



## INDEPENDENT AUDITOR'S REPORT

To the Members of Durrung Tea Estate Limited

Report on the Audit of the Financial Statements

### Qualified Opinion

We have audited the accompanying Financial Statements of Durrung Tea Estate Limited (Formerly SPBP Tea India Limited) ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and Notes to the Financial Statements, including a summary of the significant accounting policies and other explanatory information (herein after referred to as "Financial Statements").

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 ("the Act") 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 31<sup>st</sup> March, 2020, its loss (including Other Comprehensive Income), changes in equity and its cash flows for the year ended on that date.

### Basis for Qualified Opinion

We like to draw your attention to the following:

*The Company has not provided liability on account of terminal benefits (gratuity) in accordance with Ind AS 19 "Employees Benefit" amounting to Rs. 291.83 Lakhs including Rs. 35.31 Lakhs for the current year, in the financial statements, which constitutes a departure from the Indian Accounting Standards prescribed in section 133 of the Act.*

*Accordingly, the outstanding amount of the provisions in the financial statements would have increased by Rs. 291.83 Lakhs as at March 31, 2020, and loss for the year and retained earnings under other equity would have increased by Rs. 35.31 Lakhs, and Rs. 291.83 Lakhs respectively.*

We conducted our audit of Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI")



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together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion on the Financial Statements.

### Emphasis of Matters

We draw attention to the following matters:

- i. The Company has not appointed a whole-time Company Secretary as required under the provisions of section 203 of the Companies Act, 2013.
- ii. Balances of Trade Receivables, Other Receivables, Advances, Trade Payables and Other Current Liabilities are subject to confirmation by the parties and include some old items pending reconciliation.

We also invite attention to Note No. 45 of the Financial Statements which describes the impact of COVID-19, a global pandemic, on the operations and financial matters of the Company.

Our opinion is not qualified in respect of these matters.

### Key Audit Matters

Key Audit matters are those matters that, in our professional judgment, were of most significance in our audit of financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the Basis for Qualified Opinion Section, we have determined the matters described below to be the key audit matters to be communicated in our report:

Sl No.	Key Audit Matters	Response To Key Audit Matters
1.	<b><u>Property, Plant and Equipment</u></b> There are areas where management judgment impacts the carrying value of property, plant and equipment, intangible assets and their respective depreciation rates. These include the decision to capitalise or expense costs; the annual asset	We assessed the controls in place over the fixed asset cycle, evaluated the appropriateness of capitalisation process, performed tests of details on costs capitalised, the timeliness of the capitalisation of the assets and the derecognition criteria for assets retired from active use. In performing these procedures, we reviewed





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<p>life review; the timeliness of the capitalisation of assets and the use of management assumptions and estimates for the determination or the measurement and recognition criteria for assets retired from active use. Due to the materiality in the context of the Balance Sheet of the Company and the level of judgment and estimates required, we consider this to be as area of significance.</p>	<p>the judgments made by management including the nature of underlying costs capitalised; determination of realizable value of the assets retired from active use; the appropriateness of asset lives applied in the calculation of depreciation; the useful lives of assets prescribed in Schedule II of the Act and the useful lives of certain assets as per the technical assessment. We observed that the management has regularly reviewed the aforesaid judgments and there are no material changes.</p>
<p>2. <b><u>Provisions and Contingent Liabilities</u></b></p> <p>The Company is involved in various taxes and other disputes for which final outcomes cannot be easily predicted and which could potentially result in significant liabilities. The assessment of the risks associated with the litigations is based on complex assumptions, which require the use of judgment and such judgments relates, primarily, to the assessment of the uncertainties connected to the prediction of the outcome of the proceedings and to the adequacy of the disclosures in the financial statements. Because of the judgments required, the materiality of such litigations and the complexity of the assessment process, the area was a key matter for our audit.</p>	<p>Our audit procedure in response to this key Audit Matter included, among others,</p> <ul style="list-style-type: none"> <li>• Assessment of the process and relevant controls implemented to identify legal and tax litigations, and pending administrative proceedings.</li> <li>• Assessment of assumptions used in the evaluation of potential legal and tax risks performed by the Company considering the legal precedence and other rulings in similar cases.</li> <li>• Inquiry by management regarding the status of the most significant disputes and inspection of the key relevant documentation.</li> <li>• Analysis of opinion received from the experts where available.</li> <li>• Review of the adequacy of the disclosures in the notes to the financial statements.</li> </ul>



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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis; Board's Report including Annexure to Board's Report, Business Responsibility Report, Corporate Governance and shareholder's information but does not include the financial statements and our Auditor's Report thereon.

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

In connection with our audit of the Financial Statements, our responsibility is to read the other information identified above when it become available and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained during the course of our audit, or otherwise appears to be materially misstated.

If, we conclude, based on the work we have performed, on the other information obtained prior to the date of this Auditor's Report, that there is a material misstatement of this other information; we are required to report that fact. However, we have nothing to report in this regard.

### **Responsibilities of Management and Those Charged With Governance for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance, including total comprehensive income, changes in equity and cash flows of the Company in accordance with Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management





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either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

- identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the 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



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Auditor's Report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

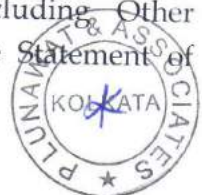
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 financial statements of the current period and are therefore the key audit matters. 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.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
  - a) we have sought and obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;
  - b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) the Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of





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Changes in Equity dealt with by this Report are in agreement with the books of account;

- d) *subject to the matter specified in qualified opinion section of our report*, in our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 as amended;
- e) on the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2020 and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
- f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B";
- g) with respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act. The Company has complied with the provision of section 197 read with Schedule V to the Act, relating to Managerial Remuneration; and
- h) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. the Company has disclosed the impact of pending litigations on its financial position in its Financial Statements. Refer Note 38 to the Financial Statements;
  - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
  - iii. there were no amounts due which were required to be transferred to the Investor Education and Protection Fund by the Company.

For P LUNAWAT & ASSOCIATES  
Chartered Accountants

Firm Registration No.: 328946E



*P LUNAWAT*

(PANKAJ LUNAWAT)

Proprietor

Membership No.: 067104

UDIN: 20067104AAAA25029

Place: Kolkata

Date: 19<sup>th</sup> August, 2020

# P LUNAWAT & ASSOCIATES

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### Annexure - A to the Independent Auditor's Report

Referred to in paragraph-1 on other Legal and Regulatory Requirements of our Report of even date to the members of Durrung Tea Estate Limited [Formerly SPBP Tea (India) Limited] on the Financial Statements for the year ended 31<sup>st</sup> March, 2020:

- i. a) The Company has maintained proper records showing full particulars including quantitative details and situation of its Fixed Assets.
- b) As explained to us, the Fixed Assets have been physically verified by the management at reasonable intervals and as informed to us no material discrepancies were noticed on such verification.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Title Deeds of immovable properties are held in the name of the Company.
- ii. As informed to us, the physical verification of inventory could not been conducted by the management during the year, hence we are unable to comment on the material difference and book value of inventory and its book adjustments. (Note 8 (c) of the Financial Statements.)
- iii. According to the information and explanations given to us, the Company has not granted any loan, secured or unsecured, to companies, firms, limited liability partnership or other parties covered in the register maintained under Section 189 of the Act. Accordingly, clause 3(iii)(a), (b) and (c) of the Order are not applicable.
- iv. According to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of investments made.
- v. According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of sections 73 to 76 of the Act and the Rules framed thereunder to the extent notified, except from the following:

A customer from whom Rs. 12,960/- received as an advance for the supply of goods is outstanding for a period of more than three hundred and sixty five days from the date of acceptance of such advance.
- vi. According to the information and explanations given to us, the Company is not required to maintain cost records as specified by the Central Government under Sub section 1 of Section 148 of the Act. Accordingly, clause 3(vi) of the Order is not applicable.





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- vii. a) According to the information and explanations given to us and on the basis of our examination of the records, the Company is generally regular in depositing undisputed applicable statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Custom Duty, Goods and Services Tax, Cess and any other statutory dues to the appropriate authorities and there are no undisputed amount payable in respect of the same which were in arrears as on 31<sup>st</sup> March, 2020 for a period of more than six months from the date the same became payable, except the following:

Name of the statute	Nature of the dues	Amount (Rs.)	Period to which the amount relates	Due Date	Date of Payment
Assam Agricultural Income Tax Act, 1939	Green Leaf Cess	3,50,313	July 2018 - September 2018	15 <sup>th</sup> October, 2018	Not yet paid

- b) According to the information and explanations given to us, the Company has not deposited the following dues on account of dispute with the appropriate authority:

Name of the Statue	Nature of Dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending	Remarks
Income Tax Act, 1961	Income Tax	17,64,919	A.Y. 2016-17	CIT Appeals	Date of filing of appeal - 25/05/2019
Income Tax Act, 1961	Income Tax	9,84,230	A.Y. 2018-19	NA	

- viii. According to the information and explanations given to us, the Company has not taken any loan from Bank or Financial Institution during the year. The Company has also not defaulted in repayment of dues to Tea Board of India (Government) during the year which has been availed in the Financial Year 2009-10.
- ix. According to the information and explanations given to us and based on our examination of the books and records, we report that the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loan during the year. Accordingly, clause 3(ix) of the Order is not applicable.



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- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit nor we have been informed of any such cases by the management.
- xi. According to the information and explanations given to us and based on our examination of the books and records, we report that the Company has paid or provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, Clause 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 books and records, 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 Financial Statements as required by the applicable Accounting Standards.
- xiv. According to the information and explanations given to us and based on our examination of the books and records, we report that the Company has not made any preferential allotment/private placement of shares or fully or partly convertible debentures during the year. Accordingly, Clause 3(xiv) of the Order is not applicable.
- xv. According to the information and explanations given to us and based on our examination of the books and records, the Company has not entered into any non-cash transactions with directors or persons connected with them during the year. Accordingly, Clause 3 (xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, Clause 3 (xvi) of the Order is not applicable.

