overdue Interest
 Others
 Overdue Interest- CC

State Bank Of India

- Overdue Instalment
 Overdue Interest
 Others

Andhra Bank

- Overdue Interest
 Others

ECB

- Interest accrued but not due
 Overdue Interest
 Others

Vehicle Loan

- Others

29,75,69,696	29,59,97,288
8,31,28,183	5,26,34,834
17,69,11,660	10,69,80,690
59,26,17,618	3,42,00,000
10,52,30,112	4,03,79,919
	8,38,00,000
2,84,46,104	-
4,54,20,000	1,51,40,000
1,25,53,331	36,78,306
1,62,55,068	3,02,80,000
2,99,599	-
24,22,540	-
1,22,41,917	1,45,89,042
7,50,30,204	-
2,10,14,742	-
8,51,040	11,31,036
1,46,99,91,814	67,88,61,115
-	-

23. OTHER CURRENT LIABILITIES

- (a) Advance payments from customers
 (b) Share Application Money to be refunded
 (c) Other payables
 (i) Statutory dues (PF, TDS, GST & Others) *
 (ii) Salary, Wages, Bonus & Others
 (iii) Liabilities for Services & Others (Electricity, rent, GR IR etc) **
Total

As at 31st March, 2021	As at 31st March, 2020
25,03,41,038	20,12,47,197
9,80,979	-
21,90,99,362	28,89,52,827
15,47,87,713	14,63,09,959
1,75,63,118	75,61,370
64,27,72,210	64,40,71,353

** The PF Commissioner of Darjeeling has in principle approved payment of outstanding PF contribution (both employer and employee contribution) till March 2020 in 36 instalments. In Cherdoo Purbat the company has obtained approval for payment of PF dues (employer contribution) till February 2020 in 36 instalments.

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DARJEELING ORGANIC TEA ESTATES PRIVATE LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021**

(In Rs.)

	As at 31st March, 2021	As at 31st March, 2020
24. SHORT TERM PROVISIONS		
(a) Employee benefits		
(i) Gratuity	-	-
Total	-	-
25. CURRENT TAX LIABILITIES		
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		
(a) Sale of Products		
(i) Sale of Products		
Finished Goods		
- Tea		
- Domestic	6,08,57,650	1,06,23,43,095
- Export	63,95,82,779	2,98,17,869
- Spices		
- Domestic	-	16,98,234
- Export	1,04,69,176	27,495
- Green Leaves		
- Domestic	2,11,500	-
(b) Other Operating revenue		
Sale of Services & Accessories	-	16,59,298
Total	71,11,21,104	1,09,55,45,991
27. OTHER INCOME		
(a) Interest income		
- Interest on Fixed Deposits	4,03,212	1,87,770
- Others	-	50,085
(b) Compensation Received	-	-
(c) Miscellaneous Income	67,12,142	7,62,191
(d) Foreign Currency Fluctuation Gain(Net)	-	-
(e) Changes in fair value of biological assets	2,21,81,099	-
(f) Liabilities written back	9,43,54,939	4,56,289
(g) Prior Period Incomes	37,89,777	-
(h) Profit on Sale of Assets	18,85,697	1,78,428
(i) Recovery of Doubtful debts	2,12,52,575	-
Total	15,05,79,441	16,34,764

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DARJEELING ORGANIC TEA ESTATES PRIVATE LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021**

(In Rs.)

	For The Year Ended 31st March, 2021	For The Year Ended 31st March, 2020
28. CHANGES IN INVENTORIES OF FINISHED GOODS & STORES & SPARES		
(a) Stocks at the beginning of the year		
Finished goods	24,64,35,509	35,81,50,092
Stock of Stores	2,27,28,940	2,06,87,643
(b) Less: Stocks at the end of the year		
Finished goods	25,99,74,250	24,64,35,509
Stock of Stores	2,14,71,483	2,27,28,940
Total	(1,22,81,284)	10,96,73,286
29. EMPLOYEE BENEFITS EXPENSE		
a) Salaries and wages		
- Salaries, Wages & Bonus	60,87,70,423	62,14,86,996
- Gratuity	5,22,07,787	9,64,00,148
b) Contribution to provident and other funds		
- Contribution to Provident Fund	5,86,67,487	6,08,54,747
c) Staff welfare expenses	1,70,03,883	1,50,69,679
Total	73,66,49,580	79,38,11,569
30. FINANCE COSTS		
(a) Interest expense		
- Term Loans	11,54,29,122	11,59,92,197
- Cash Credit	8,49,71,139	8,33,36,905
- ECB	7,65,52,319	4,66,60,953
- Unsecured Loan	10,23,096	-
(b) Others	25,79,995	35,90,266
Total	28,05,55,671	24,95,80,321
31. OTHER EXPENSES		
A. MANUFACTURING & SERVICE EXPENSES		
(i) Power and fuel	5,20,93,677	5,64,90,983
(ii) Repairs to Buildings	36,80,664	25,44,872
(iii) Repairs to Machinery	38,97,099	35,21,751
(iv) Repairs to Other Assets	80,12,005	95,37,281
(v) Changes in fair value of biological assets	-	2,13,12,082
(vi) Other Manufacturing & Service Expenses	4,24,76,711	4,24,31,818
Sub Total (a)	11,01,60,156	13,58,38,786

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DARJEELING ORGANIC TEA ESTATES PRIVATE LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021**

(In Rs.)

