

## INDEPENDENT AUDITORS' REPORT

### To the Members of Cinnatolliah Tea Limited Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements of Cinnatolliah Tea Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss, (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs), as 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

#### Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Annual report, 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 and conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

#### Responsibility of Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

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



## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
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 the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 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 with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
  - (g) According to the information and explanations given by the management, the managerial remuneration has been paid/provided in accordance with the provisions of section 197 read with Schedule V to the Companies Act, 2013 subject to approval of Shareholders in the ensuing General Meeting as required under section 197 (10) of the Act;

With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

- i. Based on audit procedure and as per explanation has been given by the management, the Company did not have any pending litigations on its financial position in its financial statements;
- ii. The Company did not have any material foreseeable losses on long term contracts including derivative contracts;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.



For Singhi & Co.  
Chartered Accountants  
Firm's Registration No. 302049E

  
Sankar Bandyopadhyay  
Partner

Membership No. 08230  
UDIN - 20008230AAAAAE8436

Place: Kolkata

Date: 24<sup>th</sup> day of June, 2020.

**ANNEXURE-1 TO THE INDEPENDENT AUDITORS' REPORT**

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the financial statements for the year ended March 31, 2020, we report that:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
  
(b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification.  
  
(c) According to information and explanations given by the management, the title deeds of Leasehold Land which had been transferred to Company pursuant to composite Scheme of arrangement are not held in the name of the Company. As explained to us, steps are being taken to complete the name transfer formalities.
- ii. The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- iii. The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Hence, paragraph 3(iii) of the Order is not applicable.
- iv. In our opinion and according to the information and explanations given to us, the provisions of section 185 and 186 of the Act are not applicable to the company during the year.
- v. The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Companies Act, 2013 and the rules framed there under.
- vi. To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148 (1) of the Companies Act, 2013, for the Company.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the books of accounts, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Goods & Service Tax, Duty of Customs, Duty of Excise, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed dues as above were outstanding as at 31<sup>st</sup> March, 2020 for a period of more than six months from the date they became payable.  
  
(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of Goods & Service Tax, Income Tax, Customs Duty, Excise Duty and Cess which have not been deposited on account of dispute.
- viii. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to banks or financial institutions. There were no debentures outstanding at any time during the year.
- ix. Based on our audit procedures and according to the information and explanations given to us, the company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year.
- 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 year.



- xi. According to the information and explanations given by the management, the managerial remuneration has been paid/provided in accordance with the provisions of section 197 read with Schedule V to the Companies Act, 2013 subject to approval of Shareholders in the ensuing General Meeting as required under section 197 (10) of the Act.
- xii. The company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 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

For Singhi & Co.  
Chartered Accountants  
Firm's Registration No. 302049E



Sankar Bandyopadhyay  
Partner

Membership No. 08230  
UDIN - 20008230AAAAAE8436

Place: Kolkata

Date: 24<sup>th</sup> day of June, 2020

**ANNEXURE - 2 TO THE INDEPENDENT AUDITORS' REPORT**

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

We have audited the internal financial controls over financial reporting of **Cinnatolliah Tea Limited** ("the Company") as of March 31, 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 Companies Act, 2013.

**AUDITORS' RESPONSIBILITY**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

**MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

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



**INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

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

**OPINION**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, 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 Singhi & Co.  
Chartered Accountants  
Firm's Registration No. 302049E



Sankar Bandyopadhyay  
Partner

Membership No. 08230  
UDIN - 20008230AAAAAE8436



Place: Kolkata

Date: 24<sup>th</sup> day of June, 2020

# Cinnatolliah Tea Limited

(CIN: U15122UP2015PLC069633)

Balance Sheet as at 31st March, 2020

Rs. in lakhs

	Note No	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
<b>ASSETS</b>				
<b>1. Non-Current Assets</b>				
(a) Property, Plant and Equipment	4	958.80	890.10	920.55
(b) Capital Work-in-progress	5	67.11	80.72	35.48
(c) Goodwill	6	90.11	90.11	90.11
<b>(d) Financial Assets</b>				
(i) Loans	11	4.50	4.50	4.50
(ii) Other Financial Assets	12	280.75	445.66	383.32
(e) Deferred Tax Assets (net)	13	70.61	83.93	70.84
(f) Non-current Tax Assets (net)	14	80.52	68.81	26.94
<b>Total Non-current Assets</b>		<b>1,552.40</b>	<b>1,663.83</b>	<b>1,531.74</b>
<b>2. Current Assets</b>				
(a) Inventories	7	251.17	271.54	174.71
(b) Biological Asset other than Bearer Plants	7	-	12.09	9.06
<b>(c) Financial Assets</b>				
(i) Trade Receivables	8	134.19	164.11	135.74
(ii) Cash and Cash Equivalents	9	289.28	92.21	68.33
(iii) Bank Balances other than (ii) above	10	2,011.48	1,967.50	1,942.37
(iv) Other Financial Assets	12	161.22	87.48	163.22
(d) Other Current Assets	15	47.22	42.77	28.85
<b>Total Current Assets</b>		<b>2,894.56</b>	<b>2,637.70</b>	<b>2,522.28</b>
<b>TOTAL ASSETS</b>		<b>4,446.96</b>	<b>4,301.53</b>	<b>4,054.02</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
(a) Equity Share Capital	16	2,617.54	2,617.54	2,617.54
(b) Other Equity	17	1,267.59	1,125.07	1,007.72
<b>Total Equity</b>		<b>3,885.13</b>	<b>3,742.61</b>	<b>3,625.26</b>
<b>LIABILITIES</b>				
<b>1. Non-Current Liabilities</b>				
<b>(a) Financial Liabilities</b>				
(i) Other Financial Liabilities	19	7.41	-	-
(b) Provisions	21	196.22	163.24	158.65
<b>Total Non-current Liabilities</b>		<b>203.63</b>	<b>163.24</b>	<b>158.65</b>
<b>2. Current Liabilities</b>				
<b>(a) Financial Liabilities</b>				
(i) Trade Payables	18	-	-	-
total outstanding dues of micro enterprises and small enterprises; and		-	-	-
total outstanding dues of creditors other than micro enterprises and small enterprises.		76.05	60.34	36.31
(ii) Other Financial Liabilities	19	30.58	89.26	23.05
(b) Other Current Liabilities	20	22.58	16.35	20.21
(c) Provisions	21	228.99	229.73	190.54
<b>Total Current Liabilities</b>		<b>358.20</b>	<b>395.68</b>	<b>270.11</b>
<b>Total Liabilities</b>		<b>561.83</b>	<b>558.92</b>	<b>428.76</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>4,446.96</b>	<b>4,301.53</b>	<b>4,054.02</b>
Summary of significant accounting policies & judgements	3			

The accompanying notes are an integral part of the Financial Statements

As per our Report annexed of even date

For Singhi & Co.  
Chartered Accountants  
Firm Registration No : 302049E

*Sankar Bandyopadhyay*  
Partner : Sankar Bandyopadhyay  
Membership No. 08230  
Place : Kolkata  
Date : 24.06.2020



For and on behalf of the Board of Directors

*Santosh Kumar Poddar*  
Santosh Kumar Poddar  
Managing Director  
DIN : 00055786

*Rajeev Gupta*  
Rajeev Gupta  
Chief Financial Officer

*Dilip Kumar Patodia*  
Dilip Kumar Patodia  
Director  
DIN : 00482435

*Vijaya Agarwala*  
Vijaya Agarwala  
Company Secretary

**Cinnatolliah Tea Limited**

(CIN: U15122UP2015PLC069633)

Statement of Profit and Loss for the year ended 31st March, 2020

Rs. in lakhs

	Note No	For the Year ended 31st March, 2020	For the Year ended 31st March, 2019
<b>I. Revenue from Operations</b>	22	2,397.11	2,348.74
<b>II. Other Income</b>	23	161.59	148.48
<b>III. Total Income (I + II)</b>		<b>2,558.70</b>	<b>2,497.22</b>
<b>IV. Expenses</b>			
Changes in inventories of Finished Goods, Stock-in-Trade and Work-in-progress	24	16.12	7.63
Employee benefits expense	25	1,575.28	1,559.20
Finance costs	26	2.19	2.02
Depreciation and amortization expense	27	59.60	66.81
Other expenses	28	607.23	637.44
<b>Total Expenses</b>		<b>2,260.42</b>	<b>2,273.10</b>
<b>V. Profit / (Loss) before tax (III - IV)</b>		<b>298.28</b>	<b>224.12</b>
<b>VI. Tax expense</b>	29		
Current tax		69.20	63.50
Deferred tax		23.81	(6.18)
<b>Total Tax expenses</b>		<b>93.01</b>	<b>57.32</b>
<b>VII. Profit / (Loss) for the year (V-VI)</b>		<b>205.27</b>	<b>166.80</b>
<b>VIII. Other comprehensive income</b>	30		
<b>Items that will not be reclassified subsequently to profit or loss</b>			
(a) Remeasurement of defined benefit plans		(41.68)	(24.79)
(b) Income taxes relating to items that will not be reclassified to profit or loss		10.49	6.90
<b>Other comprehensive income for the year (net of taxes)</b>		<b>(31.19)</b>	<b>(17.89)</b>
<b>IX. Total comprehensive income for the year (VII+VIII)</b>		<b>174.08</b>	<b>148.91</b>
<b>X. Earnings per equity share</b>	31		
[Nominal value of share Rs.10]		<b>0.78</b>	<b>0.64</b>
<b>Basic &amp; Diluted</b>			
Summary of significant accounting policies	3		

The accompanying notes are an integral part of the Financial Statements

As per our Report annexed of even date

For and on behalf of the Board of Directors

For Singhi &amp; Co.

Chartered Accountants

Firm Registration No : 302049E



Partner : Sankar Bandyopadhyay

Membership No. 08230

Place : Kolkata

Date : 24.06.2020



Santosh Kumar Poddar  
Managing Director  
DIN : 00055786



Rajes Gupta  
Chief Financial Officer



Dilip Kumar Patodia  
Director  
DIN : 00482435



Vijaya Agarwala  
Company Secretary

**Cinnatolliah Tea Limited**

(CIN: U15122UP2015PLC069633)

Cash Flow Statement for the year ended 31st March 2020

	Rs. in lakhs	
	Year ended 31st March, 2020	Year ended 31st Mar, 2019
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Profit / (Loss) before tax	298.28	224.12
Adjustments for:		
Depreciation and Amortization expenses	59.60	66.81
Finance Costs	2.19	2.02
Gain on tangible assets sold / discarded (net)	-	(1.39)
Interest Income	(161.58)	(143.67)
<b>Operating Profit / (Loss) before Working Capital Changes :</b>	<b>198.49</b>	<b>147.89</b>
Adjustments for:		
Increase / (Decrease) in Trade Payables	15.71	24.03
Increase / (Decrease) in Long-term Provisions	(8.70)	(20.20)
Increase / (Decrease) in Short-term Provisions	(0.74)	39.19
Increase / (Decrease) in Other Current Liabilities	6.23	(3.85)
Increase / (Decrease) in Other Financial Liabilities (Non Current)	7.41	-
Increase / (Decrease) in Other Financial Liabilities (Current)	(58.68)	66.21
(Increase) / Decrease in Trade Receivables	29.92	(28.37)
(Increase) / Decrease in Other Financial Assets	(14.26)	12.87
(Increase) / Decrease in Biological Assets	12.09	(3.03)
(Increase) / Decrease in Other Current Assets	(4.45)	(13.92)
(Increase) / Decrease in Inventories	20.37	(96.84)
<b>Cash Generated from Operations</b>	<b>203.39</b>	<b>123.98</b>
Direct Taxes Paid	(80.91)	(105.37)
<b>Net Cash from Operating Activities</b>	<b>122.48</b>	<b>18.61</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Proceeds from sale of Tangible Assets	-	1.73
Purchase of Tangible Assets including CWIP	(114.70)	(81.95)
(Increase)/Decrease in deposits with banks	56.02	(25.13)
Interest Received	167.01	144.20
<b>Net Cash from Investing Activities</b>	<b>108.33</b>	<b>38.85</b>
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Interest Paid	(1.20)	(2.02)
Dividend Paid including DDT	(31.56)	(31.56)
Interest on lease liabilities	(0.99)	-
<b>Net Cash used in Financing Activities</b>	<b>(33.75)</b>	<b>(33.58)</b>
<b>Net Changes in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>197.06</b>	<b>23.88</b>
Cash & Cash Equivalents at the beginning of the year	92.21	68.33
Cash & Cash Equivalents at the end of the year *	289.27	92.21

## Notes:

1. Closing cash and cash equivalents represent cash & cash equivalents as indicated in Note no. 9 to the financial statements.
2. The cash flow statements have been prepared under the Indirect method as set out in Indian Accounting Standards (Ind AS) 7 "Statement of Cash Flows".
3. Figures relating to previous years have been regrouped/ re-arranged wherever necessary.