For P LUNAWAT & ASSOCIATES  
Chartered Accountants  
Firm Registration No.: 328946E



*P LUNAWAT*

(PANKAJ LUNAWAT)  
Proprietor

Membership No. 067104

UDIN: 20063104AAAAA25029

Place: Kolkata

Date: 19<sup>th</sup> August, 2020



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### **Annexure - B to the Independent Auditor's Report**

(Referred to in paragraph-2(f) on Other Legal and Regulatory Requirements of our Report of even date to the members of Durrung Tea Estate Limited [Formerly SPBP Tea (India) Limited] on the Financial Statements for the year ended 31<sup>st</sup> March, 2020)

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Durrung Tea Estate Limited [Formerly SPBP Tea (India) Limited] ("the Company") as of 31<sup>st</sup> March, 2020 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, issued by



# **P LUNAWAT & ASSOCIATES**

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the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.





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### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **P LUNAWAT & ASSOCIATES**  
**Chartered Accountants**  
**Firm Registration No.: 328946E**



*P LUNAWAT*

**(PANKAJ LUNAWAT)**  
**Proprietor**

Membership No. 067104

UDIN: 20067104AAAAA25029

**Place:** Kolkata

**Date:** 19<sup>th</sup> August, 2020

**DURRUNG TEA ESTATE LIMITED**  
**[FORMERLY SPBP TEA (INDIA) LIMITED]**  
**BALANCE SHEET AS AT 31ST MARCH 2020**

		<i>Rs. in Lakhs</i>	
	Note No	As at 31st March, 2020	As at 31st March, 2019
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Property, Plant and Equipment	3a	885.69	892.47
(b) Goodwill	3b	22.53	22.53
(c) Other Intangible Assets	3b	1.33	1.90
(d) Financial Assets			
(i) Investments	4	2.77	9.32
(ii) Other Financial Assets	5	23.89	23.89
(e) Deferred Tax Asset (Net)	6	10.36	10.57
(f) Other Non-Current Assets	7	3.28	3.28
<b>Total Non - Current Assets</b>	<b>(A)</b>	<b>949.85</b>	<b>963.96</b>
<b>Current Assets</b>			
(a) Inventories	8	201.74	206.26
(b) Biological Assets other than Bearer Plants	9	-	3.33
(c) Financial Assets			
(i) Trade Receivables	10	29.34	8.79
(ii) Cash and Cash Equivalents	11	38.70	0.61
(iii) Other Financial Assets	12	597.30	536.44
(d) Current Tax Assets (Net)	13	27.49	20.40
(e) Other Current Assets	14	86.24	97.81
<b>Total Current Assets</b>	<b>(B)</b>	<b>980.81</b>	<b>873.64</b>
<b>Total Assets</b>	<b>(A+B)</b>	<b>1,930.66</b>	<b>1,837.60</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	15	93.72	93.72
(b) Other Equity	16	96.97	151.61
<b>Total Equity</b>	<b>(C)</b>	<b>190.69</b>	<b>245.33</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
(a) Financial Liabilities			
Borrowings	17	19.60	28.48
<b>Total Non- Current Liabilities</b>	<b>(D)</b>	<b>19.60</b>	<b>28.48</b>
<b>Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	18	1,429.70	1,238.31
(ii) Trade Payables	19		
Total outstanding dues of Micro and Small Enterprises		-	-
Total outstanding dues of creditors other than Micro and Small Enterprises		92.27	147.40
(iii) Other Financial Liabilities	20	56.23	83.99
(b) Other Current Liabilities	21	105.46	55.44
(c) Provisions	22	36.71	38.65
<b>Total Current Liabilities</b>	<b>(E)</b>	<b>1,720.37</b>	<b>1,563.79</b>
<b>Total Equity and Liabilities</b>	<b>(C+D+E)</b>	<b>1,930.66</b>	<b>1,837.60</b>

Significant Accounting Policies and Critical Estimates & Judgements 1 & 2

The accompanying notes 1 to 45 form an integral part of the financial statements

As per our report annexed  
For P Lunawat & Associates  
Chartered Accountants  
Firm Regn. No.: 328946E

*Pankaj Lunawat*

(Pankaj Lunawat)  
Proprietor  
Membership No.: 067104

Place: Kolkata  
Date: 19th August, 2020

UDIN: 20067104 AAAA Z5029



For and on behalf of the Board

*Mrityunjay Jalan*  
Mrityunjay Jalan  
Managing Director  
DIN : 07259366

*Avantika Jalan*  
Avantika Jalan  
Director  
DIN : 03333925

*D. Maheshwari*  
D. Maheshwari  
Chief Financial Officer



**DURRUNG TEA ESTATE LIMITED**  
**[FORMERLY SPBP TEA (INDIA) LIMITED]**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2020**

		<i>Rs. in Lakhs</i>	
	Notes	For the year ended 31st March, 2020 Rs.	For the year ended 31st March, 2019 Rs.
<b>I Income:</b>			
Revenue from Operations	23	1,340.83	1,379.06
Other Income	24	2.51	2.15
<b>Total Revenue</b>		<b>1,343.34</b>	<b>1,381.21</b>
<b>II Expenses:</b>			
Cost of Raw Materials Consumed	25	1.41	4.91
Changes in Inventories of Finished Goods	26	13.07	18.33
Employee Benefits Expense	27	852.92	881.04
Finance Costs	28	43.16	53.63
Depreciation and Amortization Expense	3	60.19	60.70
Other Expenses	29	420.42	399.12
<b>Total Expenses</b>		<b>1,391.17</b>	<b>1,417.73</b>
<b>III Profit/ (Loss) before tax (I-II)</b>		<b>(47.83)</b>	<b>(36.52)</b>
<b>IV Tax Expense</b>			
Current tax		-	-
For earlier years		0.04	-
Mat Credit Entitlement		-	-
Deferred Tax		0.22	17.22
<b>V Profit/ (Loss) for the year (III-IV)</b>		<b>(48.09)</b>	<b>(53.74)</b>
<b>Other Comprehensive Income</b>			
<i>Item that will not be reclassified to profit or loss</i>			
Remeasurement of define benefit plan liability / assets		-	-
Change in fair value of FVTOCI Equity Instrument		(6.55)	(11.70)
Income Tax on above			
<b>Other Comprehensive Income (net of Tax)</b>		<b>(6.55)</b>	<b>(11.70)</b>
<b>Total Comprehensive Income for the year (comprising Profit/(Loss) and Other Comprehensive Income for the year)</b>			
		<b>(54.64)</b>	<b>(65.44)</b>
<b>Earnings per Equity Share (Nominal value Rs. 10/- each)</b>			
Basic		(5.13)	(5.73)
Diluted		(5.13)	(5.73)
(Also Refer Note No. 37)			

**Significant Accounting Policies and Critical Estimates & Judgements 1 & 2**

The accompanying notes 1 to 45 form an integral part of the financial statements

As per our report annexed  
For P Lunawat & Associates  
Chartered Accountants  
Firm Regn. No.: 328946E

*P Lunawat*

(Pankaj Lunawat)  
Proprietor  
Membership No.: 067104

Place: Kolkata  
Date: 19th August, 2020

UDIN: 20069104 AAAA 25319



For and on behalf of the Board

*Mrityunjay Jalan*  
Mrityunjay Jalan  
Managing Director  
DIN : 07259366

*Avantika Jalan*  
Avantika Jalan  
Director  
DIN : 03333925

*D. Maheshwari*  
D. Maheshwari  
Chief Financial Officer

**DURRUNG TEA ESTATE LIMITED**  
**[FORMERLY SPBP TEA (INDIA) LIMITED]**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020**

	For the year ended 31st March, 2020		For the year ended 31st March, 2019	
	Rs.	Rs.	Rs.	Rs.
<b>A. Cash Flow from Operating Activities :</b>				
Net Profit/(Loss) before tax		(47.83)		(36.52)
<b>Adjustments for :</b>				
Depreciation and Amortisation Expense	60.19		60.70	
Interest Charged	43.16		53.63	
Liabilities Written Back	(2.43)		(0.08)	
Changes in fair value of Biological Assets	3.33		0.93	
Loss of sale of Fixed assets	-		6.14	
Interest Income	(0.08)	104.17	(2.04)	119.28
<b>Operating Profit/(Loss) before Working Capital Changes</b>		<b>56.34</b>		<b>82.76</b>
<b>Adjustments For Changes In Working Capital :</b>				
Trade & Other Receivables	(69.85)		(329.49)	
Inventories	4.52		60.21	
Trade & Other Payables	(32.38)	(97.71)	45.47	(223.81)
<b>Net Cash Flow/(Outflow) Before Tax</b>		<b>(41.37)</b>		<b>(141.05)</b>
Tax Refund / (Paid)		(7.12)		(0.20)
<b>Net Cash Inflow/(Outflow) from Operating Activities (A)</b>		<b>(48.49)</b>		<b>(141.25)</b>
<b>B. Cash Flow from Investing Activities</b>				
Purchase of Plant and Machinery and Vehicles		(52.84)		(51.14)
Sales proceeds from Vehicles		-		7.00
Interest Received		0.08		2.04
<b>Net Cash Inflow/(Outflow) Investing Activities (B)</b>		<b>(52.76)</b>		<b>(42.10)</b>
<b>C. Cash Flow from Financial Activities :</b>				
Repayment of long term Borrowings		(8.88)		(8.87)
Proceeds from Long Term Borrowings		191.39		228.89
Finance cost Paid		(43.16)		(53.63)
<b>Net Cash Inflow/(Outflow) Financing Activities (C)</b>		<b>139.34</b>		<b>166.39</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents (A + B + C)</b>		<b>38.09</b>		<b>(16.96)</b>
<b>Cash &amp; Cash Equivalents Opening Balance</b>		<b>0.61</b>		<b>17.57</b>
<b>Cash &amp; Cash Equivalents Closing Balance</b>		<b>38.70</b>		<b>0.61</b>
<b>Cash &amp; Cash Equivalents consists of :</b>				
Cash in hand		28.98		0.08
Balances with Bank		9.72		0.53
		<b>38.70</b>		<b>0.61</b>

NOTE : Figures in bracket represent outflow.