B. SELLING & DISTRIBUTION EXPENSES		
(i) Freight, Shipping, Delivery and Selling Expenses	2,00,44,995	67,12,433
(ii) Brokerage on sale	1,20,894	7,91,790
(iii) Sales Promotion Expenses	14,26,670	31,92,808
(iv) Certification	63,63,554	55,55,249
(v) Other Selling & Distribution Expenses	1,79,59,070	53,04,816
Sub Total (b)	<u>4,59,15,183</u>	<u>2,15,57,095</u>
C. PAYMENT TO AUDITOR		
(i) Statutory Auditor	4,31,250	4,31,250
(ii) For Tax Audit	86,250	86,250
(iii) Out of Pocket Expenses	50,000	-
Sub Total (c)	<u>5,67,500</u>	<u>5,17,500</u>
D. OTHERS		
(i) Rent	1,57,87,922	1,94,13,000
(ii) Lease Rent	10,37,707	15,12,090
(iii) Rates and Taxes, excluding taxes on income	79,60,029	31,93,538
(iv) Insurance	34,92,198	24,92,984
(v) Bank Charges	15,74,808	23,57,506
(vi) Consultation and Advisory Charges	2,47,43,775	1,15,17,363
(vii) Late Fees-Tds	51,000	2,400
(viii) Tds-Short Deduction	-	28,66,795
(ix) Inadmissible GST	2,32,87,334	3,09,10,142
(xi) Foreign Currency Fluctuation Loss (Net)	3,98,34,729	7,72,75,068
Sub Total (d)	<u>11,77,69,502</u>	<u>15,15,40,886</u>
E. MISCELLANEOUS EXPENSES :		
(i) Motor Vehicle Expense	63,44,043	68,64,327
(ii) Travelling and Conveyance Expenses	55,81,006	1,03,46,236
(iii) Stamps, Postage and Telegrams	3,45,545	3,32,782
(iv) Printing & Stationary	8,34,781	12,72,198
(v) Membership & Subscription	29,68,798	40,89,742
(vi) Telephone and Telex	14,85,932	18,96,739
(vii) Other Expenses	1,33,81,760	2,29,68,427
(viii) Director Fees	11,89,042	25,83,333
(ix) Chairman Fees	3,56,164	20,00,000
(x) Board Meeting Expenses	11,64,986	-
(xi) Prior Period Expenses	-	-
(xii) Provision for Doubtful Debts	9,43,40,813	95,74,69,068
(xiii) Provision for Doubtful Capital Advances	-	21,59,233
(xiv) Provision for Doubtful Other Non Current Advances	-	19,05,78,573
(xv) Provision for Doubtful Advance Given to Suppliers	-	10,06,267
(xvi) Provision for Doubtful Other Current Advances	-	30,90,77,999
(xvii) Less due to Quality Rejection	29,85,079	10,60,788
(xviii) Less On Sale Of Fixed Assets	3,60,756	1,92,88,902
Sub Total (e)	<u>13,13,38,705</u>	<u>1,53,29,94,614</u>
Total (a+b+c+d+e)	<u>40,57,51,046</u>	<u>1,84,24,48,881</u>



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DARJEELING ORGANIC TEA ESTATES PRIVATE LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021**

(In Rs.)

31A EXCEPTIONAL ITEMS

Insurance Claim Received
Impairment Loss

For The Year Ended 31st March, 2021	For The Year Ended 31st March, 2020
-	83,720
-	(2,73,50,74,074)
-	(2,73,49,90,354)

The management has done their evaluation at the end of the year 2020-21 and concluded that there is no material difference in the carrying value of assets and the prevailing net realisable value of assets. Hence the management is of the opinion that impairment is not required to be charged for this year.

The Company had done impairment of Property, Plant & Equipment and Intangible Assets (after providing the depreciation) to the extent of Rs. 64866.25 Lakhs, during the year 19-20, 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 had 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.

32. Income Tax**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
(ii) Income Tax for Earlier Years
(iii) Deferred Tax expense/ (benefit)

For The Year Ended 31st March, 2021	For The Year Ended 31st March, 2020
-	-
-	-
7,33,08,155	(1,22,71,12,986)
7,33,08,155	(1,22,71,12,986)

(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

86,67,264	(1,38,32,446)
86,67,264	(1,38,32,446)

Total (a+b)

8,19,75,419	(1,24,09,45,432)
-------------	------------------

33. Other Comprehensive Income

- i Items that will not be classified to profit and loss
- Remeasurement gain/ (losses) on defined benefit plans
Created during the year
- 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

For The Year Ended 31st March, 2021	For The Year Ended 31st March, 2020
3,33,35,630	(5,32,01,714)
(86,67,264)	1,38,32,446
2,46,68,366	(3,93,69,268)

Total

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DARJEELING ORGANIC TEA ESTATES PRIVATE LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021****OTHER NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Cont....)****34 Contingent liabilities & Commitments****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)
- (ii) Outstanding demand raised by Income Tax Authorities

(Rs. In Lakhs)

	As at 31st March, 2021	As at 31st March, 2020
	78.00	78.00
	17,539.86	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 Purbat 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 Privatet Limited has subsequently filed a petition AP no 384 of 2019 against the arbitration in Calcutta High Court. General Fibre Dealers Privatet Limited has withdrawn its petition filed in the High court in June 2021.