The accompanying notes are an integral part of the Financial Statements

As per our Report annexed of even date

For Singhi &amp; Co.

Chartered Accountants

Firm Registration No : 302049E

Partner : Sankar Bandyopadhyay

Membership No. 808230

Place : Kolkata

Date : 24.06.2020

For and on behalf of the board of directors

Santosh Kumar Poddar

Managing Director

DIN : 00055786

Rajesh Gupta

Chief Financial Officer

Dilip Kumar Patodia

Director

DIN : 00482435

Vijaya Agarwala

Company Secretary

**Cinnatollah Tea Limited**  
**(CIN: U15122UP2015PLC069633)**

Statement of Changes in Equity for the year ended 31<sup>st</sup> March, 2020

**A. Equity Share Capital**

	As at 31 <sup>st</sup> March, 2020		As at 31 <sup>st</sup> March, 2019	
	No. of Shares	Rs. in Lakhs	No. of Shares	Rs. in Lakhs
Balance at the beginning of the year	2,61,75,396	2,617.54	2,61,75,396	2,617.54
Change in equity share capital during the year	-	-	-	-
<b>Balance at the end of the year</b>	<b>2,61,75,396</b>	<b>2,617.54</b>	<b>2,61,75,396</b>	<b>2,617.54</b>

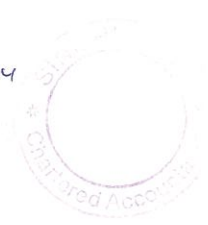
**B. Other Equity**

	Reserves & Surplus		Total
	Retained Earnings	Other Comprehensive Income	
	(Rs. in Lakhs)		
Balance at 1 <sup>st</sup> April, 2018	1,007.72	-	1,007.72
Total comprehensive income for the year			
- Profit	166.80	-	166.80
- Remeasurement of defined benefit liability / (asset) (net of tax)	-	(17.89)	(17.89)
Total comprehensive income	166.80	(17.89)	148.91
Transfer of OCI -Remeasurement to Retained Earnings	(17.89)	17.89	-
Dividend (including dividend distribution tax)	(31.56)	-	(31.56)
Balance at 31 <sup>st</sup> March, 2019	1,125.07	-	1,125.07
<b>Total comprehensive income for the year</b>			
- Profit	205.27	-	205.27
- Remeasurement of defined benefit liability / (asset) (net of tax)	-	(31.19)	(31.19)
Total comprehensive income	205.27	(31.19)	174.08
Transfer of OCI -Remeasurement to Retained Earnings	(31.19)	31.19	-
Dividend (including dividend distribution tax) on equity shares	(31.56)	-	(31.56)
Balance at 31 <sup>st</sup> March, 2020	1,267.59	-	1,267.59

As per our report of even date attached

For Singhi & Co.  
Chartered Accountants  
Firm Registration No : 302049E

*Sankar Bandyopadhyay*  
Partner : Sankar Bandyopadhyay  
Membership No. 08230  
Place : Kolkata  
Date : 24.06.2020



*Santosh Kumar Poddar*  
Santosh Kumar Poddar  
Managing Director  
DIN : 00055786

*Rajes Gupta*  
Rajes Gupta  
Chief Financial Officer

*Dilip Kumar Patodia*  
Dilip Kumar Patodia  
Director  
DIN : 00482435

*Vijaya Agarwala*  
Vijaya Agarwala  
Company Secretary

CINATOLLIH TEA LIMITED

CIN No.: U15122UP2015PLC069633

Notes to Standalone financial statements as on and for the year ended 31<sup>st</sup> March, 2020

**1. Corporate Information**

Cinnatolliah Tea Limited (the Company) was incorporated on 19<sup>th</sup> March, 2015 as a Subsidiary Company of Upper Ganges Sugar & Industries Limited (UGSIL). With the objective of business realignment of UGSIL and The Oudh Sugar Mills Limited (OSML), a composite scheme of arrangement had been filed with the Hon'ble High Court of Allahabad to transfer the Tea business undertaking of Ganges Securities Limited (GSL) to the Company from the appointed date i.e. 1<sup>st</sup> April, 2015, which had been approved by the National Company Law Tribunal.

The main object of the Company is cultivation of tea and other agricultural products.

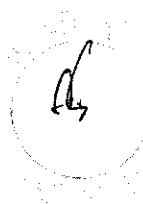
**2. Basis of Preparation & Presentation of Financial Statement**

**2.1 Statement of Compliance**

These financial statements have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as prescribed by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ("the Act"), read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended), other relevant provisions of the Act and other accounting principles generally accepted in India.

The financial statements for all periods up to and including the year ended 31<sup>st</sup> March, 2019, were prepared in accordance with Generally Accepted Accounting Principles (GAAP) in India, which includes the accounting standards prescribed under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 and other provisions of the Act (collectively referred to as "Indian GAAP"). These financial statements for the year ended 31<sup>st</sup> March 2020 are the first Ind AS Financial Statements with comparatives, prepared in accordance with Indian Accounting Standards ("Ind-AS") consequent to the notification of The Companies (Indian Accounting Standards) Rules, 2015 (the Rules) issued by the MCA. The Company has consistently applied the accounting policies used in the preparation of its opening Ind AS Balance Sheet at 1<sup>st</sup> April, 2018 throughout all periods presented, as if these policies had always been in effect and are covered by Ind AS 101 "First Time Adoption of Indian Accounting Standards". An explanation of how the transition from previous GAAP to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in Note No. 37. Certain of the Company's Ind-AS accounting policies used in the opening Balance Sheet differed from its Indian GAAP policies applied as at 31<sup>st</sup> March, 2017 and accordingly the adjustments were made to restate the opening balances as per Ind-AS. The resulting adjustment arising from events and transactions before the date of transition to Ind-AS were recognized directly through retained earnings as at 1<sup>st</sup> April, 2018 as required by Ind- AS 101.

The financial statements of the Company for the year ended 31<sup>st</sup> March 2020 has been approved by the Board of Directors in their meeting held on 24<sup>th</sup> June, 2020.



CINATOLLIH TEA LIMITED

CIN No.: U15122UP2015PLC069633

Notes to Standalone financial statements as on and for the year ended 31<sup>st</sup> March, 2020

## **2.2 Basis of Measurement**

The financial statement of the company has been prepared on accrual basis following the historical cost convention, except for the following assets and liabilities:

- Certain financial assets & liabilities (including derivative instruments) measured at fair value
- Employee's defined benefit plans - As per actuarial valuation
- Biological Assets – At fair value less cost to sell

## **2.3 Functional and Presentation Currency**

The financial statements are presented in Indian Rupee (INR) which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates. All financial information presented in INR have been rounded off to two decimal places to the nearest lakhs as per the requirements of the Schedule III, unless otherwise stated.

## **2.4 Use of Assumptions, Judgements and Estimates**

The preparation of financial statements in conformity with Ind AS requires Judgements, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Estimates and underlying assumptions are reviewed at each Balance Sheet date. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialised.

## **2.5 Presentation of Financial Statements**

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in Schedule III to the Companies Act, 2013 ("the Act"). The statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified Accounting Standards.

## **2.6 Current and non-current classification**

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 Schedule III to the Companies Act, 2013 and Ind AS 1. The Company has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

An asset is classified as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or

CINATOLLIAH TEA LIMITED

CIN No.: U15122UP2015PLC069633

Notes to Standalone financial statements as on and for the year ended 31<sup>st</sup> March, 2020

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is classified as current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period ; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current. Deferred Tax Assets or Liabilities are classified as non-current assets or liabilities respectively.

## 2.7 Measurement of Fair Values

Some of the accounting policies and disclosures of the Company require the measurement of fair values, for both financial and non-financial assets and liabilities. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

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

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 - Input other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly , and
- Level 3 - Inputs which are unobservable inputs for the asset or liability

CINATOLLIH TEA LIMITED

CIN No.: U15122UP2015PLC069633

Notes to Standalone financial statements as on and for the year ended 31<sup>st</sup> March, 2020

External valuers are involved for valuation of significant assets & liabilities. Involvement of external valuers is decided by the management of the company considering the requirements of Ind AS and selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

## **2.8 Recent Accounting Pronouncement**

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.



CINATOLLIH TEA LIMITED

CIN No.: U15122UP2015PLC069633

Notes to Standalone financial statements as on and for the year ended 31<sup>st</sup> March, 2020

### **3 Accounting Policies & Significant Accounting Judgements**

A summary of the significant accounting policies applied in the preparation of the financial statements are as given below. These accounting policies have been applied consistently to all the periods presented in the financial statements.

#### **3.1 Inventories**

Raw materials (including purchased tea leaves), Stores & Spare parts, Finished Goods and Stock in trade are stated at the lower of cost and estimated net realizable value. Cost comprises of expenditure incurred in the normal course of business in bringing such inventories to their present location and condition and includes appropriate overheads (in case of Finished Goods). Cost is determined on weighted average basis. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Raw material in nature of harvested tea leaves raised from own gardens are measured at fair value less cost of sale at point of harvest. The same cost is used for measuring cost for the purpose of valuation of finished goods.

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

#### **3.2 Biological assets other than bearer plants**

Biological assets of the company comprises of un-harvested green tea leaves and other minor produce measured at fair value less cost of sales. The gain or loss arising from a change in fair value less cost to sell of biological assets is recognized in the Statement of Profit and Loss for the period in which it arises.

#### **3.3 Property, Plant and Equipment**

##### **3.3.1 Tangible Assets (other than Bearer Plants)**

###### **3.3.1.1 Recognition and Measurement**

- Property, plant and equipment held for use in the production or/and supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost, less any accumulated depreciation and accumulated impairment losses (if any).
- Cost of an item of property, plant and equipment acquired comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting any trade discounts and rebates, any directly attributable costs of bringing the assets to its working condition and location for its intended use and present value of any estimated cost of dismantling and removing the item and restoring the site on which it is located.
- If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

CINATOLLIH TEA LIMITED

CIN No.: U15122UP2015PLC069633

Notes to Standalone financial statements as on and for the year ended 31<sup>st</sup> March, 2020

- Profit or loss arising on the disposal of property, plant and equipment are recognized in the Statement of Profit and Loss.

#### **3.3.1.2 Capital work in progress**

Capital work-in-progress is stated at cost which includes expenses incurred during construction period, interest on amount borrowed for acquisition of qualifying assets and other expenses incurred in connection with project implementation in so far as such expenses relate to the period prior to the commencement of commercial production.

#### **3.3.1.3 Subsequent Measurement**


- Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the cost incurred 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 derecognized when replaced.
- Major Inspection/ Repairs/ Overhauling expenses are recognized in the carrying amount of the item of property, plant and equipment as a replacement if the recognition criteria are satisfied. Any unamortized part of the previously recognized expenses of similar nature is derecognized.

#### **3.3.1.4 Depreciation and Amortization**

- Depreciation on Property, Plant and Equipment is provided under Straight Line basis using rates determined based on the useful life of the respective assets and the residual values in accordance with Schedule II of the Companies Act, 2013 or as reassessed by the Company based on the technical evaluation.
- Depreciation on additions (disposals) during the year is provided on a pro-rata basis i.e., from (up to) the date on which asset is ready for use (disposed of).
- Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

#### **3.3.1.5 Disposal of Assets**

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between net disposal proceeds and the carrying amount of the asset and is recognized in the statement of profit and loss.



CINATOLLIH TEA LIMITED

CIN No.: U15122UP2015PLC069633

Notes to Standalone financial statements as on and for the year ended 31<sup>st</sup> March, 2020

### 3.3.2 Bearer Plant

#### 3.3.2.1 Recognition and Measurement

Bearer Plants which are used in the production or supply of agricultural produce and expected to bear produce for more than a period of twelve months are capitalized as part of Property, Plant and Equipment and are stated in the balance sheet at cost, less any accumulated depreciation and accumulated impairment losses (if any). The cost of Bearer Plant includes all cost incurred till the plants are ready for commercial harvest.