(a) The above Cash Flow Statement should be read in conjunction with the accompanying notes.

(b) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Ind AS - 7 on Statement of Cash Flows.

(c) Previous years figures have been regrouped/rearranged wherever found necessary.

This is the Cash Flow Statement referred to in our Report of even date  
For P Lunawat & Associates  
Chartered Accountants  
Firm Regn. No.: 328946E

Pankaj Lunawat  
Proprietor  
Membership No.: 067104

Place: Kolkata  
Date: 19th August, 2020

UDIN: 20063104AAAAA25029



For and on behalf of the Board

*Mritunjay Jalan*  
Mritunjay Jalan  
Managing Director  
DIN : 07259366

*Avantika Jalan*  
Avantika Jalan  
Director  
DIN : 03333925

*D. Maheshwari*  
D. Maheshwari  
Chief Financial Officer



NOTE - 3a  
PROPERTY, PLANT AND EQUIPMENT

DURRUNG TEA ESTATE LIMITED  
[FORMERLY SPBP TEA (INDIA) LIMITED]  
Notes forming part of the financial statements for the year ended 31st March, 2020

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 31st March, 2019	Additions*	Disposal/ Adjustments	As at 31st March, 2020	Upto 31st March, 2019	For the Year	On Disposals/ Adjustments	As at 31st March, 2020	As at 31st March, 2020	As at 31st March, 2019
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
i) Tangible Assets										
Bearer Plant	412.79	16.27	-	429.06	16.46	5.16	-	21.62	407.47	396.36
Buildings	130.78	7.50	-	138.28	6.31	2.25	-	8.56	129.72	124.47
Plant and Machineries	475.88	19.38	-	495.26	118.55	44.23	-	162.78	332.48	357.33
Furniture and Fixtures	12.38	2.43	-	14.81	5.26	1.96	-	7.22	7.59	7.12
Vehicles	25.72	6.89	-	32.61	19.91	5.48	-	25.39	7.22	5.80
Computers	4.07	0.37	-	4.44	2.69	0.54	-	3.23	1.21	1.38
Total	1,061.62	52.84	-	1,114.46	169.18	59.62	-	228.80	885.69	892.47

Note - 3b

INTANGIBLE ASSETS

i) Goodwill	22.53	-	-	22.53	-	-	-	-	22.53	22.53
ii) Other Intangible Assets										
Software	3.61	-	-	3.61	1.71	0.57	-	2.28	1.33	1.90
Total	3.61	-	-	3.61	1.71	0.57	-	2.28	1.33	1.90
Total	1,087.76	52.84	-	1,140.60	170.89	60.19	-	231.08	909.55	916.90

\* Cost incurred is as per Certificate of the Management.



**DURRUNG TEA ESTATE LIMITED**

Notes forming part of the financial statements for the year ended 31st March, 2020

**Statement of Change in Equity**

*Rs. in Lakhs*

**A Equity Share Capital**

Particulars	No. of Shares	Balance at the beginning of the reporting year	Change in equity Share Capital during the year	Balance at the end of the reporting year
Balance as at March 31, 2020	937,200	93.72	-	93.72

**B Other Equity**

Particulars	Other Reserves		Reserve and Surplus		Total
	Capital Reserve	FVOCI Equity Instruments	General Reserve	Retained Earnings	
Balances as at 1st April, 2019	28.32	(12.44)	169.77	(34.04)	151.61
Profit/(Loss) for the year	-	-	-	(48.09)	(48.09)
Other Comprehensive Income	-	(6.55)	-	-	(6.55)
Balances as at 31st March, 2020	28.32	(18.99)	169.77	(82.13)	96.97

As per our report annexed  
For P Lunawat & Associates  
Chartered Accountants  
Firm Regn. No.: 328946E

*P Lunawat*

(Pankaj Lunawat)  
Proprietor  
Membership No.: 067104

Place: Kolkata  
Date: 19th August, 2020

UDIN : 20060164AAA AA 25224



For and on behalf of the Board

*Mrityunjay Jalan*  
Mrityunjay Jalan  
Managing Director  
DIN : 07259366

*Avantika Jalan*  
Avantika Jalan  
Director  
DIN : 03333925

*D. Maheshwari*  
D. Maheshwari  
Chief Financial Officer



(Previous Year)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 31st March, 2018	Additions*	Disposal/ Adjustments	As at 31st March, 2019	As at 31st March, 2018	For the Year	On Disposals/ Adjustments	As at 31st March, 2019	As at 31st March, 2019	As at 31st March, 2018
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
i) Tangible Assets										
Bearer Plant	386.58	26.21	-	412.79	11.63	4.83	-	16.46	396.36	374.95
Buildings	127.20	3.58	-	130.78	4.13	2.18	-	6.31	124.47	123.07
Plant and Machineries	475.67	19.41	19.20	475.88	83.02	43.64	8.11	118.55	357.33	392.65
Furniture and Fixtures	10.81	1.57	-	12.38	3.48	1.78	-	5.26	7.12	7.33
Vehicles	34.05	-	8.33	25.72	19.29	6.90	-	19.91	5.81	14.76
Computers	3.70	0.37	-	4.07	1.89	0.80	-	2.69	1.38	1.81
Total	1,038.01	51.14	27.53	1,061.62	123.44	60.13	14.39	169.18	892.47	914.57

Note - 3b

INTANGIBLE ASSETS

i) Goodwill	22.53	-	-	22.53	-	-	-	-	22.53	22.53
ii) Other Intangible Assets										
Software	3.61	-	-	3.61	1.14	0.57	-	1.71	1.90	2.47
Total	3.61	-	-	3.61	1.14	0.57	-	1.71	1.90	2.47
Total	1,064.15	51.14	27.53	1,087.77	124.58	60.70	14.39	170.89	916.91	939.57

\* Cost incurred is as per Certificate of the Management.



**DURRUNG TEA ESTATE LIMITED**  
**[FORMERLY SPBP TEA (INDIA) LIMITED]**  
Notes forming part of the financial statements for the year ended 31st March, 2020

Rs. in Lakhs

	As at 31st March, 2020	As at 31st March, 2019
<b>NOTE - 4</b>		
<b>NON-CURRENT INVESTMENTS</b>		
Equity Investments Designated at FVOCI		
Investments in Equity Instruments - Others		
Unquoted		
24,000 (31st March, 2019: 24,000) Equity Shares of Rs 10 each fully paid up in Wearit Global Limited*	2.77	9.32
Total Carrying Value	2.77	9.32
Aggregate amount of unquoted investments	2.77	9.32
Aggregate amount of impairment in the value of investments	-	-
* Fair value based on Financial Statements of FY 2018-19		
<b>NOTE - 5</b>		
<b>OTHER NON-CURRENT FINANCIAL ASSETS</b>		
(Unsecured, considered good by the management)		
Security and Other Deposits		
Tea Board Default Reserve Fund*		
For Principal (Refer Note Below A)	2.22	2.22
For Interest (Refer Note Below B)	1.78	1.78
NABARD Deposit**	0.02	0.02
Assam Electricity Board (Interest Bearing)**	19.87	19.87
	23.89	23.89
* A. Pre payment of loan taken from Tea Board is 25% of installment amount which will be adjusted against last payment.		
i) Loan I Installment amount Rs 4,67,816/- Against deposit Rs 1,16,954/-		
ii) Loan II Installment amount Rs 2,33,908/- Against deposit Rs 58,477/-		
iii) Loan III Installment amount Rs 1,88,458/- Against deposit Rs 46,365/-		
B Amount represents repayment interest which will be adjusted against last payment.		
**Balance lying with NABARD & Assam State Electricity Board as confirmed by the management		
<b>NOTE - 6</b>		
<b>DEFERRED TAX ASSETS (Net)</b>		
Deferred Tax Asset	2.33	2.54
Mat Credit Entitlement Account	8.03	8.03
Total	10.36	10.57
<b>NOTE - 7</b>		
<b>OTHER NON-CURRENT ASSETS</b>		
(Unsecured, considered good by management)		
Government Authorities	0.23	0.23
Other Deposits (as confirmed by the management)	3.05	3.05
	3.28	3.28
<b>NOTE - 8</b>		
<b>INVENTORIES</b>		
(As taken, valued and certified by the management)		
a) Raw Material (Green Leaves-At Fair Market Value)		0.88
b) Finished Goods (At lower of cost and net realisable value)		
Tea	18.65	31.72
c) Stores and Spare Parts (At cost)*	183.09	173.66
*Stock includes Rs 1,30,85,915/- for which confirmation is pending from management		
	201.74	206.26
<b>NOTE - 9</b>		
<b>BIOLOGICAL ASSETS OTHER THAN BEARER PLANTS</b>		
(As taken, valued and certified by the management)		
Fair Value of Biological Assets Other than Bearer Plants (Tea Leaves ready to be Plucked)		3.33
		3.33





**DURRUNG TEA ESTATE LIMITED**  
**[FORMERLY SPBP TEA (INDIA) LIMITED]**

Notes forming part of the financial statements for the year ended 31st March, 2020

Rs. in Lakhs

**NOTE - 10**  
**TRADE RECEIVABLES**

Trade receivables considered good -Unsecured

As at 31st March, 2020	As at 31st March, 2019
29.34	8.79
<u>29.34</u>	<u>8.79</u>

**NOTE - 11**  
**CASH AND CASH EQUIVALENTS**

Balances with Scheduled Banks  
In Current Accounts  
Cash in hand (As certified by the management)  
Tax deducted at Source on withdrawal of Cash Rs. 7,16,241/-  
(Previous Year Nil)

9.72	0.53
28.98	0.08
<u>38.70</u>	<u>0.61</u>

**NOTE - 12**  
**OTHER CURRENT FINANCIAL ASSETS**  
(Unsecured, considered good by the management)

Land Revenue Receivable \*  
Interest Receivable  
Advances to Body Corporate (as confirmed by management)  
- From Related Parties (Note 35)  
- From Others

1.18	1.18
2.22	2.22
60.86	-
533.04	533.04
<u>597.30</u>	<u>536.44</u>

\* Amount paid due to enhancement in the rate of land revenue and against which a case is pending with Guwahati High Court.