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 has filed an application (AP No. 381) for setting aside the award and another application (GA/1/2020) for stay on the award. The company had also filed an Execution Application on 15th February 2021 at the Commercial Division of the High Court, Calcutta. The matters are still in court at this stage and the two parties are in the process of filing their affidavits in relation to their respective applications.

B. Bank Guarantee

65.79 21.05

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

Other Advance given for general business purpose

45.05 221.84

Loan To Employee

24.65 49.87

Other Advances

503.47 309.80

B. Investment Made

There are no investments by the company.

NIL NIL

C. Guarantee Given

There is no guarantee given during the year.

NIL NIL

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DARJEELING ORGANIC TEA ESTATES PRIVATE LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021****36 Disclosure on Corporate Social Responsibility Expenses****(a) Brief**

Year	In Rs. Lakhs
	Profit/(Loss)
2017-18	(2,411.83)
2018-19	114.36
2019-20	(50,410.88)
Average Profit / (Loss)	(17,569.45)

- (b) Since the average profit is negative for the last three years, the company is not required to spend on CSR in the year 2020-21. 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).

37 Scheme of Arrangements

- 37.1 During the year 2020-21, the Company has entered into an agreement with Fine Tea Pluck LLP, for the transfer of lease rights in Nurbong Tea Estate. Also the company has entered into a tripartite agreement with D. K. Industries and Ratanpur Land & Tea Estates Pvt. Ltd., for the sale the Ratanpur Tea Estate.

Sl. No.	Name of the Tea Estate & Address	Agreed Value	Transfer is Subject to
a)	Nurbong Tea Estate, Darjeeling	Rs. 900 Lakhs	Approval from Banks
b)	Ratanpur Tea Estate, Dist. Sibsagar, Assam.	Rs. 775 Lakhs	Approval from Revenue Department, Govt. of Assam

38 Foreign Currency Inflows / Outflows**A. Expenditure in Foreign Currency**

Particulars	As on	As on
	31.03.2021	31.03.2020
Account Head	Amount	Amount
	(Rs. in Lakhs)	(Rs. in Lakhs)
Certification Fees and Sustainability Report Fees	32.61	24.14
Travelling/Board Meeting Expenses	6.63	12.09
Purchase Of Stores	3.00	0.32
Training & Development Expenses	1.00	-
Membership Fees	8.19	-
Sales Promotion Expenses	5.74	-
Interest on ECB	765.52	436.96
Total	822.70	473.50

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DARJEELING ORGANIC TEA ESTATES PRIVATE LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021****B. Inflows / Earnings in Foreign Currency**

Particulars	As on 31.03.2021	As on 31.03.2020
Account Head	Amount (Rs. in Lakhs)	Amount (Rs. in Lakhs)
Collection From Export Sales	6,247.99	144.80
Trade Advance	-	1,859.34
ECB Loan (Net Of Brokerage)	5,769.96	2,743.08
Total	12,017.95	4,747.22

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

Particulars	As on 31.03.2021	As on 31.03.2020
Account Head	Amount (Rs. in Lakhs)	Amount (Rs. in Lakhs)
Component & Spare Parts	3.00	0.32
Capital Goods	-	-

40 Disclosures as required by Ind AS 19, Employee Benefits**(a) Defined contribution plans:**

Contribution to defined contribution plan, recognised as expense for the year as under:

- (i) Employer's contribution to Government Provident Fund
Total

(Rs. in Lakhs)	
2020-21	2019-20
586.67	608.55
586.67	608.55

(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.

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DARJEELING ORGANIC TEA ESTATES PRIVATE LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021**

		(Rs. In Lakhs)	
		Gratuity (Funded)	
		2020-21	2019-20
I. Following information are based on report of actuary for employee benefit expenses			
(A)	Change in present value of the obligation during the year		
	(1) Present value of obligation at year beginning	3,341.19	2,434.29
	(2) Current service cost	206.14	187.44
	(3) Past service cost	72.94	-
	(4) Interest cost	225.60	187.44
	(5) Benefits paid	(58.15)	-
	(6) Actuarial (gain) / loss arising from changes in demographic assumptions	-	-
	(7) Actuarial (gain) / loss arising from changes in financial assumptions	24.41	139.80
	(8) Actuarial (gain) / loss arising from changes in experience adjustments	(357.77)	392.21
	(9) Present value of obligation at year end	<u>3,454.37</u>	<u>3,341.19</u>
(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	<u>-</u>	<u>-</u>
(C)	Reconciliation of obligation and fair value of assets		
	(1) Present value of the obligation at year end	3,454.37	3,341.19
	(2) Fair value of plan assets at year end	-	-
	(3) Funded status [surplus / (deficit)]	<u>3,454.37</u>	<u>3,341.19</u>
(D)	Expense recognised in the Statement of Profit and Loss		
	(1) Current service cost	206.15	187.44
	(2) Past service cost	72.94	-
	(3) Interest cost	225.60	187.44
	(4) Interest income on plan assets	-	-
	Net cost recognised in Profit or Loss	<u>504.69</u>	<u>374.88</u>
(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	24.41	139.80
	(4) Actuarial (gain) / loss arising from changes in experience adjustments	(357.77)	392.21
	Net (gain) / loss recognised in Other Comprehensive Income	<u>(333.36)</u>	<u>532.02</u>