#### 3.3.2.2 Depreciation

- Depreciation on bearer plants is recognized so as to write off its cost over useful lives, using the straight-line method.
- The residual value in case of Bearer Plants has been considered as NIL. Estimated useful life of the bearer plants has been determined as the following:

<b>Tea Bushes</b>	<b>50 years</b>
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#### 3.3.2.3 Capital Work in Progress

Young tea bushes & shade trees, including the cost incurred for procurement of new seeds and maintenance of nurseries, are carried at cost less any recognized impairment losses under capital work-in-progress. Cost includes the cost of land preparation, new planting and maintenance of newly planted bushes until maturity. On maturity, these costs are classified under bearer plants.

### 3.4 Goodwill

Goodwill is an asset representing the future economic benefits arising from other assets that are not individually identified and separately recognized acquired pursuant to a composite scheme of arrangement ("the scheme") approved by the NCLT. Goodwill is initially measured at cost, being the excess of the consideration transferred over the net identifiable assets acquired and liabilities assumed.

Goodwill is considered to have indefinite useful life and hence is not subject to amortization but tested for impairment at least annually. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

### 3.5 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 as per taxation laws under Income tax act, 1961 and under respective state Agriculture Income tax act and adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Current and deferred tax is recognized in the statement of profit & loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

CINATOLLIH TEA LIMITED

CIN No.: U15122UP2015PLC069633

Notes to Standalone financial statements as on and for the year ended 31<sup>st</sup> March, 2020

### 3.5.1 Current Tax

- Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

### 3.5.2 Deferred tax

- Deferred Tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.
- Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes (i.e., tax base). Deferred tax is also recognized for carry forward of unused tax losses and unused tax credits.
- Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.
- The carrying amount of deferred tax asset is reviewed at the end of each reporting period. The Company reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or that entire deferred tax asset to be utilized. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.
- Deferred tax relating to items recognized outside the Statement of Profit and Loss is recognized either in other comprehensive income or in equity. Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.
- Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

### 3.6 Cash and cash equivalents

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

For the purpose of the statement of cash flows, cash and cash equivalents includes cash on hand, term deposits and other short-term highly liquid investments, net of bank overdrafts as they are considered an integral part of the Company's cash management.



CINATOLLIH TEA LIMITED

CIN No.: U15122UP2015PLC069633

Notes to Standalone financial statements as on and for the year ended 31<sup>st</sup> March, 2020

### **3.7 Revenue from contract with customers**

Revenue from sale of product is recognized at the point in time when the Company satisfies performance obligation by transferring the control of the promised goods to the customer.

At contract inception, the Company assess the goods or services promised in a contract with a customer and identify as a performance obligation each promise to transfer to the customer. Revenue from contracts with customers is recognized when control of goods or services are transferred to customers and the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold. Revenue from the sale of goods is measured at the fair value of the consideration received or receivables, net of returns and allowances, trade discounts and volume rebates.

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the Government. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specific of each arrangement.

### **3.8 Employee Benefits**

#### **➤ Short Term Employee Benefits**

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related services are provided. Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within twelve months, after the end of the period in which the employees render the related service, are recognized in respect of employees' services up to the end of the reporting period.

#### **➤ Other Long Term Employee Benefits**

The liabilities for leaves that are not expected to be settled wholly within twelve months from the reporting date are measured at the present value (determined by actuarial valuation using the projected unit credit method) of the expected future payments to be made in respect of services provided by employees up to the end of the reporting period. The benefits are discounted using a rate which is determined by reference to market yields at the end of the reporting period on government bonds. Remeasurements as the result of experience adjustment and changes in actuarial assumptions are recognized in statement of profit and loss.

#### **➤ Post-Employment Benefits**

The Company operates the following post-employment schemes

##### **i) Defined Contribution Plan**

Defined contribution plans such as Provident and Pension Fund are charged to the statement of profit and loss as and when incurred.



CINATOLLIAH TEA LIMITED

CIN No.: U15122UP2015PLC069633

Notes to Standalone financial statements as on and for the year ended 31<sup>st</sup> March, 2020

**ii) Defined Benefit Plan**

The liability or asset recognized in the Balance Sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods.

The defined benefit obligation is calculated annually by Actuaries using the projected unit credit method. The liability recognized for defined benefit plans is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets, together with adjustments for unrecognized actuarial gains or losses and past service costs. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Past service cost is recognized in the Statement of Profit and Loss in the period of a plan amendment. The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds, where the currency and the terms of the government bonds are consistent with the currency and estimated terms of the defined benefit obligation.

Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the Balance Sheet with a charge or credit recognized in Other Comprehensive Income (OCI) in the period in which they occur.

The Company contributes to fund maintained with Life Insurance Corporation of India.

**3.9 Government Grants**

Government grants are recognized at their fair values when there is reasonable assurance that the grants will be received and the Company will comply with all the attached conditions.

- Government grants related to revenue are recognized in the Statement of Profit and Loss on a systematic and rational basis in the periods in which the Company recognizes the related costs for which the grants are intended to compensate and are netted off with the related expenditure. If not related to a specific expenditure, it is taken as income and presented under "Other Operating Revenue / Other Income".
- Government grants received relating to property, plant and equipment and other intangible assets are deducted from the gross value of the property, plant and equipment and other intangible assets concerned in arriving at the carrying amount of the related property, plant and equipment and other intangible assets. The grant is recognized in the statement of profit or loss over the life of the related depreciable asset as a reduced depreciation expense.

CINATOLLIAH TEA LIMITED

CIN No.: U15122UP2015PLC069633

Notes to Standalone financial statements as on and for the year ended 31<sup>st</sup> March, 2020

### **3.10 Foreign Currency Transactions**

Transactions in foreign currencies are translated into the respective functional currency of the Company at the exchange rates prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate prevailing at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of initial transaction.

Exchange differences are recognized in the Statement of Profit and Loss in the period in which they arise.

### **3.11 Borrowing Costs**

- Borrowing Costs consists of interest and other costs that an entity incurs in connection with the borrowings of funds. Borrowing costs also includes foreign exchange difference to the extent regarded as an adjustment to the borrowing costs.
- Borrowing costs directly attributable to the acquisition or construction of a qualifying asset are capitalized as a part of the cost of that asset that necessarily takes a substantial period of time to complete and prepare the asset for its intended use or sale.
- Transaction costs in respect of long term borrowing are amortized over the tenure of respective loans using Effective Interest Rate (EIR) method. All other borrowing costs are recognized in the statement of profit and loss in the period in which they are incurred.

### **3.12 Financial Instruments**

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

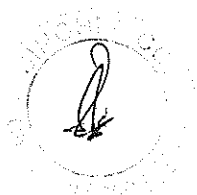
#### **3.12.1 Financial Assets**

##### **➤ Recognition and Initial Measurement**

All financial assets are initially recognized when the company becomes a party to the contractual provisions of the instruments. A financial asset is initially measured at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

##### **➤ Classification and Subsequent Measurement**

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



CINATOLLIH TEA LIMITED

CIN No.: U15122UP2015PLC069633

Notes to Standalone financial statements as on and for the year ended 31<sup>st</sup> March, 2020

**i) Measured at Amortized Cost**

A debt instrument is measured at the amortized cost if both the following conditions are met:

- i. The asset is held within a business model whose objective is achieved by collecting the contractual cash flows; and
- ii. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade receivables, cash and bank balances, loans and other financial assets of the company.

**ii) Measured at Fair Value Through Other Comprehensive Income (FVTOCI)**

A debt instrument is measured at the FVTOCI if both the following conditions are met:

- i. The objective of the business model is achieved by both collecting contractual cash flows and selling the financial assets; and
- ii. The asset's contractual cash flows represent SPPI.

Debt instruments meeting these criteria are measured initially at fair value plus transaction costs. They are subsequently measured at fair value with any gains or losses arising on re-measurements recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains or losses. Interest calculated using the effective interest method is recognized in the statement of profit and loss in investment income.

**iii) Measured at Fair Value Through Profit or Loss (FVTPL)**

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as FVTPL. In addition, the company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss. Equity instruments which are, held for trading are classified as at FVTPL.

**iv) Equity Instruments designated at Fair Value Through Other Comprehensive Income (FVTOCI).**

For equity instruments, which has not been classified as FVTPL as above, the company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The company makes such election on

CINATOLLIH TEA LIMITED

CIN No.: U15122UP2015PLC069633

Notes to Standalone financial statements as on and for the year ended 31<sup>st</sup> March, 2020

an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. In case the company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment.

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

➤ **De-recognition**

The Company derecognizes a financial asset on trade date only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

➤ **Impairment of Financial Assets**

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS – 109 requires expected credit losses to be measured through a loss allowance. The company recognizes impairment loss for trade receivables that do not constitute a financing transaction using expected credit loss model, which involves use of a provision matrix constructed on the basis of historical credit loss experience. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

### 3.12.2 Financial Liabilities

➤ **Recognition and Initial Measurement**

Financial liabilities are classified, at initial recognition, as at fair value through profit or loss, loans and borrowings, payables or as derivatives, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

➤ **Subsequent Measurement:**

Financial liabilities are measured subsequently at amortized cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

➤ **De-recognition**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

CINATOLLIH TEA LIMITED

CIN No.: U15122UP2015PLC069633

Notes to Standalone financial statements as on and for the year ended 31<sup>st</sup> March, 2020

### **3.12.3 Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize 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 counterparty.

### **3.13 Earnings Per Share**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Diluted EPS amounts are calculated by dividing the profit attributable to equity holders adjusted for the effects of potential equity shares by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

### **3.14 Impairment of Non-Financial Assets**

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value being higher of value in use and net selling price. Value in use is computed at net present value of cash flow expected over the balance useful lives of the assets. For the purpose 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 – CGU).

An impairment loss is recognized as an expense in the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in earlier accounting period is reversed if there has been an improvement in recoverable amount.

### **3.15 Provisions, Contingent Liabilities and Contingent Assets**

#### **➤ Provisions**

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

#### **➤ Contingencies**

Provision in respect of loss contingencies relating to claims, litigations, assessments, fines and penalties are recognized when it is probable that a liability has been incurred and the amount can be estimated reliably.

#### **➤ Contingent liabilities and contingent assets**

A contingent liability exists when there is possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant

CINATOLLIH TEA LIMITED

CIN No.: U15122UP2015PLC069633

Notes to Standalone financial statements as on and for the year ended 31<sup>st</sup> March, 2020

provisions, but are disclosed by way of notes to the financial statement unless the possibility of outflow of resources is remote.

Contingent assets are not recognized in the financial statements but disclosed, where an inflow of economic benefit is probable.

### **3.16 Operating Segment**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker of the Company is responsible for allocating resources and assessing performance of the operating segments and accordingly is identified as the chief operating decision maker.

### **3.17 Leases**

Ind AS 116 supersedes Ind AS 17 Leases including its appendices. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognize most leases on the balance sheet.

The Company has adopted Ind AS 116 using the modified retrospective method of adoption under the transitional provisions of the Standards, with the date of initial application on 1st April, 2019. The Company also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of twelve months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is of low value (low-value assets). The impact of adoption of Ind AS 116 on the financial statements of the Company has been described under Note 33.

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

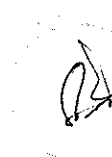
#### **3.17.1 Company as lessee**

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

##### **➤ Right-of-use assets**

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.



CINATOLLI AH TEA LIMITED

CIN No.: U15122UP2015PLC069633

Notes to Standalone financial statements as on and for the year ended 31<sup>st</sup> March, 2020

The right-of-use assets are also subject to impairment (refer note 3.14).

The right-of-use assets are disclosed in Property, Plant and Equipment (see Note 4).

➤ **Lease Liabilities**

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Lease liabilities are included in other financial liabilities (see Note 19).

**3.17.2 Company as lessor**

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessor will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 does not have an impact for leases where the Company is the lessor.

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.



CINATOLIAH TEA LIMITED

CIN No.: U15122UP2015PLC069633

Notes to Standalone financial statements as on and for the year ended 31<sup>st</sup> March, 2020

### **3.18 Significant Judgements and Key Sources of Estimation in Applying Accounting Policies**

Estimates and judgements 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. Information about Significant judgements and Key sources of estimation made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in the following notes

#### **3.18.1 Recognition of Deferred Tax Assets**

The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized. In addition, significant judgement is required in assessing the impact of any legal or economic limits.