**NOTE-13**  
**CURRENT TAX ASSETS ( NET)**

Advance payment of Income Tax\*  
Net of provisions of Rs.8,06,630/- (Previous Year Rs. 8,06,630/-)

27.49	20.40
<u>27.49</u>	<u>20.40</u>

**NOTE - 14**  
**OTHER CURRENT ASSETS**  
(Unsecured, considered good by the management)

Subsidy Receivable  
Advance to Suppliers  
Advance to Employees  
Advance to Contractors  
Prepaid Expenses  
Balances with Statutory Authorities  
Other Receivables

61.01	71.25
6.35	12.27
3.54	3.54
2.75	4.26
0.75	0.36
7.73	2.09
4.11	4.04
<u>86.24</u>	<u>97.81</u>



**DURRUNG TEA ESTATE LIMITED**  
**[FORMERLY SPBP TEA (INDIA) LIMITED]**  
**Notes forming part of the financial statements for the year ended 31st March, 2020**

*Rs. in Lakhs*

**NOTE - 15**

**EQUITY SHARE CAPITAL**

	As at 31st March, 2020	As at 31st March, 2019
a) Authorised		
10,00,000 Equity Shares of Rs. 10/- each	100.00	100.00
b) Issued, Subscribed and Paid Up		
9,37,200 (31.03.2019: 9,37,200) Equity Shares of Rs. 10/- each fully Paid Up	93.72	93.72
	<u>93.72</u>	<u>93.72</u>

c) Reconciliation of the Shares outstanding at the beginning and at the end of the year

	As at 31st March, 2020			
			No of Share	Amount
At the beginning of the reporting year	937,200	93.72	937,200	93.72
Add: Change during the year	-	-	-	-
At the end of the reporting year	<u>937,200</u>	<u>93.72</u>	<u>937,200</u>	<u>93.72</u>

- d) The shareholders have the right to declare and approve dividends, as proposed by the Board of Directors for any financial year, to be paid to the members according to their rights and interest in the profits. However, no larger dividend shall be declared than is recommended by the Board of Directors.
- e) Each holder of Equity Shares is entitled to one vote per share.
- f) In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity Shares held by the shareholders.

g) Details of the Shareholders holding more than 5 % Shares in the Company

Name of Shareholders	As at 31st March, 2020		As at 31st March, 2019	
	No. of shares held	% of Holding	No. of shares held	% of Holding
Mr. Mahadeo Jalan	58,000	6.19	58,000	6.19
Mrs. Sarala Jalan	67,000	7.15	67,000	7.15
Mrs. Kumkum Jalan	100,000	10.67	100,000	10.67
Jalans Investments Private Limited	163,388	17.43	163,388	17.43
Narsingdass Surajmal Properties Private Limited	169,627	18.10	169,627	18.10
Jalan Industries Private Limited	175,290	18.70	175,290	18.70
Jalan Holdings Private Limited	192,550	20.55	192,550	20.55

As per records of the Company, including its register of shareholders/ members and other declaration received from the shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.





**DURRUNG TEA ESTATE LIMITED**  
**[FORMERLY SPBP TEA (INDIA) LIMITED]**

Notes forming part of the financial statements for the year ended 31st March, 2020

Rs. in Lakhs

**NOTE - 15**

**EQUITY SHARE CAPITAL**

	As at 31st March, 2020	As at 31st March, 2019
a) <b>Authorised</b>		
10,00,000 Equity Shares of Rs. 10/- each	100.00	100.00
b) <b>Issued, Subscribed and Paid Up</b>		
9,37,200 (31.03.2019: 9,37,200) Equity Shares of Rs. 10/- each fully Paid Up	93.72	93.72
	<u>93.72</u>	<u>93.72</u>

c) Reconciliation of the Shares outstanding at the beginning and at the end of the year

	As at 31st March, 2020			
			No of Share	Amount
At the beginning of the reporting year	937,200	93.72	937,200	93.72
Add: Change during the year	-	-	-	-
At the end of the reporting year	<u>937,200</u>	<u>93.72</u>	<u>937,200</u>	<u>93.72</u>

d) The shareholders have the right to declare and approve dividends, as proposed by the Board of Directors for any financial year, to be paid to the members according to their rights and interest in the profits. However, no larger dividend shall be declared than is recommended by the Board of Directors.

e) Each holder of Equity Shares is entitled to one vote per share.

f) In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity Shares held by the shareholders.

g) Details of the Shareholders holding more than 5 % Shares in the Company

Name of Shareholders	As at 31st March, 2020		As at 31st March, 2019	
	No. of shares held	% of Holding	No. of shares held	% of Holding
Mr. Mahadeo Jalan	58,000	6.19	58,000	6.19
Mrs. Sarala Jalan	67,000	7.15	67,000	7.15
Mrs. Kumkum Jalan	100,000	10.67	100,000	10.67
Jalans Investments Private Limited	163,388	17.43	163,388	17.43
Narsingdass Surajmal Properties Private Limited	169,627	18.10	169,627	18.10
Jalan Industries Private Limited	175,290	18.70	175,290	18.70
Jalan Holdings Private Limited	192,550	20.55	192,550	20.55

As per records of the Company, including its register of shareholders/ members and other declaration received from the shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.



**DURRUNG TEA ESTATE LIMITED**  
**[FORMERLY SPBP TEA (INDIA) LIMITED]**

Notes forming part of the financial statements for the year ended 31st March, 2020

	<i>Rs. in Lakhs</i>	
	As at 31st March, 2020	As at 31st March, 2019
<b>NOTE - 16</b>		
<b>OTHER EQUITY</b>		
Reserve and Surplus		
a) General Reserve		
As per last Financial Statement	169.77	169.77
b) Retained Earnings		
As per last Financial Statement	(34.04)	19.70
Add: Profit/ (Loss) for the period as per the Statement of Profit and Loss	(48.09)	(53.74)
	<u>(82.13)</u>	<u>(34.04)</u>
	<u>87.64</u>	<u>135.73</u>
Other Reserves		
a) Capital Reserve		
As per last Financial Statement	28.32	28.32
b) Other Comprehensive Income on Equity Instrument		
As per last Financial Statement	(12.44)	(0.74)
Add: Changes in Fair Value of Equity Instruments	(6.55)	(11.70)
	<u>(18.99)</u>	<u>(12.44)</u>
	<u>96.97</u>	<u>151.61</u>

**NOTE - 17**

**NON- CURRENT BORROWINGS**

**SECURED**

a) Term Loans

From Tea Board under SPTF Scheme [Refer Note 17(b)]

(i) Loan I [Refer Note 17(c)]	14.03	18.71
Less: Repayable within one year	4.68	4.68
	<u>9.35</u>	<u>14.03</u>
(ii) Loan II [Refer Note 17(d)]	7.02	9.35
Less: Repayable within one year	2.34	2.34
	<u>4.68</u>	<u>7.01</u>
(iii) Loan III [Refer Note 17(e)]	7.42	9.29
Less: Repayable within one year	1.85	1.85
	<u>5.57</u>	<u>7.44</u>
	<u>19.60</u>	<u>28.48</u>

- b) Loans from Tea Board under Special Purpose Tea Fund (SPTF) Scheme are secured by Second charge by way of Equitable Mortgage of the Immovable property and hypothecation of stock (tea crops). The loan has a moratorium period of five years from the date of disbursement. It is repayable in sixteen equal half yearly installments commencing from the sixth year.
- c) Balance of loan amounting to Rs. 18,71,261/- is repayable in nine equal half yearly installments of Rs. 2,33,908/- each from 30th June, 2019 and ending on 31st December, 2022.
- d) Balance of loan amounting to Rs. 9,35,630/- is repayable in eight equal half yearly installments of Rs. 1,16,954/- each from 30th November, 2019 and ending on 30th May, 2022.
- e) Balance of loan amounting to Rs. 9,27,292/- is repayable in ten equal half yearly installments of Rs. 92,729/- each from 31st August, 2019 and ending 28th February, 2023.





**DURRUNG TEA ESTATE LIMITED**  
**[FORMERLY SPBP TEA (INDIA) LIMITED]**  
Notes forming part of the financial statements for the year ended 31st March, 2020

Rs. in Lakhs

**NOTE - 18**

**CURRENT- BORROWINGS**

**SECURED**

Cash Credit

From United Bank of India [Refer Note Below]\*

488.97

-

**UNSECURED**

Loans

From a Director [Refer Note 35] (Non-Interest Bearing)\*\*

5.95

3.50

From a Shareholder [Refer Note 35] (Non-Interest Bearing)\*\*

-

20.00

From Body Corporates

-From Related Parties [Refer Note 35] (Non-Interest Bearing)

931.53

1,211.56

-From other (Non-Interest Bearing)

3.25

3.25

**1,429.70**

**1,238.31**

\*The Cash Credit from United Bank of India is secured by first Equitable Mortgage of Land & Buildings (leasehold property) and hypothecation of Plant & Machineries, Furniture & Fixtures and Vehicles of the Company and hypothecation/ charge over entire Stocks, Book Debts and all other Current Assets of the Company, both present and future and personal guarantees of Mr. Mrityunjay Jalan, Director of the Company. The above loan is further secured by second mortgage/hypothecation of immovable and movable assets and Corporate guarantees of Jalainagar Development Pvt. Ltd.