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DARJEELING ORGANIC TEA ESTATES PRIVATE LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021**

(F) Net Defined benefit liability/(Asset) Reconciliation		
(1) Net Defined benefit liability/(Asset) at the beginning of the year	3,341.19	2,434.29
(2) Defined benefit cost included in P/L	504.68	374.88
(3) Total remeasurement included in OCI	(333.36)	532.02
(4) Employers contribution	(58.15)	-
Net Defined benefit liability/(Asset) at the end of the year	3,454.37	3,341.19
II. Maturity profile of defined benefit obligations:	2020-21	2019-20
Year 1	408.94	799.28
Year 2	251.47	168.64
Year 3	351.35	210.76
Year 4	341.57	197.73
Year 5	362.96	238.07
Year 6	299.52	255.44
Year 7	337.02	280.97
Year 8	331.86	300.01
Year 9	314.38	324.53
Year 10	264.07	297.58
Above 10 year	-	14,992.04
Total expected payments	3,263.14	18,065.04

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 68.00 Years (31st March, 2020: 67.30 years).

The best estimate contribution for the company during the next year would be Rs. 840.26 Lakhs (31st March, 2020: Rs. 1196.66 Lakhs).

Amount payable upon discontinuance of all employment is Rs. 3415.82 Lakhs (31st March, 2020: Rs. 3436.67 Lakhs).

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

	2020-21	2019-20
(Gain)/Loss on Plan Liabilities	(357.77)	392.21
% of Opening Plan Liabilities	-10.71%	16.11%
(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.

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DARJEELING ORGANIC TEA ESTATES PRIVATE LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021**

	2020-21	2019-20
	Defined Benefit Obligation (Base)	
(1) One percentage increase in discount rate	3,109.17	3,138.74
(2) One percentage decrease in discount rate	3,593.72	3,570.54
(3) One percentage increase in rate of salary escalation	3,606.06	3,573.48
(4) One percentage decrease in rate of salary escalation	3,095.37	3,132.64
(5) One percentage increase in rate of withdrawal rate	3,349.29	3,354.34
Gratuity (Funded)		
2020-21		
2019-20		
	6.90%	7.00%
(1) Discount rate	6%	6%
(2) Mortality Rate	6%	6%
(3) Salary Escalation - First 5 years	N/A	NA
(4) Salary Escalation - After 5 years	5% of Mortality Rate	5% of Mortality Rate
(5) Expected Rate of Return on Plan Assets	58 Years	58 Years
(6) Disability Rate	15.27	14.80 Years
(7) Retirement Age	8.00%	8.00%
(8) Average Future Service	7.00%	7.00%
(9) Withdrawal rates , based on age: (per annum)	6.00%	6.00%
Up to 25 years	5.00%	5.00%
26 - 30 years	4.00%	4.00%
31 - 35 years	3.00%	3.00%
36 - 40 years	2.00%	2.00%
41 - 45 years	1.00%	1.00%
46 - 50 years		
51 - 55 years		
Above 56 years		

V. Actuarial Assumptions**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.

(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.

(c) Geographical Information

The Companies Revenue is mainly generated from the export of teas except for a marginal domestic sale amounting to Rs 601.99 Lakhs for the Current Year. Hence Geographical Segment wise Assets/Liability Revenue & Results are not applicable.

(d) Revenue from five customers is Rs. 4323.45 Lakhs (P.Y. Rs. 10756.84 Lakhs) which is more than 10% of the total revenue of the Company.,

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DARJEELING ORGANIC TEA ESTATES PRIVATE LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021****42 (A) Related parties and their relationship with the Company :**

- (i) Key Management Personnel of the Company:
- Mr. Sanjay Prakash Bansal – Director - Changed to Non- Executive Director from 03.11.2020
Mrs. Reena Bansal – Director - Changed to Non- Executive Director from 03.11.2020
Mr. Hrithik Bansal – Director - Resigned on 10.08.2020
Mr. Anil Bansal – Director - Resigned on 10.08.2020
Mr. Rembert Biemond – Director
Mr. Weldon Robert Scott – Director - Resigned on 21.01.2021
Mr. Markus Jermann – Director - Appointed on 16.12.2020
Mr. Tobias von Glenck – Director - Appointed on 16.12.2020
Mr. Rajan Singh- CS - Appointed on 10.08.2020
- (ii) Shareholder Holding more than 20% of Equity Shares of the Company
- Artava AG
- (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 Commodore Private Limited
Motilal Makhnal 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**

Mr. Sanjay Prakash Bansal - Director
Mrs. Reena Bansal – Director
Mr. Anil Bansal – Director
Mr. Hrithik Bansal – Director
Mr. Vikram Kapur
Ms. Urvi Kanodia
Mr. Rajan Singh

Ref. to Note (A) above

(i)
(ii)
(iii)
(iv)
(v)
(vi)
(vii)

(Rs. In Lakhs)

	2020-21	2019-20
(i)	92.34	334.51
(ii)	38.47	78.98
(iii)	41.54	33.25
(iv)	-	104.46
(v)	-	7.71
(vi)	-	2.36
(vii)	3.88	-
	176.22	561.27

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DARJEELING ORGANIC TEA ESTATES PRIVATE LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021**Director Fees