#### **3.18.2 Useful lives of depreciable/ amortisable assets (tangible and intangible)**

Management reviews its estimate of the useful lives of depreciable/ amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to actual normal wear and tear that may change the utility of plant and equipment.

#### **3.18.3 Defined Benefit Obligation (DBO)**

Employee benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, medical cost trends, anticipation of future salary increases and the inflation rate. The Company considers that the assumptions used to measure its obligations are appropriate. However, any changes in these assumptions may have a material impact on the resulting calculations.

#### **3.18.4 Provisions and Contingencies**

The assessments undertaken in recognising provisions and contingencies have been made in accordance with Indian Accounting Standards (Ind AS) 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events is applied best judgement by management regarding the probability of exposure to potential loss.

#### **3.18.5 Impairment of Financial Assets**

The Company reviews its carrying value of investments carried at amortized cost annually, or more frequently when there is indication of impairment. If recoverable amount is less than its carrying amount, the impairment loss is accounted for.

#### **3.18.6 Fair Value of Biological Assets and Agricultural Produce**

The fair value of Biological Assets and Agricultural Produce is determined based on recent transactions entered into with third parties or available market price. Fair valuation of Biological Asset and Agriculture Produce are based on the market rates published by the industrial body for various grades from which the fair value of Biological asset and Agriculture Produce are derived.

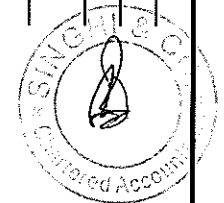


# Cinnatollah Tea Limited

(CIN: U15122UP2015PLC069633)

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

4. Property, Plant and Equipment								Rs. in lakhs	
Particulars	Buildings	Plants and Equipments	Computer and Data Processing Equipments	Furniture and Fixtures	Vehicles	Office Equipments	Right of Use (Note 33)	Total	
<b>Deemed Cost</b>									
<b>At 1st April 2018</b>	538.11	307.42	2.26	6.64	65.72	0.40	-		920.55
Additions from 1st April 2018 to 31st March 2019	2.57	20.76	1.41	1.31	8.37	2.29	-		36.71
Disposals from 1st April 2018 to 31st March 2019	-	0.20	-	-	0.14	-	-		0.34
<b>At 31st March, 2019</b>	<b>540.68</b>	<b>327.98</b>	<b>3.67</b>	<b>7.95</b>	<b>73.95</b>	<b>2.69</b>	<b>-</b>		<b>956.92</b>
Additions from 1st April 2019 to 31st March, 2020	75.75	36.62	0.23	1.54	0.69	1.06	12.42		128.31
Disposals from 1st April 2019 to 31st March, 2020	-	-	-	-	-	-	-		-
<b>At 31st March, 2020</b>	<b>616.43</b>	<b>364.60</b>	<b>3.90</b>	<b>9.49</b>	<b>74.64</b>	<b>3.75</b>	<b>12.42</b>		<b>1,085.23</b>
<b>Accumulated Depreciation</b>									
<b>At 1st April 2018</b>	-	-	-	-	-	-	-		-
Charges for the year from 1st April 2018 to 31st March 2019	14.16	38.49	0.83	1.39	11.24	0.71	-		66.82
Disposals for the year from 1st April 2018 to 31st March 2019	-	-	-	-	-	-	-		-
<b>At 31st March, 2019</b>	<b>14.16</b>	<b>38.49</b>	<b>0.83</b>	<b>1.39</b>	<b>11.24</b>	<b>0.71</b>	<b>-</b>		<b>66.82</b>
Charges for the year from 1st April 2019 to 31st March, 2020	14.63	26.71	0.81	1.07	13.13	0.50	2.76		59.61
Disposals for the year from 1st April 2019 to 31st March, 2020	-	-	-	-	-	-	-		-
<b>At 31st March, 2020</b>	<b>28.79</b>	<b>65.20</b>	<b>1.64</b>	<b>2.46</b>	<b>24.37</b>	<b>1.21</b>	<b>2.76</b>		<b>126.43</b>
<b>Net block</b>									
<b>At 1st April 2018</b>	538.11	307.42	2.26	6.64	65.72	0.40	-		920.55
<b>At 31st March, 2019</b>	526.52	289.49	2.84	6.55	62.71	1.99	-		890.10
<b>At 31st March, 2020</b>	587.64	299.40	2.26	7.03	50.27	2.54	9.66		958.80



Notes : 1) As permitted by para D5-D8B of Ind AS 101, the Company has elected to measure items of Property, Plant & Equipment at its carrying value as the Deemed Cost at the transition date as on 1st April, 2018.

**Cinnatollah Tea Limited**

(CIN: U15122UP2015PLC069633)

Notes to Financial Statements as at and for the year ended 31st March, 2020

**5. Capital Work-in-progress**

	(Rs. in lakhs)		
	As at 31.03.2020	As at 31.03.2019	As at 01.04.2018
Balance at the beginning of the year	80.72	35.48	61.73
Add : Additions during the year	80.44	35.71	23.66
Add: Expenses on Bearer Plant during the year	21.84	10.03	9.33
	183.00	81.22	94.72
Less : Transferred to Property, Plant and Equipment	115.89	0.50	59.24
	<u>67.11</u>	<u>80.72</u>	<u>35.48</u>

**6. Goodwill**

	(Rs. in lakhs)		
	As at 31.03.2020	As at 31.03.2019	As at 01.04.2018
<b>Reconciliation of carrying amount</b>			
<b>Gross carrying amount</b>			
Balance at the beginning of the year	90.11	90.11	90.11
Additions during the year	-	-	-
Balance at the end of the year	<u>90.11</u>	<u>90.11</u>	<u>90.11</u>
<b>Carrying amount</b>	<u>90.11</u>	<u>90.11</u>	<u>90.11</u>

**7. Inventories**

	(Rs. in lakhs)		
	As at 31.03.2020	As at 31.03.2019	As at 01.04.2018
<i>(Value at lower of cost and net realisable value)</i>			
Finished goods	71.95	88.07	95.71
Stores, chemicals and spare parts	179.22	183.47	79.00
	<u>251.17</u>	<u>271.54</u>	<u>174.71</u>
<b>Biological Assets other than Bearer Plant</b>			
<b>Reconciliation of carrying amount</b>			
Balance at the beginning of the year	12.09	9.06	9.06
Increase due to harvested/ physical changes/ Net change in fair value less estimated costs to sell	-	12.09	-
Decrease due to harvested/ physical changes	(12.09)	(9.06)	-
Decrease due to sales/ write off	-	-	-
Balance at the end of the year	<u>-</u>	<u>12.09</u>	<u>9.06</u>

The method of valuation of Inventories has been stated in Note 3.1 and 3.2 of Significant Accounting Policies.

**8. Trade receivables**

	(Rs. in lakhs)		
	As at 31.03.2020	As at 31.03.2019	As at 01.04.2018
<b>Current</b>			
Trade Receivables	146.01	175.93	147.56
Receivables from related parties	-	-	-
Less: Allowance for expected credit loss	11.82	11.82	11.82
Total Trade receivables	<u>134.19</u>	<u>164.11</u>	<u>135.74</u>
<b>Break up of security details</b>			
Trade Receivables considered good - Unsecured	134.19	164.11	135.74
Trade Receivables -credit impaired	11.82	11.82	11.82
Total Trade receivables	146.01	175.93	147.56
Less: Allowance for doubtful debts	11.82	11.82	11.82
Total	<u>134.19</u>	<u>164.11</u>	<u>135.74</u>

8.1 No trade or other receivables are due from directors or other officers of the company either severally or jointly with any other person.

**9. Cash and cash equivalents**

	(Rs. in lakhs)		
	As at 31.03.2020	As at 31.03.2019	As at 01.04.2018
<b>Cash and cash equivalents</b>			
Cash on hand	21.12	3.94	5.23
Balances with banks			
- Current accounts	267.99	87.87	57.15
- Cash credit accounts	0.17	0.28	5.76
- Tea development account	-	0.12	0.19
	<u>289.28</u>	<u>92.21</u>	<u>68.33</u>

**10. Bank balances (Other than Note 9)**

	(Rs. in lakhs)		
	As at 31.03.2020	As at 31.03.2019	As at 01.04.2018
Bank deposits due to mature after 3 months of original maturities but within 12 months of the reporting date	2,011.48	1,967.50	1,942.37
	<u>2011.48</u>	<u>1,967.50</u>	<u>1,942.37</u>

**Cinnatollah Tea Limited**

(CIN: U15122UP2015PLC069633)

Notes to Financial Statements as at and for the year ended 31st March, 2020

**11. Loans**

(Rs. in lakhs)

	As at 31.03.2020	As at 31.03.2019	As at 01.04.2018
<i>(Considered good - Unsecured)</i>			
<b>Non-current</b>			
Security and other deposits	4.50	4.50	4.50
	<u>4.50</u>	<u>4.50</u>	<u>4.50</u>

11.1 No deposits are due from directors or other officers of the company either severally or jointly with any other person.

**12. Other Financial Assets**

(Rs. in lakhs)

	As at 31.03.2020	As at 31.03.2019	As at 01.04.2018
<i>(Considered good - Unsecured)</i>			
<b>Non-current</b>			
Bank deposits due to mature after 12 months of the reporting date	100.00		
Balances with Tea Development Account Scheme, 1990	180.75	445.66	383.32
	<u>280.75</u>	<u>445.66</u>	<u>383.32</u>
<b>Current</b>			
<i>(Considered good - Unsecured)</i>			
Interest accrued on Loans, deposits, investments etc.	45.33	50.76	51.29
Balances with Tea Development Account Scheme, 1990	115.89	36.72	111.93
	<u>161.22</u>	<u>87.48</u>	<u>163.22</u>

**13. Deferred Tax Assets (net)**

	As at 31.03.2020	As at 31.03.2019	As at 01.04.2018
<b>Deferred Tax Liabilities</b>			
Arising on account of:			
Property, plant and equipments & intangible assets	39.03	28.40	28.34
	<u>39.03</u>	<u>28.40</u>	<u>28.34</u>
<b>Deferred Tax Assets</b>			
Arising on account of:			
Section 43B of Income-tax Act	106.66	109.04	95.92
Provisions - others	2.97	3.29	3.26
	<u>109.64</u>	<u>112.33</u>	<u>99.18</u>
<b>Net deferred tax assets / (liabilities)</b>	<u>70.61</u>	<u>83.93</u>	<u>70.84</u>

**13.1 Movement in deferred tax asset and deferred tax liabilities during the year ended 31st March, 2020 and 31st March, 2019.**

(Rs. in lakhs)

	As at 1st April, 2018	Recognised in profit or loss	Recognised in other comprehensive income	As at 31st March, 2019
<b>Deferred Income Tax Assets/(Liabilities)</b>				
Property, Plant & Equipments & Intangible Assets	(28.34)	(0.06)	-	(28.40)
Items u/s 43B of the Income Tax Act, 1961	95.92	6.22	6.90	109.04
Provisions - others	3.26	0.03	-	3.29
<b>Deferred Income Tax Assets/(Liabilities)</b>	<u>70.84</u>	<u>6.18</u>	<u>6.90</u>	<u>83.93</u>

(Rs. in lakhs)

	As at 31st March, 2019	Recognised in profit or loss	Recognised in other comprehensive income	As at 31st March, 2020
<b>Deferred Income Tax Assets/(Liabilities)</b>				
Property, Plant & Equipments & Intangible Assets	(28.40)	(10.63)	-	(39.03)
Items u/s 43B of the Income Tax Act, 1961	109.04	(12.87)	10.49	106.66
Provisions - others	3.29	(0.31)	-	2.97
<b>Deferred Income Tax Assets/(Liabilities)</b>	<u>83.93</u>	<u>(23.81)</u>	<u>10.49</u>	<u>70.61</u>

**14. Non-Current Tax Assets (net)**

(Rs. in lakhs)

	As at 31.03.2020	As at 31.03.2019	As at 01.04.2018
Advance income tax [net of provision for taxation Rs. 827.97 lakhs (31 March 2019 : 758.77 , 1 April 2018: 695.27)]	80.52	68.81	26.94
	<u>80.52</u>	<u>68.81</u>	<u>26.94</u>

**15. Other Current Assets**

(Rs. in lakhs)

	As at 31.03.2020	As at 31.03.2019	As at 01.04.2018
<b>Advances other than Capital Advances</b>			
<b>Other advances (considered good - unsecured)</b>			
Balance with Government Authorities	27.51	23.12	13.62
Prepaid Expenses	6.06	9.98	11.14
Other receivables	13.65	9.67	4.09
	<u>47.22</u>	<u>42.77</u>	<u>28.85</u>

15.1 No advances are due to directors or other officers of the company either severally or jointly with any other person.