\*\*Repayable on demand

**NOTE - 19**

**TRADE PAYABLES**

**Payables for goods and Services\***

Total outstanding dues of micro enterprises and small enterprises

92.27

147.40

Total outstanding dues other than micro enterprises and small enterprises

**92.27**

**147.40**

\* On the basis of information provided by the management

**NOTE - 20**

**OTHER FINANCIAL LIABILITIES**

**Current Maturities of Long Term Debt**

From Tea Board under SPTF Scheme [Refer Note 17(b)]

(i) Loan I [ Refer Note 17(c) ]

4.68

4.68

(ii) Loan II [Refer Note 17(d) ]

2.34

2.34

(iii) Loan III [Refer Note 17(e)]

1.85

1.85

8.87

8.87

Interest Accrued and due on Secured Loans from Bank

7.75

-

Employee Benefit Payable

29.94

56.22

Other Payables

9.67

18.90

**56.23**

**83.99**

**NOTE - 21**

**OTHER CURRENT LIABILITIES**

Advance from Customers

0.13

0.13

Payable to Statutory Authorities \*

105.33

55.31

**105.46**

**55.44**

\* Includes Tax Deducted at Source, Lease Rent to Assam Govt, Professional Tax and Provident Fund and Others

**NOTE - 22**

**PROVISIONS**

Provision for Bonus

36.71

38.65

**36.71**

**38.65**



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Notes forming part of the financial statements for the year ended 31st March, 2020

Rs. in Lakhs

	For the year ended 31st March, 2020	For the year ended 31st March, 2019
<b>NOTE - 23</b>		
<b>REVENUE FROM OPERATIONS</b>		
Sale of Products -Tea	1,323.50	1,372.22
Other operating Revenue		
Sale of Nurseries	17.33	6.84
	<u>1,340.83</u>	<u>1,379.06</u>
<b>NOTE - 24</b>		
<b>OTHER INCOME</b>		
<u>Interest(Gross)</u>		
Tax deducted at Source Rs. Nil (Previous Year Rs. 20,425)		
On Electricity Deposit	0.08	2.04
Liability no longer required written back	2.43	0.08
Miscellaneous Income	0.00	0.03
	<u>2.51</u>	<u>2.15</u>
<b>NOTE - 25</b>		
<b>COST OF RAW MATERIALS CONSUMED</b>		
(As certified by the management)		
Green Leaf Purchased (100% Indigeneous)	1.41	4.91
	<u>1.41</u>	<u>4.91</u>
<b>NOTE - 26</b>		
<b>CHANGES IN INVENTORIES OF FINISHED GOODS</b>		
Finished Goods		
Opening Stock	31.72	50.01
Less: Closing Stock	18.65	31.71
	<u>13.07</u>	<u>18.3</u>
<b>NOTE - 27</b>		
<b>EMPLOYEE BENEFITS EXPENSE</b>		
Salaries and Wages*	733.04	759.9
Contributions to Provident and Other Funds	64.39	58.8
Staff and Labour Welfare Expenses	55.49	62.2
[Includes Subsidy on food stuff Rs. 43,27,732/- Previous Year Rs. 48,25,867/-]		
	<u>852.92</u>	<u>881.0</u>

\*Includes Remuneration to a Whole time Director Rs. 6,72,000/- (Previous Year Rs. 6,05,000/-)





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Notes forming part of the financial statements for the year ended 31st March, 2020

Rs. in Lakhs

**NOTE - 28**

**FINANCE COSTS**

Interest Expense

	For the year ended 31st March, 2020		For the year ended 31st March, 2019
To Banks			
On Cash Credit	37.89		29.95
Others	-		16.69
Tea Board on SPTF	2.87	40.76	3.79
Other Borrowing Cost		2.40	50.43
			3.20
		<u>43.16</u>	<u>53.63</u>

**NOTE - 29**

**OTHER EXPENSES**

Stores and Spare Parts consumed (as Certified) [100% Indegenous]		73.36		72.10
Green Leaf Consumed		0.88		(0.88)
Changes in Fair Value of Biological Assets		3.33		0.93
Power and Fuel		220.07		185.85
Rent		0.49		0.77
Repairs & Maintenance:				
To Building	5.46		5.03	
To Machineries	14.67		11.18	
To Vehicles	20.17		22.72	
To Others	2.53	42.83	4.03	42.96
Insurance		2.62		3.55
Loss on Sale of Plant & Machineries and Vehicle		-		6.14
Rates and Taxes		2.22		16.62
Packing and Despatch Expenses		8.09		7.57
Brokerage and Commission and Tea Selling Expenses		34.70		28.84
General Charges		26.69		28.06
Prior Period Expenses		-		0.69
Legal and Professional Fees		4.41		5.24
Payments to Auditors:				
As Auditor	0.48		0.38	
For Other Services	0.25	0.73	0.30	0.68
		<u>420.42</u>		<u>399.12</u>



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**NOTE 30 - CONTINGENT LIABILITIES AND COMMITMENTS**

Particulars	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019
	Rs. Lakhs	Rs. Lakhs
<b>Claims against the Company not acknowledged as debt</b>		
Disputed Income Tax Demand for the A.Y. 16-17	17.65	17.65
Disputed Income Tax Demand for the A.Y. 18-19	9.84	-

**NOTE 31 - LONG TERM LOANS AND ADVANCES**

In the opinion of the management, the value of the realization of Long Term Loans and Advances and Current Assets in the ordinary course of business would not be less than the amount at which the same are stated in the Balance Sheet.

**NOTE 32 - EMPLOYEE BENEFITS: GRATUITY**

The Company's gratuity scheme, a defined benefit plan, covers the eligible employees and is administered through a gratuity fund. Such gratuity fund, whose investments are managed by trustees themselves, make payments to vested employees or their nominees upon retirement, death, incapacitation or cessation of employment, of an amount based on the respective employee's salary and tenure of employment subject to maximum limit of Rs.20 lakhs. Vesting occurs upon completion of 5 years of service.

- a) Liability in respect of Gratuity upto 31<sup>st</sup> March, 2020 comes to Rs. 292.51Lakhs as per Actuarial valuation against which the fund accumulation as on 31<sup>st</sup> March, 2019 is Rs. 0.68Lakhs. Net Liability of Rs. 291.83Lakhs including Rs. 35.31Lakhs for the current year remained unprovided in this Financial Statements.





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b) The following Table sets forth the particulars in respect of Defined Benefits Plan of the Company:

**Changes in Present Value of defined benefit obligation For the year ended**

Sl.	Description	31st March, 2020	31st March, 2019
		Rs. (lakhs)	Rs. (lakhs)
i.	Present Value of defined benefit obligation at 01 <sup>st</sup> April	252.97	246.21
ii.	Employer Service Cost	16.25	14.78
iii.	Interest Cost	19.10	18.93
iv.	Benefits Paid	-	(7.02)
v.	Actuarial Loss/ (Gain) on obligation	4.20	(19.93)
vi.	Present Value of Obligation at 31 <sup>st</sup> March	292.51	252.97

**Change in Fair value of plan assets**

i.	Fair Value of Plan Assets at the beginning of the year	0.64	0.61
ii.	Actual return on Plan assets	0.05	0.04
iii.	Actual Company Contribution	(0.01)	(0.01)
iv.	Benefit Payments	-	-
v.	Fair Value of Plan Assets at the end of the year	0.68	0.64

**Amount Recognised in Balance Sheet**

i.	Present Value of Obligation at end of the year	292.51	252.97
ii.	Fair Value of Plan Assets at the end of the period	0.68	0.64
iii.	Funded Status [ Surplus/ (Deficit)]	(291.83)	(252.33)
iv.	Unrecognized Past Service Cost	-	-



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v.	Net Asset/(Liability)	-	-
vi.	Liability recognised in the Balance Sheet	(291.83)	(252.33)

**Expenses Recognised in Statement of Profit and Loss**

**For the year ended**

Sl.	Description	31st March, 2020	31st March, 2019
		Rs. (Lakhs)	Rs. (Lakhs)
i	Current Service Cost (including risk premium for fully insured benefits)	16.25	14.78
ii	Interest Cost	19.06	18.88
iii	Expected Return of Asset	-	-
iv	Actuarial (Gain)/Loss	-	-
v	Total Employer Expenses	-	-
vi	Recognised in Profit & Loss	35.31	33.66

**Other Comprehensive Income**

i	Actuarial (Gain)/Loss		
	- change in financial assumptions	25.70	(53.75)
	- change in demographic assumptions	(0.12)	-
	- experience variance (i.e. Actual experience vs assumptions)	(21.39)	33.82
ii	Return on Plan Assets	0.02	0.01
iii	Components of defined benefit costs recognised in other comprehensive income	4.20	(19.92)





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**Principal Actuarial Assumptions**

i	Mortality	LIC (2006-08), ultimate table
ii	Morbidity	No explicit allowance
iii	Withdrawal	2% to 1%, depending on the age and length of service
iv	Discount Rate	6.61% per annum (Previous Year 7.55% p.a. )being consistent with yield on long term Govt. bonds
v	Salary Increase	5.00% per annum
vi	Normal Age of Retirement	58 years

Sensitivity on Actuarial Assumptions	Liability as at 31.03.2020 (Rs. Lakhs)	Liability as at 31.03.2019 (Rs. Lakhs)
Change in Discounting Rate		
Increase by 1%	265.12	228.69
Decrease by 1%	324.74	281.48
Change in Salary Escalation		
Increase by 1%	324.95	281.93
Decrease by 1%	264.48	227.93
Change in Attrition Rate		
Increase by 50%	293.04	253.78
Decrease by 50%	291.97	252.15
Mortality Rate		
Increase by 10%	292.64	253.18
Decrease by 10%	292.38	252.76



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Notes forming part of the Financial Statements for the year ended 31<sup>st</sup> March, 2020

**NOTE 33 - PROVISION FOR LEAVE SALARY**

No Provision has been made for leave salary (amount unascertained) payable to employees of the Company. The same is being accounted for on cash basis.