		(Rs. In Lakhs)	
		2020-21	2019-20
Mr. Sanjay Prakash Bansal - Director	(i)	5.95	10.00
Mrs. Reena Bansal – Director	(ii)	5.95	2.50
Mr. Hrithik Bansal – Director	(iii)	-	13.33
		11.89	25.83

Chairman fees

		(Rs. In Lakhs)	
		2020-21	2019-20
Mr. Sanjay Prakash Bansal - Director	(i)	3.56	20.00
		3.56	20.00

Professional Fees

		(Rs. In Lakhs)	
		2020-21	2019-20
Rembert Biemond AB	(i)	37.71	35.50
		37.71	35.50

Sales

		(Rs. In Lakhs)	
		2020-21	2019-20
Bhumya Tea Company Private Limited	(i)	0.07	9.33
Ratanpur Land & Tea Estates Private Limited	(ii)	-	752.53
Bhumya Private Limited	(iii)	-	9,956.01
Ambootia Tea Exports Private Limited	(iv)	-	120.58
		0.07	10,838.45

Purchases

		(Rs. In Lakhs)	
		2020-21	2019-20
Bhumya Tea Company Private Limited	(i)	1,051.17	694.33
Ratanpur Land & Tea Estates Private Limited	(ii)	251.45	1,767.86
Ambootia Tea Exports Private Limited	(iii)	120.70	15.77
		1,423.32	2,477.96

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DARJEELING ORGANIC TEA ESTATES PRIVATE LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021****Rent**

		(Rs. In Lakhs)	
		2020-21	2019-20
Mr. Sanjay Prakash Bansal	(i)	0.90	77.13
Mrs. Reena Bansal	(ii)	4.50	21.60
Ambootia Tea Exports Private Limited	(iii)	115.46	45.00
		120.86	143.73

Provision for Doubtful Assets

		(Rs. In Lakhs)	
		2020-21	2019-20
Bhumya Private Limited	(i)	3,407.06	5,085.76
Bush Tea Company Private Limited	(ii)	-	1,663.62
Darjeeling Beverages Private Limited	(iii)	-	78.47
Dreamview Commodal Private Limited	(iv)	(1,636.73)	1,636.73
Ambootia Tea Exports Private Limited	(v)	1,687.46	-
Natural Hydro & Industrial Co-operative Society	(vi)	-	0.82
Parbat Hydro & Industrial Co-operative Society	(vii)	-	189.76
		3,457.79	8,655.16

Liabilities Written Back

		(Rs. In Lakhs)	
		2020-21	2019-20
Dreamview Commodal Private Limited	(i)	943.41	-
		943.41	-

Recovery of Doubtful Assets

		(Rs. In Lakhs)	
		2020-21	2019-20
Bhumya Private Limited	(i)	193.51	-
		193.51	-

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DARJEELING ORGANIC TEA ESTATES PRIVATE LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021**

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)	
		2020-21	2019-20
Salaries & Wages	(i)	167.89	540.72
Contribution to Provident & Other Funds *	(ii)	8.33	20.55
		<u>176.22</u>	<u>561.27</u>

*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.

(C) Balances as at year end are set out below:Other Current Liabilities

		(Rs. In Lakhs)	
		2020-21	2019-20
Sanjay Prakash Bansal	(i)	(9.44)	112.05
Reena Bansal	(ii)	63.03	42.25
Hrithik Bansal	(iii)	14.93	42.97
Anil Bansal	(iv)	2.78	4.55
Mr. Rembert Biemond		37.71	-
Rajan Singh	(v)	0.50	-
		<u>109.50</u>	<u>201.82</u>

Trade Payable

		(Rs. In Lakhs)	
		2020-21	2019-20
Sevoke Towers Private Limited	(i)	103.56	103.56
Ambootia Tea Exports Private Limited	(ii)	95.12	-
		<u>198.68</u>	<u>103.56</u>

Short Term Borrowings

		(Rs. In Lakhs)	
		2020-21	2019-20
Sanjay Prakash Bansal	(i)	98.50	98.50
Motilal Makhanlal Holding Private Limited	(ii)	6.98	6.98
Sampad Vikas Limited	(iii)	3.00	3.00
		<u>108.48</u>	<u>108.48</u>

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DARJEELING ORGANIC TEA ESTATES PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021

		(Rs. In Lakhs)	
		2020-21	2019-20
<u>Trade Receivable (net of provisions)</u>			
Ambootia Tea Exports Private Limited	(i)	-	126.61
		-	126.61
<u>Other Non Current Assets (net of provisions)</u>			
		2020-21	2019-20
Bhumya Tea Company Private Limited	(i)	142.14	160.63
		142.14	160.63
<u>Other Current Assets</u>			
		2020-21	2019-20
Ambootia Tea Exports Private Limited	(i)	82.76	84.18
Ratanpur Land & Tea Estates Private Limited	(ii)	55.92	165.46
		138.68	249.64

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)	
		2020-21	2019-20
Commitments for minimum lease payments in relation to non-cancellable leases as follows:			
Within one year		5.98	5.98
Later than one year but not later than five years		29.88	29.88
Later than five years		64.76	70.74

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DARJEELING ORGANIC TEA ESTATES PRIVATE LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021****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.
- (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, 2021