**16. Share Capital**

(Rs. in lakhs)

	As at 31.03.2020	As at 31.03.2019	As at 01.04.2018
<b>Authorised:</b>			
2,65,00,000 equity shares of Rs. 10 each	2,650.00	2,650.00	2,650.00
	<u>2,650.00</u>	<u>2,650.00</u>	<u>2,650.00</u>
<b>Issued, subscribed and fully paid-up:</b>			
2,61,75,396 equity shares of Rs. 10 each	2,617.54	2,617.54	2,617.54
	<u>2,617.54</u>	<u>2,617.54</u>	<u>2,617.54</u>

# Cinnatollah Tea Limited

(CIN: U15122UP2015PLC069633)

Notes to Financial Statements as at and for the year ended 31st March, 2020

**(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year:**

	As at 31st March, 2020		As at 31st March, 2019	
	Number of shares	Rs. in lakhs	Number of shares	Rs. in lakhs
Equity shares				
Outstanding at the beginning of the year	2,61,75,396	2,617.54	2,61,75,396	2,617.54
Add: Issued during the year	-	-	-	-
Outstanding at the end of the year	2,61,75,396	2,617.54	2,61,75,396	2,617.54

**(b) Rights, preferences and restrictions attached to equity shares**

The company has single class of Equity Shares. Each holder of Equity shares is entitled to one vote per share and equal right for dividend. The dividend proposed by the Board of Directors is subject to the approval of Shareholders in the ensuing Annual General Meeting, except in case of Interim dividend. In the event of Liquidation, the equity shareholders are eligible to receive the remaining assets of the company after payment of all preferential amounts, in proportion of their shareholding.

**(c) Particulars of shareholders holding more than 5% shares of fully paid up equity shares**

	As at 31st March, 2020		As at 31st March, 2019	
	Number of shares	% of total shares in the class	Number of shares	% of total shares in the class
Equity shares of Rs. 10 each fully paid up held by				
Ganges Securities Limited	2,61,75,396	100.00	2,61,75,396	100.00

As per records of the Company, including its register of Shareholders/members, the above share holdings represents legal ownership of shares.

**(d) Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date**

	Year ended 31 <sup>st</sup> March, 2020	Year ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018	Year ended 31 <sup>st</sup> March, 2017	Year ended 31 <sup>st</sup> March, 2016
Issued pursuant to the scheme of arrangement:				2,612.54	
Equity shares of Rs. 10 each allotted as fully paid-up					

(e) No ordinary shares have been reserved for issue under options and contracts/ commitments for the sale of shares/ disinvestment as at the Balance Sheet date.

(f) The Company has not allotted any equity shares as fully paid up by way of bonus shares nor has bought back any shares during the period of five years immediately preceding the date at which the Balance Sheet is prepared.

(g) No securities convertible into Equity/ Preference shares have been issued by the Company during the year.

(h) No calls are unpaid by any Director or Officer of the Company during the year.

## 17. Other Equity

	(Rs. in lakhs)		
	As at 31.03.2020	As at 31.03.2019	As at 01.04.2018
Reserves & Surplus			
Retained Earnings	1,267.59	1,125.07	1,007.72
Other Comprehensive Income	-	-	-
	1,267.59	1,125.07	1,007.72
	As at 31.03.2020	As at 31.03.2019	
<b>i) Retained Earnings</b>			
Balance at the beginning of the year	1,125.07	1,007.72	
Profit for the year	205.27	166.80	
Dividend (including dividend distribution tax) on equity shares	(31.56)	(31.56)	
Remeasurement of defined benefit liability / (asset) (net)	(31.19)	(17.89)	
Closing balance	1,267.59	1,125.07	
	As at 31.03.2020	As at 31.03.2019	
<b>ii) Other Comprehensive Income</b>			
Remeasurement of Defined Benefit Plans			
Balance at the beginning of the year	-	-	
Add/(Less): Actuarial Gain/(Loss) based on the valuation	31.19	17.89	
Add/(Less): Deferred Tax on above			
Less : Transfer to retained earning	(31.19)	(17.89)	
Balance at the end of the year	-	-	
<b>Total Reserves and Surplus</b>	1,267.59	1,125.07	1,007.72

(a) **Retained Earnings:** This reserve represents the cumulative profits of the Company and effects of remeasurements of defined benefit obligation. This reserve can be utilised in accordance with the provisions of Companies Act, 2013

(b) **Other Comprehensive Income:** Other Comprehensive Income represents the actuarial gains and losses arising on re-measurement of defined benefit obligations.

**Cinnatollah Tea Limited**

(CIN: U15122UP2015PLC069633)

Notes to Financial Statements as at and for the year ended 31st March, 2020

**18. Trade Payables**

(Rs. in lakhs)

	As at 31.03.2020	As at 31.03.2019	As at 01.04.2018
Total outstanding dues of creditors to micro enterprises and small enterprises	-	-	-
Total outstanding dues of creditors to other than micro enterprises and small enterprises	76.05	60.34	36.31
	<b>76.05</b>	<b>60.34</b>	<b>36.31</b>

The following details relating to Micro enterprises and small enterprises are as under:

(i) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the accounting year:

Principal amount due to micro and small enterprises	-	-	-
Interest due on above	-	-	-
Total	-	-	-

(ii) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act 2006) along with the amounts of the payment made to the supplier beyond the appointed day during the accounting year.

	-	-	-
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(iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.

	-	-	-
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(iv) The amount of interest accrued and remaining unpaid at the end of the accounting year.

	-	-	-
--	---	---	---

(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006.

	-	-	-
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**19. Other Financial Liabilities**

(Rs. in lakhs)

	As at 31.03.2020	As at 31.03.2019	As at 01.04.2018
<b>Non-current</b>			
Liability for Lease payment (Note : 33)	7.41	-	-
	<b>7.41</b>	<b>-</b>	<b>-</b>
<b>Current</b>			
Liability for Lease payment (Note : 33)	2.60	-	-
Payable to employees	27.98	89.26	23.05
	<b>30.58</b>	<b>89.26</b>	<b>23.05</b>

**20. Other Current Liabilities**

(Rs. in lakhs)

	As at 31.03.2020	As at 31.03.2019	As at 01.04.2018
Advance from customers	-	-	2.19
Statutory dues	22.58	16.35	18.02
	<b>22.58</b>	<b>16.35</b>	<b>20.21</b>

**21. Provisions**

(Rs. in lakhs)

	As at 31.03.2020	As at 31.03.2019	As at 01.04.2018
<b>Provision for employee benefits</b>			
Net defined benefit liability - Gratuity	216.27	183.16	171.48
Leave	20.94	15.55	14.73
Bonus	188.00	194.26	162.98
	<b>425.21</b>	<b>392.97</b>	<b>349.19</b>
<b>Non-current</b>	<b>196.22</b>	<b>163.24</b>	<b>158.65</b>
<b>Current</b>	<b>228.99</b>	<b>229.73</b>	<b>190.54</b>
	<b>425.21</b>	<b>392.97</b>	<b>349.19</b>

**22. Revenue from Operations**

(Rs. in lakhs)

	Year ended 31st March, 2020	Year ended 31st March, 2019
<b>Sale of Goods (A)</b>		
Finished goods	2,388.79	2,339.49
	<b>2,388.79</b>	<b>2,339.49</b>
<b>Other Operating Revenue (B)</b>		
Tea Waste Sale	8.32	9.25
	<b>8.32</b>	<b>9.25</b>
<b>Total Revenue from Operations (A) + (B)</b>	<b>2,397.11</b>	<b>2,348.74</b>

**22(a). Disclosures pursuant to IND AS 115**

i) Nature of goods and services : The Company is engaged in the manufacturing and sale of Tea and other agriculture produce and the same is the only reportable segment of the Company.

ii) Disaggregation of revenue : In the following table, revenue is disaggregated by major product lines, geographical market and timing of revenue recognition, etc :

Major Product	Year ended 31st March, 2020	Year ended 31st March, 2019
Tea	2,388.79	2,339.49
<b>Geographical Market</b>		
In India	2,388.79	2,339.49
Outside India	-	-

The company recognises revenue at a point in time. The contract with customers are of short term duration and all sales are direct to customers.

iii) Contract balances : The following table provides information about receivables, contract assets and contract liabilities from contract with customers :

Particulars	As at 31st March 2020	As at 31st March 2019
Receivables, which are included in 'Trade and other receivables' (Refer Note - 8)	134.19	164.11
Contract assets	-	-
Contract liabilities (Advance received from Customer)	-	-
<b>Total (Assets - Liabilities)</b>	<b>134.19</b>	<b>164.11</b>

iv) Other Information

**Cinnatollah Tea Limited**

(CIN: U15122UP2015PLC069633)

Notes to Financial Statements as at and for the year ended 31st March, 2020

**Particulars**

- (i) Transaction price allocated to the remaining performance obligations  
(ii) The amount of revenue recognised in the current period that was included in the opening contract liability balance  
(iii) The amount of revenue recognised in the current period from performance obligations satisfied (or partially satisfied) in previous periods  
(iv) Performance obligations : The Company satisfy the performance obligation on shipment / delivery.  
(v) Significant payment terms : The amounts receivable from customers become due after expiry of credit period which on an average is less than 30 days. There is no significant financing component in any transaction with the customers.

**For the year ended 31st March 2020**

Nil  
Nil  
Nil

	(Rs. in lakhs)	
	Year ended 31st March, 2020	Year ended 31st March, 2019
<b>23. Other Income</b>		
Interest income at amortized cost		
- Loans and deposits	161.58	143.67
Changes in Fair value of Biological assets	-	3.03
Gain on tangible assets sold / discarded (net)	-	1.39
Miscellaneous Receipts	0.01	0.39
	<u>161.59</u>	<u>148.48</u>

	(Rs. in lakhs)	
	Year ended 31st March, 2020	Year ended 31st March, 2019
<b>24. Changes in inventories of Finished Goods, Work-in-progress and Stock-in-Trade</b>		
Inventories at the end of the year		
Finished goods	71.95	88.07
	<u>71.95</u>	<u>88.07</u>
Inventories at the beginning of the year		
Finished goods	88.07	95.71
	<u>88.07</u>	<u>95.71</u>
	16.12	7.63

	(Rs. in lakhs)	
	Year ended 31st March, 2020	Year ended 31st March, 2019
<b>25. Employee benefits expense</b>		
Salaries, wages, bonus etc.	1,246.59	1,228.52
Contribution to provident and other funds	141.05	141.40
Expenses related to post-employment defined benefit plans	37.94	32.34
Staff welfare expenses	149.70	156.94
	<u>1,575.28</u>	<u>1,559.20</u>

	(Rs. in lakhs)	
	Year ended 31st March, 2020	Year ended 31st March, 2019
<b>26. Finance costs</b>		
Interest expense on lease liabilities	0.99	-
Interest on income tax	1.20	2.02
	<u>2.19</u>	<u>2.02</u>

	(Rs. in lakhs)	
	Year ended 31st March, 2020	Year ended 31st March, 2019
<b>27. Depreciation and amortization expense</b>		
Depreciation of property, plant and equipment [Note 4]	59.60	66.81
	<u>59.60</u>	<u>66.81</u>

	(Rs. in lakhs)	
	Year ended 31st March, 2020	Year ended 31st March, 2019
<b>28. Other expenses</b>		
Consumption of stores and spares & Packing materials	147.87	147.48
Power and fuel	235.85	250.86
Repairs to:		
- Buildings	17.05	15.16
- Machinery	23.07	23.20
- Others	1.01	0.93
Rent	-	3.40
Rates and taxes	5.41	26.06
Insurance	8.49	8.16
<b>Payment to Statutory Auditor :</b>		
Statutory Audit Fees	2.00	2.00
Limited Review Fees	1.20	-
Other Services	0.40	0.40
Commission on sales	22.21	22.12
Freight and forwarding charges	8.68	8.68
Other Selling expenses	10.08	9.93
Changes in Fair value of Biological assets	12.09	-
Professional Fees	24.66	15.37
Miscellaneous expenses	87.16	103.69
	<u>607.23</u>	<u>637.44</u>