**NOTE 34 - SEGMENT REPORTING**

Based on the guiding principles given in Ind AS 108 on Segmental Reporting issued by The Institute of Chartered Accountants of India, the Company is a single segment Company mainly engaged in the cultivating, manufacturing and selling of Tea and therefore Segment Reporting is not applicable.

**NOTE 35 - "RELATED PARTY DISCLOSURES" IN COMPLIANCE WITH IND-AS 24, ARE GIVEN BELOW:**

**1. Relationship with Entities**

**A. Details of Associate Entities:**

- a. Jalan Holdings Private Limited

**B. Key Management Personnel:**

- a. Mr. Mritunjay Jalan - Managing Director
- b. Ms. Avantika Jalan - Director
- c. Mr. Vadakkillam Satheesan Nayar - Executive Director
- d. Mr. Pranay Jhunjhunwalla - Director (Resigned w.e.f 24.05.2019)
- e. Mr. Dwija Das Chatterjee - Director
- f. Mr. Dharmendra Maheshwari - Chief Financial Officer

**C. Companies over which Key Managerial Personnel or Relatives are able to exercise control / significant influence**

- a. Dinjoye Tea Estate Pvt. Ltd.
- b. Jalannagar Development Pvt. Ltd.
- c. Jalan Industries Pvt. Ltd.
- d. Narsingdass Surajmal Properties Pvt. Ltd.
- e. Jalan Holdings Pvt. Ltd.
- f. Jalans Investments Pvt Ltd.
- g. Jalannagar South Estate Pvt Ltd





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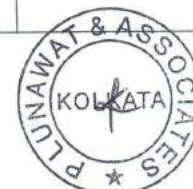
Notes forming part of the Financial Statements for the year ended 31<sup>st</sup> March, 2020

2. The following transactions were carried out with the related parties in the ordinary course of business:

a. Details relating to parties

Key Management Personnel	Nature of Transaction	2019-20 Rs. (Lakhs)	2018-19 Rs. (Lakhs)
Mr. Dharmendra Maheshwari	Remuneration	7.10	5.90
Mr. Mritunjay Jalan	Director's Remuneration	6.72	--

Associates / Entities in which Director or Relatives of Director are Interested	Nature of Transaction	2019-20 Rs. (Lakhs)	2018-19 Rs. (Lakhs)
Dinjoye Tea Estate Pvt. Ltd.	Advance Taken/ (given)	45.25 (169.95)	113.35 -
Jalan Holdings Pvt. Ltd.	Loan Taken/ (Repaid)	(2.65)	257.00
Jalan Industries Pvt. Ltd.	Loan Taken/ (Repaid)	- (20.50)	559.18 (7.25)
Jalannagar Development Pvt. Ltd.	Advance Taken/ (given)  Income earned/ Expenses incurred on behalf of Company	20.455 (204.5) 35.035	107.28 - -
Kumkum Jalan	Loan Taken/ (Repaid)	0.70 (20.70)	35.00 -
Mritunjay Jalan	Loan Taken/ (Repaid)	0.70 (2.50)	3.50 -
Narsingdass Surajmal Properties Pvt. Ltd.	Loan Taken/ (Repaid)	(36.25)	182.00



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Associates/ Entities in which Director or Relatives of Director are Interested	Nature of Transaction	2019-20 Rs. (Lakhs)	2018-19 Rs. (Lakhs)
Jalannagar South Estate Pvt Ltd	Advance taken/(given)	(6.28)	--

**b. Balance at the year end**

Associates	Nature of Transaction	2019-20 Rs. (Lakhs)	2018-19 Rs. (Lakhs)
Wearit Global Ltd.	Investment	-	21.76
Jalan Holdings Pvt. Ltd.	Unsecured Loan Taken	254.35	257.00
Jalan Industries Pvt. Ltd.	Unsecured Loan Taken	531.43	551.93
Mr. Mrityunjay Jalan	Unsecured Loan Taken	5.953	3.50
Narsingdass Surajmal Properties Pvt. Ltd.	Unsecured Loan Taken	145.75	182.00
Dinjoye Tea Estate Pvt. Ltd.	Advance taken/(given)	(11.35)	113.35
Jalannagar Development Pvt. Ltd.	Advance taken/(given)	(41.73)	107.28
Jalannagar South Estate Pvt Ltd	Advance taken/(given)	(6.28)	--





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Notes forming part of the Financial Statements for the year ended 31<sup>st</sup> March, 2020

**NOTE 36 - INCOME TAX EXPENSE**

Major Components of Income Tax Expense for the year ended 31<sup>st</sup> March, 2020 and 31<sup>st</sup> March, 2019:

Rs. In Lakhs

Particulars	For the Year ended 31 <sup>st</sup> March, 2020	For the Year ended 31 <sup>st</sup> March, 2019
Current Income Tax	-	-
Adjustment in respect of current income tax of previous year	-	-
Total Current Tax Expense	-	-
Deferred Tax		
(Decrease)/Increase in Deferred Tax Liabilities	(5.25)	19.69
Decrease/(Increase) in Deferred Tax Assets	(5.46)	2.47
Deferred Tax	0.22	17.22
Income Tax expense is attributable to:		
Profit from continued operation	(48.09)	(53.74)
Profit from discontinued operation	-	-
	(48.09)	(53.74)

**NOTE 37 - EARNINGS PER SHARE (EPS)**

Basic and Diluted EPS are calculated by dividing the profit or loss for the year attributable to equity holders by the weighted average number of Equity Shares outstanding during the year.

The following reflects the profit or loss and number of shares used in the basic and diluted EPS computations:

Particulars	31.03.2020	31.03.2019
Profit/(Loss) attributable to equity holders (Rs. in Lakhs)	(48.09)	(53.74)
Weighted Average number of equity shares used for computing	9,37,200	9,37,200



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Particulars	31.03.2020	31.03.2019
Earnings Per Share (Basic)		
Weighted Average number of equity shares used for computing Earnings Per Share (Diluted)	9,37,200	9,37,200
Earnings Per Share (Basic) (Rs.)	(5.13)	(5.73)
Earnings Per Share (Diluted) (Rs.)	(5.13)	(5.73)
Face Value Per Share(Rs.)	10	10

**NOTE 38 - FAIR VALUES**

Reconciliation of fair value measurement of unquoted equity instruments classified as FVTOCI assets:

Set out below, is a comparison of the carrying amounts and fair value of the Company's financial instruments, along with the fair valuemmeasurement hierarchy:

Rs in. Lakhs

Particulars	Carrying Value		Fair Value		Fair Value measurement hierarchy Level
	As at 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019	
<b>Financial Assets</b>					
Unquoted Equity Shares	21.76	21.76	2.77	9.32	Level 3
Biological Assets	-	-	-	3.33	Level 2

**NOTE 39 - FINANCIAL RISK MANAGEMENT**

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) Credit risk**

Credit risk refers to the risk of financial loss arising from default / failure by the counterparty to meet financial obligations as per the terms of contract. The Company is exposed to credit risk for receivables, cash and cash equivalents, financial guarantees and





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derivative financial instruments. None of the financial instruments of the Company result in material concentration of credit risks.

Credit risk on receivables is minimum since sales through different mode (eg. auction, consignment, private - both domestic and export) are made after judging credit worthiness of the customers, advance payment or against letter of credit by banks. The history of defaults has been minimal and outstanding receivables are regularly monitored. For credit risk on the loans to parties including associates, the Company is not expecting any material risk on account of non-performance by any of the parties.

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. 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 carrying value of the financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets.

**(B) Liquidity risk**

Liquidity risk refers to the risk that the Company fails to honour its financial obligations in accordance with terms of contract. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions.

Management monitors rolling forecasts of the Company's liquidity position (including the undrawn credit facilities extended by banks and financial institutions) and cash and cash equivalents on the basis of expected cash flows. In addition, the Company's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.



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Rs in. Lakh

Contractual maturities of financial liabilities as at 31 <sup>st</sup> March, 2020	Less than 1 Year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years	Total
<b>Non-derivatives</b>					
Borrowings(Principal plus interest)	1429.70	8.87	-	-	1438.57
Trade Payables	92.27	-	-	-	92.27
Other financial liabilities	46.56	9.37	-	-	55.93
<b>Total non-derivative financial liabilities</b>	<b>1568.53</b>	<b>18.24</b>	<b>-</b>	<b>-</b>	<b>1586.77</b>

Rs in. Lakh

Contractual maturities of financial liabilities as at 31 <sup>st</sup> March, 2019	Less than 1 Year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years	Total
<b>Non-derivatives</b>					
Borrowings(Principal plus interest)	1238.31	8.87	19.61	-	1266.79
Trade Payables	139.75	7.65	-	-	147.40
Other financial liabilities	65.09	18.90	-	-	83.99
<b>Total non-derivative financial liabilities</b>	<b>1450.80</b>	<b>47.38</b>	<b>19.61</b>	<b>-</b>	<b>1498.18</b>

**(C) Market risk**

**(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. The Company's policy is to maintain most of its borrowings at fixed rate using interest rate swaps to achieve this when necessary. During 31<sup>st</sup> March 2020 and 31<sup>st</sup> March 2019, the Company's borrowings at variable rate were mainly denominated in INR.





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The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

**(ii) Price risk**

The Company's exposure to equity securities price risk arises from investments held - unquoted and classified in the Balance Sheet either as fair value through OCI or at fair value through profit or loss. The Company is not expecting high risk exposure from its investment in securities.