	Carrying Value	Fair Value	Level 1	Fair Value hierarchy Level 2	Level 3
(1) Financial Assets					
Financial Assets at amortised cost					
Trade Receivables	4,02,92,349	4,02,92,349	-	-	4,02,92,349
Other Financial assets excluding derivative financial instruments	25,89,192	25,89,192	-	-	25,89,192
Cash & cash equivalents	3,30,61,263	3,30,61,263	-	-	3,30,61,263
	<u>7,59,42,804</u>	<u>7,59,42,804</u>	-	-	<u>7,59,42,804</u>
(2) Financial Liability					
Financial Liabilities at amortised cost					
Borrowings from banks and financial institutions	3,14,52,27,923	3,14,52,27,923	-	-	3,14,52,27,923
Trade Payables	10,34,95,784	10,34,95,784	-	-	10,34,95,784
Other Financial liabilities excluding derivative	49,38,41,110	49,38,41,110	-	-	49,38,41,110
Total	<u>3,74,25,64,817</u>	<u>3,74,25,64,817</u>	-	-	<u>3,74,25,64,817</u>

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DARJEELING ORGANIC TEA ESTATES PRIVATE LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021****(3) Biological Assets other than Bearer Plants**

(Valued at Fair Value Less Cost to Sale)

Unharvested Tea Leaves

Total

2,21,81,099	2,21,81,099	-	2,21,81,099	-
2,21,81,099	2,21,81,099	-	2,21,81,099	-

(b) Description of significant unobservable inputs to valuation:**Financial Asset/ Liability**

Trade Receivables

Loans

Other Financial assets excluding derivative financial instruments

Borrowings from banks and financial institutions

Valuation Technique**Significant unobservable input**

ECL

Realisation pattern or past experience

DCF using EIR method

Discount rate

DCF using EIR method

Discount rate

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 2021 and 31st March 2020 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:

	2020-21 (+/-) 50 Basis Points	2019-20 (+/-) 50 Basis Points
Effect on profit before tax due to interest rate sensitivity (Rs. In Lakhs)	156.23	136.62

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DARJEELING ORGANIC TEA ESTATES PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021

(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, 2021, 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, 2021 & 31st March, 2020 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, company'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.

	(Rs in Lakhs)	
	As at 31st March, 2021	As at 31st March, 2020
Less than 6 months	366.44	5,135.28
More than 6 Months	10,208.11	4,712.80
Total	10,574.55	9,848.08

(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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DARJEELING ORGANIC TEA ESTATES PRIVATE LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021****(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)
31st March, 2021	Less than 1 year	1 to 5 years	> 5 years	Total
Borrowings				
Term Loans from Banks	9,542.85	-	-	9,542.85
Vehicle Loans	8.51	-	-	8.51
Cash credit from Banks (Renewable every year)	4,602.44	-	-	4,602.44
FCB	210.15	4,048.10	12,833.45	17,091.69
Others	108.48	-	-	108.48
Other Financial Liabilities other than current maturities of borrowings and lease obligation	1,034.96	-	-	1,034.96
	15,507.39	4,048.10	12,833.45	32,388.93

- (d) The impact of COVID-19 on the Company is being closely reviewed with the Management by the Board from time to time. The Company continued its operations adopting social distancing norms, ensuring utmost safety of employees at its gardens and other locations as per the directives given by the Central and State Government. However, dispatches were affected due to restriction on movement of finished products to the ports for exports towards the end of the financial year. The Company's products viz. Tea is meant for daily consumption in households and 'out-of-home' and the Management anticipates slowdown in some geographies in the short term especially in the 'out-of-home' consumption due to COVID-19 pandemic. The management is keeping a close watch on any likely impact of second wave of the pandemic, which has recently receded and the apprehended outbreak of third wave. The Board and the Management shall keep a continuous vigil to closely monitor the situation as it evolves and do its best to take all necessary measures, in the interest of all stakeholders of the Company.
- (e) Loan accounts with UCO bank became NPA in June 2019. Indian Bank (erstwhile Allahabad Bank) and State Bank of India have also slipped into NPA. The company had initiated discussions with the UCO 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, which is now in advance stages of approval. The same proposal has also been submitted with Indian Bank (erstwhile Allahabad Bank).

With reference to UCO banks petition to National Company Law Tribunal, Kolkata (NCLT) for admission into Corporate Insolvency Resolution Process under Insolvency and Bankruptcy Rules (Case reference C.P. (IB) No. 1382/KB/2020), on 28/10/2020 Company has initiated a Resolution proposal vide RBI circular no DBR.No.BP.BC.45/21.04.048/2018-19 dated 7th June, 2019. As per the RBI guide lines, the lender, UCO bank had appointed an Independent professional to conduct Techno Economic Viability (TEV) study report and the same has been submitted on 8th March, 2021. Further IDBI Capital Markets and Securities limited, one of the leading Investment banker and adviser has been appointed to complete the Information memorandum and the report has also been submitted by IDBI on 16th March, 2021. The Company also got RP4 rating from Care Ratings Limited on 24th June, 2021 indicating overall viability.

UCO bank being the lead banker among all lending banks of UCO, Indian bank (erstwhile Allahabad Bank) and SBI, had conducted two Joint Lenders meeting on 07/04/2021 and 02/06 2021 respectively and both UCO bank and Indian Bank has given the company "Holding on operation" to start transactions from their banks.