	(Rs. in lakhs)	
	Year ended 31st March, 2020	Year ended 31st March, 2019
<b>29. Tax expense</b>		
Current tax	69.20	63.50
Deferred tax	-	-
Attributable to origination and reversal of temporary differences	23.81	(6.18)
<b>Total tax expense for the year</b>	<u>93.01</u>	<u>57.32</u>

**Cinnatollah Tea Limited**

(CIN: U15122UP2015PLC069633)

Notes to Financial Statements as at and for the year ended 31st March, 2020

**Reconciliation of effective tax rate**

	As at 31st March, 2020		As at 31st March, 2019	
	Rate	(Rs. in lakhs)	Rate	(Rs. in lakhs)
Profit before tax		298.28		224.12
Tax using the Company's domestic tax rate	25.17%	75.07	27.82%	62.35
Tax effect of:				
- Adjustments due to change in tax rate		3.01		1.16
- Others (including due to permanent differences)		14.93		(6.19)
<b>Income tax expense in Statement of Profit &amp; Loss</b>		<b>93.01</b>		<b>57.32</b>

**30. Other Comprehensive Income**

	(Rs. in lakhs)	
	Year ended 31st March, 2020	Year ended 31st March, 2019
Items that will not be reclassified to profit or loss		
Remeasurement of the defined benefit plans	(41.68)	(24.79)
Less: Tax expense on the above	10.49	6.90
	<b>(31.19)</b>	<b>(17.89)</b>

**31. Earnings per share**
**Basic and Diluted earnings per share**

The calculations of profit attributable to equity shareholders and weighted average number of equity shares outstanding for purposes of basic and diluted earnings per share calculation are as follows:

	Year ended 31st March, 2020	Year ended 31st March, 2019
(i) Profit attributable to equity shareholders (Rs. in lakhs)	205.27	166.80
(ii) Weighted average number of equity shares for the year At the beginning and at the end of the year	2,61,75,396	2,61,75,396
(iii) Earning per equity share [Nominal value of share Rs. 10] [(i)/(ii)] Basic and Diluted (Rs.)	0.78	0.64

There is no dilutive potential equity share.

**32. Disclosures pursuant to Ind AS 19 "Employee Benefits"**
**Defined benefits - Gratuity Plan**

The Company has a defined benefit gratuity plan. Every employee who has completed continuously at least five years or more of service is entitled to Gratuity on terms as per the provisions of The Payment of

Gratuity Act, 1972. The Company has got an approved gratuity fund which has taken an insurance policy with Life Insurance Corporation of India (LIC) to cover the gratuity liabilities.

**Net defined benefit liabilities**

	(Rs. in lakhs)	
	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Present value of defined benefit obligations	453.58	393.66
Fair value of plan assets	237.31	210.50
<b>Net defined benefit liabilities</b>	<b>216.27</b>	<b>183.16</b>

**Risk Exposure**

Through its defined benefit plans, the company is exposed to a number of risks, the most significant of which are detailed below:

<b>Interest Rate Risk</b>	The defined benefit obligation is calculated using a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.
<b>Salary Inflation Risk</b>	Higher than expected increases in salary will increase the defined benefit obligation.
<b>Volatility Risk</b>	This is the risk of volatility of results due to unexpected nature of decrements that include mortality attrition, disability and retirement. The effects of these decrement on the DBO depends upon the combination salary increase, discount rate, and vesting criteria and therefore not very straight forward. It is important not to overstate withdrawal rate because the cost of retirement benefit of a short caring employees will be less compared to long service employees.
<b>Actuarial Risk</b>	It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons: <b>Adverse Salary Growth Experience:</b> Salary hikes that are higher than the assumed salary escalation will result into an increase in Obligation at a rate that is higher than expected. <b>Variability in mortality rates:</b> If actual mortality rates are higher than assumed mortality rate assumption than the Gratuity benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate. <b>Variability in withdrawal rates:</b> If actual withdrawal rates are higher than assumed withdrawal rate assumption than the Gratuity benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.
<b>Investment Risk</b>	For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.
<b>Liquidity Risk</b>	Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign / retire from the company there can be strain on the cash flows.
<b>Market Risk</b>	Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa.

The Company expects to contribute Rs. 40 lakhs to Gratuity Fund in the next year.

The following tables analyse present value of defined benefit obligations, fair value of defined plan assets, actuarial gain / (loss) on plan assets, expense recognised in the Statement of Profit and Loss and Other Comprehensive Income, actuarial assumptions and other information:

**Cinnatollah Tea Limited**

(CIN: U15122UP2015PLC069633)

Notes to Financial Statements as at and for the year ended 31st March, 2020

**Reconciliation of the net defined benefit liabilities / (assets):**

	(Rs. in lakhs)	
	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>(i) Reconciliation of present value of defined benefit obligations</b>		
(a) Balance at the beginning of the year	393.66	352.2
(b) Service cost	24.49	21.01
(c) Interest cost	27.98	25.69
(d) Benefits paid	(34.23)	(30.03)
(e) Actuarial (gain) / loss on defined benefit obligations:		
- due to change in financial assumptions	34.93	6.65
- due to change in demographic assumptions	(0.17)	-
- due to experience changes	6.92	18.14
<b>Balance at the end of the year</b>	<b>453.58</b>	<b>393.66</b>
<b>(ii) Reconciliation of fair value of plan assets</b>		
(a) Balance at the beginning of the year	210.50	180.72
(b) Actual return on plan assets	16.04	14.36
(c) Contributions by the employer	45.00	45.45
(d) Benefits paid	(34.23)	(30.03)
<b>Balance at the end of the year</b>	<b>237.31</b>	<b>210.50</b>

	(Rs. in lakhs)	
	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>(iii) Expense recognised in Employee benefits expenses</b>		
(a) Service cost	24.49	21.01
(b) Interest cost	27.98	25.69
(c) Interest income	(16.04)	(14.36)
<b>Amount charged to Employee benefits expenses</b>	<b>36.43</b>	<b>32.34</b>

<b>(iv) Remeasurement recognised in Other Comprehensive Income</b>		
(a) Actuarial loss on defined benefit obligations	(41.68)	(24.79)
<b>Amount recognised in Other Comprehensive Income</b>	<b>(41.68)</b>	<b>(24.79)</b>

<b>(v) Plan assets</b>		
Plan assets comprise of the following:		
(a) Investments with LIC	100%	100%

<b>(vi) Actuarial assumptions</b>		
Principal actuarial assumptions at the reporting date (expressed as weighted averages)		
(a) Discount rate	7.43%	6.53%
(b) Future salary growth	5.00%	5.00%
(c) Attrition rates	Less than 40 Years - 4.2% 40 Years and above - Nil	

Assumptions regarding future mortality experience are set in accordance with the published rates under Indian Assured Lives Mortality (2012-14).

**(vii) Sensitivity analysis**  
Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligations by the amounts shown below:

	(Rs. in lakhs)			
	As at 31 <sup>st</sup> March, 2020		As at 31 <sup>st</sup> March, 2019	
	Increase	Decrease	Increase	Decrease
(a) Discount rate (1% movement)	(21.81)	27.72	(18.80)	23.66
(b) Future salary growth (1% movement)	27.66	(21.81)	23.65	(18.74)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions as shown.

**(ix) Estimated Cash Flows (Undiscounted) in subsequent years**

	(Rs. in lakhs)	
	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
1st year	71.78	65.71
Between 2 and 5 years	92.37	88.57
Between 6 and 10 years	185.82	163.57
Beyond 10 years	612.47	615.12
	<b>962.44</b>	<b>932.97</b>

**Defined contribution plans**

The Company has recognised the following amount as expenses and included under, "Contribution to Provident & Other Funds".

	(Rs. in lakhs)	
	Year ended 31st March, 2020	Year ended 31st March, 2019
Contribution to Provident / Pension Funds	141.05	141.40

**33. Leases**

The Company has adopted Ind AS 116 "Leases" with the date of initial application being 1st April, 2019, using the modified retrospective method. On transition to Ind AS 116, Right of use assets as at 1st April, 2019 for lease previously classified as operating lease were recognised and measured at an amount equal to lease liabilities. Accordingly, previous period information has not been reinstated.

Lease liabilities is being measured by discounting the lease payments using incremental borrowing rate i.e. 8% p.a.

**Cinnatollah Tea Limited**

(CIN: U15122UP2015PLC069633)

Notes to Financial Statements as at and for the year ended 31st March, 2020

The impact of change in accounting policy on account on adoption of Ind AS 116 is as follows :

Particulars	(Rs. in lakhs)	
	Year ended 31st March, 2020	
Increase in Property, Plant and Equipment by		12.42
Increase in Lease liabilities by		12.42

As Lessee

(i) Carrying value of Right-of-use assets by class:

Particulars	(Rs. in lakhs)	
	Building	
Balance as at 1 <sup>st</sup> April, 2019		-
Recognised on account of adoption of Ind AS 116 as at 1 <sup>st</sup> April, 2019		12.42
Additions during the year		-
Depreciation for the year		2.76
Balance as at 31 <sup>st</sup> March, 2020		9.66

(ii) Movement in lease liabilities:

Particulars	(Rs. in lakhs)	
	As at 31 <sup>st</sup> March, 2020	
Balance as at 1 <sup>st</sup> April, 2019		-
Recognised on account of adoption of Ind AS 116 as at 1 <sup>st</sup> April, 2019		12.42
Additions during the year		-
Finance cost accrued during the year		0.99
Payment of lease liabilities for the year		(3.40)
Balance as at 31 <sup>st</sup> March, 2020		10.01

Particulars	(Rs. in lakhs)	
	As at 31 <sup>st</sup> March, 2020	
Lease liabilities - Non-current (refer Note 19)		7.41
Lease liabilities - Current (refer Note 19)		2.60

(iii) Contractual maturities of lease liabilities on an undiscounted basis:

Particulars	(Rs. in lakhs)	
	As at 31 <sup>st</sup> March, 2020	
Less than one year		3.40
One to five years		8.50
Total		11.90

(iv) Amounts recognised in profit or loss:

Particulars	(Rs. in lakhs)	
	Year ended 31 <sup>st</sup> March, 2020	Year ended 31 <sup>st</sup> March, 2019
Interest on lease liabilities	0.99	-
Expenses relating to short-term and low-value leases *	-	-
Total	0.99	-

(v) Amounts recognised in the statement of cash flows

Particulars	(Rs. in lakhs)	
	Year ended 31 <sup>st</sup> March, 2020	Year ended 31 <sup>st</sup> March, 2019
Total cash outflow of leases including cash outflow for short term leases and leases of low value	3.40	-

There is no significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when due.

**34. Related Party Disclosures****Names of related Parties and related party relationship****A. Enterprise exercising control****(i) Holding Company****Ganges Securities Limited****B. Related parties with whom transactions have taken place during the year****Key Management Personnel**

Shri Santosh Kumar Poddar	Managing Director
Smt. Nandini Nopany	Director
Shri Dilip Patodia	Director
Shri Nandanandan Mishra	Director
Smt. Shruti Vora	Director
Mr. Arun Kumar Newar	Director
Shri Rajes Gupta	Chief Financial Officer



**Cinnatollah Tea Limited**

(CIN: U15122UP2015PLC069633)

Notes to Financial Statements as at and for the year ended 31st March, 2020

**C. The following transactions were carried out with related parties in the ordinary course of business****a. Dividend / Director's sitting fees / commission**

	Year ended 31 <sup>st</sup> March	(Rs. in lakhs)	
		Dividend on Equity Shares	Director's sitting fees
<b>Holding Company</b>	<b>2020</b>	<b>26.18</b>	
Ganges Securities Limited	2019	26.18	
<b>Key management personnel</b>			
Smt. Nandini Nopany	2020		0.18
	2019		0.18
Mr. Dilip Patodia	2020	-	0.40
	2019	-	0.33
Mr. Nandanandan Mishra	2020	-	-
	2019	-	0.33
Smt. Shruti Vora	2020	-	0.05
	2019	-	0.05
Mr. Arun Kumar Newar	2020	-	0.20
	2019	-	-

**b. Remuneration to key managerial personnel****(i) Short term employee benefits**

	Year ended 31 <sup>st</sup> March	Transaction during the year *	(Rs. in lakhs)	
			Amount owed by related parties	Amount owed to related parties
<b>Shri Santosh Kumar Poddar</b>	<b>2020</b>	<b>56.54</b>		<b>3.10</b>
	2019	51.07		2.80
<b>Shri Rajes Gupta</b>	<b>2020</b>	<b>6.24</b>		<b>0.35</b>
	2019	4.98		0.29

\* Represents the amount paid / accrued during the year.