The table below sets forth the fair value of unquoted investments in securities of listed companies.

<i>Rs. in Lakhs</i>		
Particulars	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019
Fair value of unquoted investments	2.77	9.32
<b>Total</b>	<b>2.77</b>	<b>9.32</b>

**(D) Agricultural Risk**

Cultivation of tea being an agricultural activity, there are certain specific financial risks. These financial risks arise mainly due to adverse weather conditions, logistic problems inherent to remote areas, and fluctuation of selling price of finished goods (tea) due to increase in supply/availability.

The Company manages the above financial risks in the following manner:

- Sufficient inventory levels of agro chemicals, fertilizers and other inputs are maintained so that timely corrective action can be taken in case of adverse weather conditions.
- Slightly higher level of consumable stores viz. packing materials, coal and HSD are maintained in order to mitigate financial risk arising from logistics problems.
- Forward contracts are made with customers, in order to mitigate the financial risk in fluctuation in selling price of tea.
- Sufficient working-capital-facility is obtained from banks in such a way that cultivation, manufacture and sale of tea is not adversely affected even in times of adverse conditions.

**NOTE 40 - CAPITAL MANAGEMENT**

The Company's objectives when managing capital are to:



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1. Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
2. Maintain an optimal capital structure to reduce the cost of capital

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Company monitors capital on the basis of net debt to equity ratio and maturity profile of overall debt portfolio of the Company.

Total debt implies total borrowings of the Company and Equity comprises all components attributable to the owners of the Company.

The following table summarizes the Total Debt, Equity and Ratio thereof.

Particulars	Rs in. Lakhs	
	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019
(i) Total Debt		
Borrowings		
- Non- Current		
- Current	19.60	28.48
Current Maturities of Long Term Debt	1429.70	1238.31
	8.87	8.87
(ii) Equity attributable to Shareholders	1458.17	1275.66
(iii) Debt to equity ratio	181.36	229.45
	8.04	5.56

Under the terms of the major borrowing facilities, the Company has complied with the financial covenants as imposed by the bank.

No changes were made in the objectives, policies or processes for managing capital during the year ended 31<sup>st</sup> March 2019 and 31<sup>st</sup> March 2020.

**NOTE 41**

There are no outstanding dues to any party registered under the Micro, Small and Medium Enterprises Development Act, 2006 based on information available with the Company.





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Notes forming part of the Financial Statements for the year ended 31<sup>st</sup> March, 2020

**NOTE 42**

Balances of Trade Receivables and Other Receivables, Advances, Trade Payables, Other Current Liabilities include old carried over balances which are subject to confirmations, pending reconciliation and adjustments.

**NOTE 43**

The name of the Company has been changed from SPBP Tea (India) Limited to Durrung Tea Estate Limited with effect from 12<sup>th</sup> March, 2019 vide Certificate of Incorporation issued pursuant to change of name by the Registrar of Companies (ROC), Kolkata.

**NOTE 44**

Previous year figures have been regrouped and/or rearranged wherever necessary.

**NOTE 45**

The outbreak of Coronavirus (COVID-19) globally and in India has impacted business and economic activities in general. The spread of COVID-19, along with nationwide lockdown starting from 25<sup>th</sup> March, 2020, has caused serious threat to human lives and resulted in reduction in global demand and disruption in supply chain, which has forced the business to restrict or close the operations in short term. The Company is engaged in manufacturing of Tea. Due to lockdown, the Company's Tea Garden suspended its operations. Though the demand for the products of the Company persists but due to lockdown restrictions, consumption of the product has been reduced. However, employees of the Company have been allowed with the facility to work from home, wherever possible.

The Company has assessed internal and external information up to the date of approval of financial statements while reviewing the recoverability of assets & financial resources, performance of contractual liability & obligations, ability to service the debt & liabilities. Based on such assessment, the Company expects to fully recover the carrying amount of the assets and comfortably discharge its debt & obligations. Hence, the management does not envisage any material impact on its financial position. However, it will continue to closely monitor any material changes to future economic condition as the COVID-19 situation continues to evolve in India and globally.



# DURRUNG TEA ESTATE LIMITED

[Formerly SPBP Tea (India) Limited]

Notes forming part of the Financial Statements for the year ended 31<sup>st</sup> March, 2020

Signature to Notes 1 to 45

As per our Report annexed  
For P.Lunawat & Associates  
Chartered Accountants  
Firm Regn. No.: 328946E



(Pankaj Lunawat)

Proprietor

Membership No.: 067104

Place: Kolkata

Date: 19<sup>th</sup> August, 2020



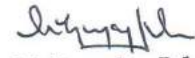
For and on behalf of Board



Avantika Jalan

Director

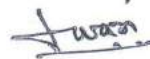
DIN:03333925



Mrityunjay Jalan

Managing Director

DIN:07259366



D. Maheshwari

Chief Financial Officer



**DURRUNG TEA ESTATE LIMITED**  
**[FORMERLY SPBP TEA (INDIA) LIMITED]**

Notes forming part of the financial statements for the year ended 31st March, 2020

**NOTE 2: CRITICAL ESTIMATES AND JUDGEMENTS**

The preparation of the financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual result. Management also needs to exercise judgment in applying the Company's accounting policies.

This note provides an overview of the areas that involved a high degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

**Critical estimates and judgments**

The areas involving critical estimates and judgments are:

**i) Taxation**

The Company is engaged in agricultural activities and also subject to tax liability under MAT provisions. Significant judgment 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 judgment is involved in determining the deferred tax position on the Balance Sheet date.

**ii) Depreciation and Amortization**

Depreciation and amortization is based on management estimates of the future useful lives of the property, plant and equipment and intangible assets. 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 amortization charges.

**iii) Employee Benefits**

The present value of the defined benefit obligations and long term employee benefits depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) include the discount rate. Any changes in these assumptions will impact the carrying amount of defined benefit obligations.



**DURRUNG TEA ESTATE LIMITED**  
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Notes forming part of the financial statements for the year ended 31st March, 2020

The Company determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the obligations. In determining the appropriate discount rate, the Company considers the interest rates of Government securities that have terms to maturity approximating the terms of the related defined benefit obligation. Other key assumptions for obligations are based in part on current market conditions.

**iv) Provision 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.

**v) Fair Value of Biological Assets**

The fair value of Biological Assets is determined based on recent transactions entered into with third parties or available market price.

Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.





**DURRUNG TEA ESTATE LIMITED**  
**[FORMERLY SPBP TEA (INDIA) LIMITED]**

Notes forming part of the financial statements for the year ended 31st March, 2020

**CORPORATE INFORMATION**

The Company was incorporated in the year 1981 as a Public Limited Company under the provisions of the Companies Act, 1956 and domiciled in India. Its shares are listed on Calcutta Stock exchange in India. The Registered office of the Company is located at Flat on 2C, Paramount Apartment, 25, Ballygunge Circular Road, Kolkata-700019. The Company is engaged in cultivation, manufacture and sale of tea.

The Financial Statements for the year ended 31st March, 2020 have been approved by the Board of Directors of the Company in their meeting held on 19th August, 2020.

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES**

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

**1.1 BASIS OF PREPARATION**

**1.1.1 Compliance with Ind AS**

These Financial Statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the "Act") read with the Companies (Indian Accounting Standards) Rules amended from time to time.

Accounting policies have been applied consistently except where a newly issued accounting standard is initially adopted or revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

These Financial Statements are prepared in Indian Rupees (INR) which is also the Company's functional currency.

**1.1.2 Classification of Current and Non-current**

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Ind AS 1 - "Presentation of Financial Statements" and Schedule III to the Companies Act,



**DURRUNG TEA ESTATE LIMITED**  
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Notes forming part of the financial statements for the year ended 31st March, 2020

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Contd..)**

2013. Based on the nature of products and the time between the 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/non-current classification of assets and liabilities.

**1.1.3 Historical Cost Convention**

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention, except for the following:

- i) Certain Investments in equity instruments that is measured at fair value through Other Comprehensive Income;
- ii) Certain Biological Assets (including unplucked green leaves) measured at Fair value less cost to sell.

**1.1.4 Use Of Estimates**

The Preparation of the financial statements in conformity with the generally accepted accounting principles in India requires the management to make estimates and assumptions that affects the reported amount of assets and liabilities as at the Balance Sheet date, the reported amount of revenue and expenses for the periods and disclosure of contingent liabilities at the Balance Sheet date. The estimates and assumptions used in the financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of financial statements. Actual results could differ from estimates.

**1.2 SEGMENT REPORTING**

The Company is a single segment Company mainly engaged in the cultivating, manufacturing and selling of Tea. Therefore, Segment Reporting is not applicable.





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Notes forming part of the financial statements for the year ended 31st March, 2020

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Contd..)**

**1.3 FOREIGN CURRENCY TRANSLATION**

Foreign currency transactions are translated into Indian Rupee (INR) which is the functional currency (i.e. the currency of the primary economic environment in which the entity operates) using the exchange rates at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in the Statement of Profit and Loss.

Foreign Currency non-monetary items carried in terms of historical cost are reported using the exchange rate at the date of the transactions.

**1.4 REVENUE RECOGNITION**

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of tea claim and are net of sales return, Goods and Service Tax, trade allowances and amount collected on behalf of third parties.

The Company recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company and significant risk and reward incidental to sale of products is transferred to the buyer.

**1.5 GOVERNMENT GRANTS**

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the Statement of Profit and Loss over the period necessary to match them with the costs that they are intended to compensate and presented within other operating income.

Government grants relating to the acquisition/construction of property, plant and equipment are included in non-current liabilities as deferred income and



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Notes forming part of the financial statements for the year ended 31st March, 2020

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Contd..)**

are credited to the Statement of Profit and Loss on a straight-line basis over the expected lives of the related assets and presented within other operating income.