The management is confident that with lenders support and with the above positive developments, company's restructuring proposal will be accepted in due course and company will be able to restructure its bank loan and repay its all dues. Considering all these measures are under implementation, active consideration and company being fully operational, company's financial statement has been prepared on going concern basis.

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DARJEELING ORGANIC TEA ESTATES PRIVATE LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021****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, 2021	As at 31st March, 2020
Borrowings	31,343.80	27,466.11
Less: Current investments	-	-
Less: Cash and cash equivalents	330.61	125.76
(a) Net Debt	31,013.19	27,340.36
(b) Equity	(5,374.67)	1,877.18
(c) Equity and Net Debt (a+b)	25,638.51	29,217.54
Gearing Ratio (a/c)	1.21	0.94
B. Dividend		
(i) Equity Shares		
Final dividend	-	-
(ii) Compulsory Convertible Preference Shares		
Cumulative Dividend Accrued	-	-
(iii) Dividends not recognised at the end of the reporting period	-	-

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DARJEELING ORGANIC TEA ESTATES PRIVATE LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021****47 Earning per share (EPS)**

		2020-21	2019-20
(I) Basic			
(a) Face value of equity shares	Rs.	10.00	10.00
(b) Profit attributable to equity shareholders	Rs.	(83,52,72,032)	(3,81,39,75,132)
(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.	(25.42)	(116.09)
(II) Diluted			
(a) Face value of equity shares	Rs.	10.00	10.00
(b) Profit attributable to equity shareholders	Rs.	(83,52,72,032)	(3,81,39,75,132)
(c) Weighted average number of equity shares outstanding	Nos.	3,56,52,451	3,28,53,847
(d) Weighted average earning per share (basic and diluted)	Rs.	(23.43)	(116.09)

48 Assets Pledged as Security

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

Current

Trade Receivables
Inventories
Biological Assets

Total Current Assets Pledged as Security

Non Current

Property Plant & Equipments
Total Non Current Assets Pledged as Security

Total Assets Pledged as securities

	Rs. in Lakhs	
	As at 31st March, 2021	As at 31st March, 2020
Trade Receivables	402.92	273.39
Inventories	2,814.46	2,691.64
Biological Assets	221.81	-
Total Current Assets Pledged as Security	3,439.19	2,965.03
Property Plant & Equipments	38,119	41,887
Total Non Current Assets Pledged as Security	38,119	41,887
Total Assets Pledged as securities	41,558	44,852

49 Non-current assets held for sale

The Company, in financial year 2020-21, has entered into an agreement for transfer of lease rights in Nurbong Tea Estate which is subject to clearance from the banks. Also, the Company has entered into a tripartite agreement with D. K. Industries and Ratanpur Land & Tea Estates Pvt. Ltd., for the sale of ratanpur tea estate which is subject to approval from Revenue department of The Government of Assam.

Pursuant to the above, Property Plant & Equipments installed in the Nurbong Tea Estate and Ratanpur Tea Estate, have been reclassified from "Property, plant and equipment" to "Non-current assets held for sale" amounting to Rs 1587 Lacs and Rs 1620 Lacs respectively.

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

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For sake of better visibility, the unsigned version of Note 4 to Audited Financial Statement for the year ended 31.03.2021 is attached.

DARJEELING ORGANIC TEA ESTATES PRIVATE LIMITED

Notes to the financial statements for the year ended 31st March, 2021

04. Property Plant and Equipment

(In Rs.)

Description	Gross Block					Accumulated Depreciation /Amortisation					Impairment of Assets				Net Block		
	As at 01-04-2020	Addition during the year	Sales/ Disposals	Transfer to non-current assets held for sale (refer note 49)	As at 31-03-2021	As at 01-04-2020	For the Period	Sales/ Disposals	Transfer to non-current assets held for sale (refer note 49)	As at 31-03-2021	As at 01-04-2020	For the Period	Reversal during the Year	Transfer to non-current assets held for sale (refer note 49)	As at 31-03-2021	As at 31-03-2021	As at 31-03-2020
Freehold Land	1,43,74,87,931	49,254	-	24,01,05,985	1,19,74,31,200	-	-	-	-	-	59,48,17,430	-	-	14,39,31,465	45,08,85,965	74,65,45,235	84,26,70,501
Plantations/ Bearer Plants	4,34,52,43,798	6,35,166	-	35,49,65,916	3,99,09,13,049	23,52,78,880	2,61,31,960	-	2,29,85,002	23,84,25,839	2,63,74,44,113	-	-	23,34,16,652	2,40,40,27,461	1,34,84,59,749	1,47,25,20,804
Leasehold Land	2,68,99,24,518	8,83,095	-	22,08,00,012	2,47,00,07,601	-	-	-	-	-	1,72,91,69,641	-	-	16,29,80,254	1,56,61,89,387	90,38,18,214	96,07,54,878
Buildings	2,17,83,76,288	58,05,650	-	24,27,06,569	1,94,14,75,369	20,47,99,335	1,92,59,356	-	2,52,80,722	19,87,77,969	1,28,35,10,231	-	-	15,18,52,379	1,13,16,57,852	61,10,39,547	69,00,66,722
Plant and Equipments	61,21,22,908	22,10,528	29,88,077	1,17,88,074	59,95,57,286	16,50,26,732	1,53,89,219	12,89,042	29,40,659	17,61,86,250	23,56,81,488	-	11,95,771	66,11,260	22,78,74,457	19,54,96,578	21,14,14,688
Furniture and Fixtures	1,96,58,784	-	2,88,500	4,58,772	1,89,11,512	1,19,89,801	15,41,386	1,95,726	3,05,847	1,30,29,615	16,92,338	-	-	1,20,062	15,72,276	43,09,621	59,76,645
Vehicles	2,79,44,471	-	90,34,678	24,51,521	1,64,58,272	1,99,26,982	10,58,886	68,31,621	18,02,441	1,23,51,807	31,02,100	-	95,003	4,65,332	25,41,764	15,64,700	49,15,389
Computer	73,23,939	6,80,063	-	2,43,219	77,60,782	67,60,173	2,88,323	-	1,35,407	69,13,090	2,00,353	-	-	29,133	1,71,220	6,76,472	3,63,412
Total	11,31,80,82,638	1,02,63,756	1,23,11,255	1,07,35,20,068	10,24,25,15,070	64,37,81,904	6,36,69,132	83,16,389	5,34,50,077	64,56,84,570	6,48,56,17,696	-	12,90,774	69,94,06,537	5,78,49,20,384	3,81,19,10,116	4,18,86,83,038