**(ii) Post employment benefits**

The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole.

**C. Details of loans, investments and guarantee covered under Section 186(4) of the Companies Act, 2013**

The Company has neither given any loan nor has advanced any amount either during the year ended 31st March, 2020 or year ended 31st March, 2019.

**D. Terms and conditions of transactions with related parties**

(i) The transactions with related parties have been entered at an amount which are not materially different from those on normal commercial terms.

(ii) The amounts outstanding are unsecured and will be settled in cash and cash equivalent. No guarantees have been given or received.

(iii) For the year ended 31st March, 2020, the Company has not recorded any impairment of receivables relating to amounts owed by a related parties. This assessment is undertaken in each financial year through examining the financial position of the related parties and the market in which the related party operates.

35. The Company is engaged in the manufacturing and selling of tea and accordingly there are no separate reportable segment as per Ind AS 108 dealing with Operating Segment.

**36. Contingent Liabilities not provided for:**

	Year ended 31 <sup>st</sup> March,	
	2020	2019
Contingent Liabilities	Nil	Nil

# Cinnatollah Tea Limited

(CIN: U15122UP2015PLC069633)

Notes to Financial Statements as at and for the year ended 31st March, 2020

## 37 Transition to Ind AS

### 37.1 Basis for Preparation

For all period up to and including the year ended March 31, 2019, the Company has prepared its financial statements in accordance with generally accepted accounting principles in India (Indian GAAP). These financial statements for the year ended March 31, 2020 are the Company's first annual IND AS financial statements and have been prepared in accordance with IND AS.

The accounting policies set out in note 3 have been applied in preparing the financial statements for the year ended 31 March 2020, the comparative information presented in these financial statements for the year ended 31 March 2018 and in the preparation of an opening Ind AS balance sheet at 1 April 2018 (the date of transition). This note explains the principal adjustments made by the Company in restating its financial statements prepared in accordance with previous GAAP, and how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

### 37.2 Exceptions and Exemptions Applied

IND AS 101 "First-time adoption of Indian Accounting Standards" (hereinafter referred to as Ind AS 101) allows first time adopters certain exemptions from the retrospective application of certain IND AS. In preparing these financial statements, the Company has applied the below mentioned optional exemptions and mandatory

#### 37.2.1 Optional Exemptions Availed

##### a Business Combinations

Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date.

The Company has not applied Ind AS 103 to acquisitions of businesses under Ind AS, that occurred before the transition date i.e., 1st April 2018. Accordingly, business combinations occurring prior to the transition date have not been restated.

##### b Property Plant and Equipment

As permitted by para D5-D8B of Ind AS 101, the Company has elected to continue with the carrying values under previous GAAP for all the items of property, plant and equipment as its Deemed Cost as on the transition date i.e., 1st April, 2018.

##### c Determining whether an arrangement contains a Lease

Para D9 & D9AA of Ind AS 101 includes an optional exemption that permits an entity to apply the relevant requirements in Para 9-11 of Ind AS 116 "Leases" for determining whether an arrangement existing at the date of transition contains a lease by considering the facts and circumstances existing at the date of transition (rather than at the inception of the arrangement). The Company has applied the above transition provision and has assessed all the arrangements at the date of transition.

#### 37.2.2 Mandatory Exceptions

##### a Estimates

As per para 14 of Ind AS 101, an entity's estimates in accordance with Ind AS at the date of transition to Ind AS at the end of the comparative period presented in the entity's first Ind AS financial statements, as the case may be, should be consistent with estimates made for the same date in accordance with the previous GAAP unless there is objective evidence that those estimates were in error. However, the estimates should be adjusted to reflect any differences in accounting policies.

As per para 16 of the standard, where application of Ind AS requires an entity to make certain estimates that were not required under previous GAAP, those estimates should be made to reflect conditions that existed at the date of transition or at the end of the comparative period.

The Company's estimates under Ind AS are consistent with the above requirement. Key estimates considered in preparation of the financial statement that were not required under the previous GAAP are listed below:

- Fair Valuation of financial instruments carried at FVTPL and/ or FVOCI.
- Impairment of financial assets based on the expected credit loss model.
- Determination of the discounted value for financial instruments carried at amortized cost.
- Measurement of biological assets at fair value less cost to sell.
- Measurement of agricultural produce at fair value less cost to sell.
- Measurement of Inventory comprising agricultural produce.

##### b Classification and measurement of financial assets

Para B8 - B8C of Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortized cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortized cost has been done retrospectively.

#### 37.3 Impact of Transition to Ind AS

The following is a summary of the effects of the differences between IND AS and Indian GAAP on the Company's total equity shareholders' funds and profit and loss for the financial periods previously reported under Indian GAAP following the date of transition to IND AS.

#### 37.3.1 Reconciliation of Items of Balance Sheet as at 1st April, 2018 (transition date) and as at 31st March, 2019

Particulars	Refer Note No.	Previous GAAP* as at 31.03.2019	Effect of Ind AS Transition	As at 31.03.2019	Previous GAAP* as at 01.04.2018	Effect of Ind AS Transition	As at 01.04.2018
<b>ASSETS</b>							
<b>NON-CURRENT ASSETS</b>							
Property, Plant and Equipment		890.10	-	890.10	920.55	-	920.55
Capital Work-in-progress		80.72	-	80.72	35.48	-	35.48
Goodwill	37.3.6.D	45.05	45.06	90.11	90.11	-	90.11
Financial Assets							
Loans		4.50	-	4.50	4.50	-	4.50
Other Financial Assets		445.66	-	445.66	383.32	-	383.32
Deferred Tax Assets (net)	37.3.6.G	-	83.93	83.93	-	70.84	70.84
Non-current Tax Assets (net)		68.81	-	68.81	26.94	-	26.94
<b>Total Non Current Asset</b>		<b>1,534.84</b>	<b>128.99</b>	<b>1,663.83</b>	<b>1,460.90</b>	<b>70.84</b>	<b>1,531.74</b>

**Cinnatolliah Tea Limited**

(CIN: U15122UP2015PLC069633)

Notes to Financial Statements as at and for the year ended 31st March, 2020

<b>CURRENT ASSETS</b>							
Inventories	37.3.6.A	259.62	11.92	271.54	150.25	24.46	174.71
Biological Asset other than Bearer Plants	37.3.6.B	-	12.09	12.09	-	9.06	9.06
<b>Financial Assets</b>							
Trade Receivables		164.11	-	164.11	135.74	-	135.74
Cash and Cash Equivalents		92.21	-	92.21	68.33	-	68.33
Bank Balances other than (ii) above		1,967.50	-	1,967.50	1,942.37	-	1,942.37
Other Financial Assets		87.48	-	87.48	163.22	-	163.22
Other Current Assets		42.77	-	42.77	28.85	-	28.85
<b>Total Current Assets</b>		<b>2,613.69</b>	<b>24.02</b>	<b>2,637.71</b>	<b>2,488.76</b>	<b>33.52</b>	<b>2,522.28</b>
<b>Total Assets</b>		<b>4,148.53</b>	<b>153.00</b>	<b>4,301.53</b>	<b>3,949.66</b>	<b>104.36</b>	<b>4,054.02</b>
<b>EQUITY AND LIABILITIES</b>							
<b>EQUITY</b>							
Equity Share Capital		2,617.54	-	2,617.54	2,617.54	-	2,617.54
Other Equity	37.3.3	972.07	153.00	1,125.07	903.36	104.36	1,007.72
<b>Equity attributable to the owners</b>		<b>3,589.61</b>	<b>153.00</b>	<b>3,742.61</b>	<b>3,520.90</b>	<b>104.36</b>	<b>3,625.26</b>
<b>LIABILITIES</b>							
<b>NON-CURRENT LIABILITIES</b>							
<b>Financial Liabilities</b>							
Other Financial Liabilities		-	-	-	-	-	-
Provisions		163.24	-	163.24	158.65	-	158.65
<b>Non Current Liability</b>		<b>163.24</b>	<b>-</b>	<b>163.24</b>	<b>158.65</b>	<b>-</b>	<b>158.65</b>
<b>CURRENT LIABILITIES</b>							
<b>Financial Liabilities</b>							
Trade Payables		60.34	-	60.34	36.31	-	36.31
Other Financial Liabilities		89.26	-	89.26	23.05	-	23.05
Other Current Liabilities		16.35	-	16.35	20.21	-	20.21
Provisions		229.73	-	229.73	190.54	-	190.54
<b>Current Liability</b>		<b>395.68</b>	<b>-</b>	<b>395.68</b>	<b>270.11</b>	<b>-</b>	<b>270.11</b>
<b>Total Equity and Liabilities</b>		<b>4,148.53</b>	<b>153.00</b>	<b>4,301.53</b>	<b>3,949.66</b>	<b>104.36</b>	<b>4,054.02</b>

\* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

**37.3.2 Reconciliation of Statement of Profit & Loss for the year ended 31 March 2019**

Particulars	Refer Note No.	Previous GAAP	Adjustment	Ind AS
<b>INCOME</b>				
Revenue from Operations		2,348.74	-	2,348.74
Other Income		145.45	3.03	148.48
<b>Total Income (A)</b>	37.3.6.B	<b>2,494.19</b>	<b>3.03</b>	<b>2,497.22</b>
<b>EXPENSES</b>				
Changes in inventories of Finished Goods, Stock-in-Trade and Work-in-progress		(4.90)	12.53	7.63
Employee benefits expense	37.3.6.C	1,583.99	(24.79)	1,559.20
Finance costs		2.02	-	2.02
Depreciation and amortization expense	37.3.6.D	111.87	(45.06)	66.81
Other expenses		637.44	-	637.44
<b>Total Expenses (B)</b>		<b>2,330.42</b>	<b>(57.32)</b>	<b>2,273.10</b>
<b>Profit/ (Loss) before Tax (A-B)</b>		<b>163.77</b>	<b>60.35</b>	<b>224.12</b>
<b>Tax Expense:</b>				
Current tax		63.50	-	63.50
Deferred tax	37.3.6.G	-	(6.18)	(6.18)
<b>Profit for the year</b>		<b>100.27</b>	<b>66.53</b>	<b>166.80</b>
<b>Other Comprehensive Income</b>				
Items that will not be reclassified to profit or loss	37.3.6.C	-	(24.79)	(24.79)
Income tax relating to these items	37.3.6.G	-	6.90	6.90
<b>Other Comprehensive Income for the Year (Net of Tax)</b>		<b>-</b>	<b>(17.89)</b>	<b>(17.89)</b>
<b>Total Comprehensive Income for the period</b>		<b>100.27</b>	<b>48.64</b>	<b>148.91</b>

**Cinnatollah Tea Limited**

(CIN: U15122UP2015PLC069633)

Notes to Financial Statements as at and for the year ended 31st March, 2020

**37.3.3 Reconciliation of Total Equity**

Particulars	Refer Note no.	As at 31st March, 2019	As at 1st April, 2018
Equity(Shareholder's Fund) under Previous GAAP		3,589.61	3,520.90
Impact of measuring inventory of Finished Goods as per Ind AS	37.3.6.A	11.92	24.46
Impact of recognition of Biological asset at Fair value	37.3.6.B	12.09	9.06
Impact of reversal of Amortisation of Goodwill	37.3.6.D	45.06	-
Tax impact on above adjustment	37.3.6.G	(19.22)	(9.32)
Deferred tax recognition in view of reasonable certainty		103.14	80.16
<b>Total Adjustment to Equity</b>		<b>153.00</b>	<b>104.36</b>
<b>Total Equity Under Ind AS</b>		<b>3,742.61</b>	<b>3,625.26</b>

**37.3.4 Reconciliation of Total Comprehensive Income**

Particulars	Refer Note no.	As at 31st March, 2019
Profit after Tax as per previous GAAP		100.27
Impact of measuring inventory of Finished Goods as per Ind AS	37.3.6.A	(12.53)
Impact of recognition of Biological asset at Fair value	37.3.6.B	3.03
Impact of reversal of Amortisation of Goodwill	37.3.6.D	45.06
Remeasurement of defined benefit obligation recognised in OCI	37.3.6.C	24.79
Tax impact on above adjustment		6.18
<b>Total Adjustment to Net Profits</b>		<b>66.53</b>
<b>Profit after Tax as per Ind AS</b>		<b>166.80</b>

**37.3.5 Impact of Ind AS adoption on the statements of cash flows for the year ended 31 March 2019**

Particulars	Previous GAAP	Adjustments	Ind AS
Net cash flow from Operating Activities	18.61	-	18.61
Net cash flow from Investing Activities	38.85	-	38.85
Net cash flow from Financing Activities	(33.58)	-	(33.58)
Net increase/(decrease) in cash and cash equivalents	<b>23.88</b>	-	<b>23.88</b>
Cash and cash equivalents as at 1st April 2018	68.33	-	68.33
Cash and cash equivalents as at 31 March 2019	92.21	-	92.21

**37.3.6 Notes to First Time Adoption**
**A Inventory**

Raw Materials : Under previous GAAP, no valuation was done for period end harvested tea-leaf. Under Ind AS, harvested leaf is measured at its fair value less cost to sell and is classified as Raw Materials.