**1.6 INCOME TAXES**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period.

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the Minimum Alternative tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income Tax during the specified period.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.





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Notes forming part of the financial statements for the year ended 31st March, 2020

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Contd..)**

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

**1.7 CASH AND CASH EQUIVALENTS**

Cash and cash equivalents in the Balance Sheet comprise cash at banks and on hand, which are subject to an insignificant risk of changes in value.

For the purpose of presentation in the Cash Flow Statement, cash and cash equivalents includes cash on hand, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the Balance Sheet.

**1.8 TRADE RECEIVABLES**

Trade Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment, if any.

**1.9 INVENTORIES**

Raw materials including harvested tea leaves, produced from own gardens are measured at lower of cost and net realizable 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 are stated at cost and Finished Goods are stated at lower of cost and net realizable value. Cost of



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Notes forming part of the financial statements for the year ended 31st March, 2020

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Contd..)**

Finished Goods comprises direct material, direct labour and appropriate portion of variable and fixed overhead expenditure. Cost of inventories also includes all other costs incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory on the basis of weighted average method. Net realizable 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.

**1.10 INVESTMENTS AND OTHER FINANCIAL ASSETS**

**1.10.1 Classification**

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost

The classification depends on the Company's business model for managing the financial assets and the contractual terms of cash flows.

**1.10.2 Measurement**

At initial recognition, the Company measures a financial asset at its fair value. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statement of Profit and Loss.

**DEBT INSTRUMENTS**

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. The Company classifies its debt instruments into the following categories:

- **Amortised Cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method.





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Notes forming part of the financial statements for the year ended 31st March, 2020

**NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (Contd..)**

- **Fair Value through Other Comprehensive Income (FVOCI):** Assets that are held for collections of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Interest income from these financial assets is included in other income using the effective interest rate method.
- **Fair value through profit or loss:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. Interest income from these financial assets is included in other income.

**EQUITY INSTRUMENTS**

The Company subsequently measures all equity investments at fair value through Other Comprehensive Income. Also, where the Company's management makes an irrevocable choice on initial recognition to present fair value gains and losses on specific equity investments in Other Comprehensive Income, there is no subsequent reclassification of fair value gains and losses to the Statement of Profit and Loss.

**1.10.3 Impairment of Financial Assets**

The Company measures the expected credit loss associated with its assets based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

**1.10.4 Derecognition of Financial Assets**

A financial asset is derecognised only when

- The Company has transferred the rights to receive cash flows from the financial asset, or



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Notes forming part of the financial statements for the year ended 31st March, 2020

**NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (Contd..)**

- Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset.

**1.10.5 Income recognition**

**Interest Income**

Interest Income from debt instruments is recognised using the effective interest rate method.

**Dividends**

Dividends are recognised in Statement of Profit and Loss only when the right to receive payment is established.

**1.11 FINANCIAL LIABILITIES**

**1.11.1 Initial Recognition and Measurement**

The Company recognises all the financial liabilities on initial recognition at fair value minus, in the case of a financial liability not at fair value through Profit and Loss, transaction costs that are directly attributable to the acquisition or issue of the financial liability.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

**1.11.2 Subsequent Measurement**

All the financial liabilities are classified as subsequently measured at amortised cost, except for those mentioned below.





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Notes forming part of the financial statements for the year ended 31st March, 2020

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Contd..)**

**1.11.3 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 group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognised in the Statement of Profit or Loss.

For liabilities designated as Fair Value through profit or loss, fair value gains/losses attributable to changes in own credit risks are recognized in Other Comprehensive Income. These gains/losses are not subsequently transferred to Profit or Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Statement of Profit and Loss.

**1.12 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.

**1.13 PROPERTY, PLANT AND EQUIPMENT**

All items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other



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Notes forming part of the financial statements for the year ended 31st March, 2020

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Contd..)**

repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

**Depreciation Methods, Estimated Useful Lives and Residual Value**

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values on the basis of useful lives prescribed in Schedule II to the Companies Act, 2013. Item of Fixed Assets for which related actual cost do not exceed Rs. 5,000 are fully depreciated in the year of purchase. In respect of the following assets, useful lives have been considered as per Schedule II and are as under:-

- Buildings : 60 years
- Furniture & Fixture : 10 years
- Motor Vehicles : Ranging from 8 to 10 years
- Bearer Plant : 77 years
- Computers : 3 years

Bearer plants are depreciated from the date when they are ready for commercial harvest.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. The residual values are not more than 5% of the Original Cost of the assets.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Profit or Loss within other gains/ (losses).





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Notes forming part of the financial statements for the year ended 31st March, 2020

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Contd..)**

**1.14 INTANGIBLE ASSETS**

**1.14.1 Computer Software**

Costs associated with maintaining software programmes are recognised as an expense as incurred. Costs of purchased software are recorded as intangible assets and amortised from the point at which the asset is available for use.

**1.14.2 Goodwill**

Goodwill on account of business combination is included in Intangible Assets. Goodwill is not amortised but tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated losses.

**1.14.3 Amortisation Methods and Periods**

The Company amortises Computer Software with a finite useful life using the straight-line method over the following periods:

Computer software : 6 years

**1.15 IMPAIRMENT OF ASSETS**

Goodwill and Other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.



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Notes forming part of the financial statements for the year ended 31st March, 2020

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Contd..)**

**1.16 PROVISION, CONTINGENT LIABILITIES AND CONTINGENT ASSETS,  
LEGAL OR CONSTRUCTIVE**

Provisions are recognised when there is a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

A disclosure for contingent liabilities is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

When there is a possible obligation or a present obligation and the likelihood of outflow of resources is remote, no provision or disclosure for contingent liability is made.

Contingent Assets are not recognised but are disclosed when an inflow of economic benefits is probable.

**1.17 EMPLOYEE BENEFITS**

**1.17.1 Short-term Employee Benefits Obligations**

These are recognised at the undiscounted amount as expense for the year in which the related service is rendered.





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Notes forming part of the financial statements for the year ended 31st March, 2020

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Contd..)**

**1.17.2 Other Long-term Employee Benefits Obligations (Unfunded)**

The cost of providing long-term employee benefits is determined using Projected Unit Credit Method with actuarial valuation being carried out at each Balance Sheet date. Actuarial gains and losses and past service cost are recognised immediately in the Statement of Profit and Loss for the period in which they occur. Long term employee benefit obligation recognised in the Balance Sheet represents the present value of related obligation.

**1.17.3 Post-employment Benefit Obligations**

Contributions under Defined Contribution Plans payable in keeping with the related schemes are recognised as expenditure for the year.

In case of Employee Defined Benefit Plans, the cost of providing the benefit is determined using the Projected Unit Credit Method with actuarial valuation being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in full in the Other Comprehensive Income for the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested, and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, if any, and as reduced by the fair value of plan assets, where funded. Any asset resulting from this calculation is limited to the present value of any economic benefit available in the form of refunds from the plan or reductions in future contributions to the plan.

**1.17.4 Bonus Plans**

The Company recognizes a liability and an expense for bonuses. The Company recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

**1.18 EQUITY**

Equity Shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.



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Notes forming part of the financial statements for the year ended 31st March, 2020

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Contd..)**

**1.19 DIVIDENDS**

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Company, on or before the end of the reporting period but not distributed at the end of the reporting period.

**1.20 EARNINGS PER SHARE**

**1.20.1 Basic Earnings per Share**

Basic earnings per share are calculated by dividing:

- The Profit/Loss attributable to owners of the Company
- By the weighted average number of Equity Shares outstanding during the financial year.

**1.20.2 Diluted Earnings per Share**

Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account:

- The after income tax effect of interest and other financing costs associated with dilutive potential Equity Shares, and
- The weighted average number of additional Equity Shares that would have been outstanding assuming the conversion of all dilutive potential Equity Shares

**1.21 IMPAIRMENT OF NON-FINANCIAL ASSETS**

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher on an asset's fair





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Notes forming part of the financial statements for the year ended 31st March, 2020

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Contd..)**

value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash flows from other assets or group of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

**1.22 OFFSETTING FINANCIAL INSTRUMENTS**

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

**1.23 BORROWING COSTS**

Interest and other borrowing costs attributable to qualifying assets are capitalised. Other interest and borrowing costs are charged to the Statement of Profit and Loss.

**1.24 ROUNDING OF AMOUNTS**

All amounts disclosed in the Financial Statements and Notes have been rounded off to the nearest lakhs as per the Schedule - III to the Companies Act, 2013, unless otherwise stated.

**1.25 BORROWINGS**

Borrowings are initially recognized at Fair Value, set off transaction costs incurred. Borrowings are subsequently measured at amortised cost.



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Notes forming part of the financial statements for the year ended 31st March, 2020

**NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (Contd..)**

**1.26 NEW STANDARD/AMENDMENTS AND OTHER CHANGES EFFECTIVE FROM 1ST APRIL, 2019**

**a) Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments**

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. A reliable estimate of the quantitative impact of the same on the Financial Statements will only be possible once the assessment has been completed.

**b) Amendment to Ind AS 12 – Income taxes**

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. Effective date for application of this amendment is annual period beginning on or after April 1, 2019.

**c) Amendment to Ind AS 19 – plan amendment, curtailment or settlement**

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity:





**DURRUNG TEA ESTATE LIMITED**  
**[FORMERLY SPBP TEA (INDIA) LIMITED]**

Notes forming part of the financial statements for the year ended 31st March, 2020

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Contd..)**

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019.

**d) Amendment to Ind AS 116 – Leases**

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases and related interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both the parties to a contract, i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019.

**1.27 STANDARDS ISSUED BUT NOT YET EFFECTIVE**

Ministry of Corporate Affairs notifies new standard or amendments to the existing standards. During the year, no new standards or modifications in existing standards has been notified which will be applicable from 1st April, 2020 or thereafter.