04A. Intangible Assets

Description	Gross Block					Accumulated Depreciation /Amortisation					Impairment of Assets				Net Block		
	As at 01-04-2020	Addition during the year	Sales/ Disposals	Transfer to non-current assets held for sale (refer note 49)	As at 31-03-2021	As at 01-04-2020	For the Period	Sales/ Disposals	Transfer to non-current assets held for sale (refer note 49)	As at 31-03-2021	As at 01-04-2020	For the Period	Reversal during the Year	Transfer to non-current assets held for sale (refer note 49)	As at 31-03-2021	As at 31-03-2021	As at 31-03-2020
Computer Softwares	84,30,003	32,70,400	-	1,10,000	1,15,90,403	6,52,647	9,42,570	-	2,873	15,92,344	10,07,574	-	-	81,269	9,26,306	90,71,753	67,69,782
Total	84,30,003	32,70,400	-	1,10,000	1,15,90,403	6,52,647	9,42,570	-	2,873	15,92,344	10,07,574	-	-	81,269	9,26,306	90,71,753	67,69,782

05. Capital Work In Progress

Description	As at 01-04-2020	Addition during the year	Trf Adj. during the year	Transfer to non-current assets held for sale (refer note)	Capitalized during the year	As at 31-03-2021	As at 31-03-2020
Bearer Plants	6,35,166	-	-	-	6,35,166	-	6,35,166
Other Capital Work In Progress	53,84,642	45,58,381	-	-	58,54,904	40,88,118	53,84,642
Total	60,19,808	45,58,381	-	-	64,90,070	40,88,118	60,19,808

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	1,47,25,20,804	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	-	1,28,35,10,231	-	1,28,35,10,231	69,00,66,722	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	3,74,92,696	4,15,59,072	16,50,26,732	-	23,56,81,488	-	23,56,81,488	21,14,14,688	58,45,19,789
Furniture and Fixtures	1,96,58,784	-	-	1,96,58,784	93,16,489	26,73,312	-	1,19,89,801	-	16,92,338	-	16,92,338	59,76,645	1,03,42,295
Vehicles	2,92,85,719	-	13,41,248	2,79,44,471	1,74,55,328	31,75,065	7,03,410	1,99,26,982	-	31,02,100	-	31,02,100	49,15,389	1,18,30,391
Computer	73,58,938	-	34,999	73,23,939	58,46,506	9,45,446	31,779	67,60,173	-	2,00,353	-	2,00,353	3,63,412	15,12,431
Total	10,96,11,95,527	51,11,30,357	15,42,43,246	11,31,80,82,638	52,46,65,433	16,14,10,732	4,22,94,261	64,37,81,904	-	6,48,56,17,696	-	6,48,56,17,696	4,18,86,83,038	10,43,65,30,094

For sake of better visibility, the unsigned version of Note 4 to Audited Financial Statement for the year ended 31.03.2021 is attached.

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 Softwares	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	Capitalized during the year	As at 31-03-2020	As at 31-03-2019
Bearer Plants	40,23,85,556	6,35,166	-	40,23,85,556	6,35,166	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	60,19,808	-	49,42,69,592	60,19,808	49,42,69,592

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. During the year 19-20, the Company had done impairment of assets (after providing the depreciation) to the extent of Rs. 64866.25 Lakhs, 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 Purposes

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.

As on 31.03.2020, the Company had an amount of Rs. 39151.07 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 amortization expense' in Statement of Profit and Loss.
- A4. The title deeds of the immovable properties are held in the name of the Company except for Tea Estate Land and Factory at Jamguri & Ratanpur.
- A5. During the year 2020-21, the company has entered into a tripartite agreement with D. K. Industries and Ratanpur Land & Tea Estates Pvt. Ltd., for the sale of ratanpur tea estate which is subject to approval from Revenue department of The Government of Assam.
- A6. During the year 2020-21, the company has entered into an agreement for transfer of lease rights in Nurbong Tea Estate which is subject to clearance from the banks.