Finished Goods : Under previous GAAP, tea stock has been valued at the lower of cost and net realizable value. Cost of inventories comprise all costs of purchase/production of green leaf, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Under Ind AS, cost of inventories comprise cost of purchase of green leaf, fair value of green leaf at the time of harvest less cost to sell, conversion cost and other costs incurred in bringing the inventories to their present location and condition.

**B Biological Asset**

Under previous GAAP, biological assets i.e. unplucked leaf on tea bushes and other minor produce has neither been valued nor recognised in the accounts. Under Ind AS, unplucked leaf on tea bushes and other minor produce has been measured at its fair value less cost to sell.

**C Remeasurements of post-employment benefit obligations**

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year.

**D Goodwill**

Under Ind AS, goodwill arises when there is business combination. Additionally, under Ind AS, this asset is no longer amortised but tested for impairment annually. Under the previous GAAP, goodwill was being amortised on a systematic basis over a period of 5 years.

**E Retained Earnings**

Retained earnings as at April 1, 2018 has been adjusted consequent to the above Ind AS transition adjustments.

**F Other Comprehensive Income**

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP.

**G Deferred Tax**

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

In addition, Deferred tax asset has been recognised in view of reasonable certainty.

**H Expected Credit Loss Model**

Ind-AS 109 requires to recognize loss allowances on trade receivable and other financial assets of the Company, at an amount equal to the lifetime expected credit loss or the 12 month expected credit loss based on the increase in the credit risk.

**I Re-classifications between Previous GAAP and Ind AS**

The Company has done the following reclassifications as per the requirements of Ind-AS :

- (i) Assets / liabilities which do not meet the definition of financial asset / financial liability have been reclassified to other asset / liability.  
(ii) Remeasurement gain/loss on long term employee defined benefit plans are re-classified from statement of profit and loss to OCI.

**38 Fair value of Financial Assets and Financial Liabilities**

The following is the comparison by class of the carrying amounts and fair value of the Company's financial instruments that are measured at amortized cost:

Particulars	31st March 2020		31st March 2019		1st April 2018	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Non-Current Financial Assets</b>						
Loans	4.50	4.50	4.50	4.50	4.50	4.50
Other Financial Assets	280.75	280.75	445.66	445.66	383.32	383.32
<b>Total</b>	<b>285.25</b>	<b>285.25</b>	<b>450.16</b>	<b>450.16</b>	<b>387.82</b>	<b>387.82</b>
<b>Current Financial Assets</b>						
Trade Receivables	134.19	134.19	164.11	164.11	135.74	135.74
Cash and Cash Equivalents	289.28	289.28	92.21	92.21	68.33	68.33
Bank Balances other than above	2,011.48	2,011.48	1,967.50	1,967.50	1,942.37	1,942.37
Other Financial Assets	161.22	161.22	87.48	87.48	163.22	163.22
<b>Total</b>	<b>2,596.17</b>	<b>2,596.17</b>	<b>2,311.30</b>	<b>2,311.30</b>	<b>2,309.66</b>	<b>2,309.66</b>
<b>Total Financial Assets (a+b)</b>	<b>2,881.42</b>	<b>2,881.42</b>	<b>2,761.46</b>	<b>2,761.46</b>	<b>2,697.48</b>	<b>2,697.48</b>

Particulars	31st March 2020		31st March 2019		1st April 2018	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Non-Current Financial Liabilities</b>						
Other Financial Liabilities	7.41	7.41	-	-	-	-
<b>Total (a)</b>	<b>7.41</b>	<b>7.41</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Current Financial Liabilities</b>						
Trade Payables	76.05	76.05	60.34	60.34	36.31	36.31
Other Financial Liabilities	30.58	30.58	89.26	89.26	23.05	23.05
<b>Total</b>	<b>106.63</b>	<b>106.63</b>	<b>149.60</b>	<b>149.60</b>	<b>59.36</b>	<b>59.36</b>
<b>Total Financial Liabilities (a+b)</b>	<b>114.04</b>	<b>114.04</b>	<b>149.60</b>	<b>149.60</b>	<b>59.36</b>	<b>59.36</b>

38.1 The management assessed that the fair values of cash and cash equivalents, trade receivables, trade payables and other financial liabilities approximates their carrying amounts largely due to the short-term maturities of these instruments.

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

**39 Fair Value Hierarchy**

The following are the judgements and estimates made in determining the fair values of the financial instruments that are  
(a) recognized and measured at fair value and  
(b) measured at amortized cost and for which fair value are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels of fair value measurement as prescribed under the Ind AS 113 "Fair Value Measurement". An explanation of each level follows underneath the tables.

**39.1 Biological assets other than bearer plants**

This section explains the judgements and estimates made in determining the fair values of the biological assets other than bearer plants that are recognised and measured at fair value in the financial statements. The Company uses a Valuation technique that is appropriate in the circumstances and for which sufficient data are available to measure the fair value, maximising the use of relevant observable inputs.

Biological Assets measured at Fair Value less cost to sell  
As at 31st March 2020 and 31st March 2019

Particulars	31st March 2020			31st March 2019		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Non Financial Assets</b>						
Biological assets other than bearer plants	-	-	-	-	12.09	-
<b>Total (a)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12.09</b>	<b>-</b>

As at 1st April 2018

Particulars	Level 1	Level 2	Level 3
Non Financial Assets			
Biological assets other than bearer plants	-	9.06	-
Total(a)	-	9.06	-

**39.1.1 Valuation Technique**

Unharvested Tea Leaf: Fair value is being arrived at based on the observable market prices of made tea adjusted for manufacturing costs. The same is applied on quantity of the tea leaves unharvested using plucking averages of various estates.

39.2 During the year ended March 31, 2020 and March 31, 2019 there were no transfers between Level 1 and Level 2 fair value measurements, and no transfer into and out of Level 3 fair value measurements.

**39.3 Explanation to the fair value hierarchy**

Fair value of the financial instruments is classified in various fair value hierarchies based on the following three levels :

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

Level 2 : Inputs other than quoted price including within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3 : Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs). If one or more of the significant inputs is not based on observable market data, the fair value is determined using generally accepted pricing models based on a discounted cash flow analysis, with the most significant input being the discount rate that reflects the credit risk of counterparty. This is the case with listed instruments where market is not liquid and for unlisted instruments.

**40 Financial Risk Management**

The Company's financial liabilities comprise trade and other payables. The Company's financial assets include trade and other receivables, cash and cash equivalents and deposits.

The audit committee provides assurance to the Company's management that the Company's risk activities are governed by appropriate policies and procedures and that risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

**40.1 Credit Risk**

Credit risk is the risk that counterparty will not meet its obligations leading to financial loss. The Company has an established credit policy and a credit review mechanism. Credit exposure is undertaken only with large reputed business houses and with no history of default against payments. The Company has used a practical experience by computing the expected credit losses matrix which has taken into account historical credit loss experience based on which no expected credit loss risk has been estimated. The carrying amount reflected above represents the maximum exposure to credit risk.

**40.2 Liquidity Risk**

a Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Typically the Company ensures that it has sufficient cash on demand to meet expected short term operational expenses. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans/internal accruals.

**b. Maturity Analysis for Financial Liabilities**

The table below provides details regarding the remaining contractual maturities of significant financial liabilities at the reporting date.

Particulars	On Demand	Less than 6 months	6 months to 1 year	1 years to 5 years	More than 5 years	Total
As at 31st March, 2020						
Trade Payables	-	76.05	-	-	-	76.05
Other Financial Liabilities	-	1.30	29.28	7.41	-	37.99
Total	-	77.35	29.28	7.41	-	114.04
As at 31st March, 2019						
Trade Payables	-	60.34	-	-	-	60.34
Other Financial Liabilities	-	-	89.26	-	-	89.26
Total	-	60.34	89.26	-	-	149.60
As at 1st April, 2018						
Trade Payables	-	36.31	-	-	-	36.31
Other Financial Liabilities	-	-	23.05	-	-	23.05
Total	-	36.31	23.05	-	-	59.36

**40.3 Market Risk**

Market risk is the risk of loss of future earnings, fair value or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, commodity prices, regulatory changes, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and borrowings.

**40.3.1 Foreign Exchange Risk**

All transactions of the Company are in Indian currency, consequently Company is not exposed to foreign currency risk. The Company has no outstanding foreign currency exposure or related derivative contract.

**40.3.2 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 currently is not directly exposed to the risk of changes in market interest rates as the Company does not have any sort of borrowings i.e., Long term or short term.

# Cinnatolliah Tea Limited

(CIN: U15122UP2015PLC069633)

Notes to Financial Statements as at and for the year ended 31st March, 2020

## 40.3.3 Commodity 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 due to increase in supply/availability.

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

- Sufficient inventory levels of chemicals, fertilisers 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.
- 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.

## 41 Capital Management

### a) Risk Management

The Company's objectives when managing capital are to:

- safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investors, creditors and market confidence and to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure. The Company is not subject to any externally imposed capital requirements. The amount mentioned under total equity in balance sheet is considered as Capital.

No changes were made to the objectives, policies or processes for managing capital during the years ended 31st March 2020 and 31st March 2019.

### b) Dividends paid and proposed

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
<b>(i) Equity shares</b>		
Final dividend for the year ended 31 March 2019 of 10 paise (31 March 2018 - 10 paise) per fully paid share	26.18	26.18
Dividend distribution tax on above	5.38	5.38
<b>(ii) Dividends not recognised at the end of the reporting period</b>		
In addition to the above dividends, since year-end the board of directors have recommended the payment of a final dividend of 50 paise (31 March 2019 - 10 paise) per fully paid equity share. The proposed final dividend is subject to the approval of shareholders in the ensuing annual general meeting.	130.88	26.18
Dividend distribution tax on above		5.38

42 The Board of Directors at its meeting held on 24th June, 2020 recommended a final dividend of Rs. 0.50 (5 %) per equity share of the Company.

43 From the current financial year 2019-20, the company has opted for reduced rate of 25.168% for computation of income tax as per newly inserted Section 115BAA of the Income Tax Act, 1961.

44 The wage agreements with workers in Assam are under negotiation. Interim wage increase has been announced in Assam and the basic wage has been increased by Rs 30/- . In absence of final agreement, the wages have been accounted for on the basis of interim order for the period from March, 2018 to March, 2020 .

45 The COVID-19 outbreak and resulted national lockdown imposed by the Government from 25th March, 2020 has caused on Pan-India disruption of businesses.

The Company has considered the possible risk that may result from the pandemic relating to COVID-19 on the carrying amounts of assets including inventories, receivables and other financial and non-financial assets, for which the Company has used the principles of prudence in applying judgments, estimates and assumptions including sensitivity analysis as well as the internal / external information available up to the date of approval of these financial statements and the same does not have any material impact on these financial statements.


However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

46 Previous GAAP figures have been reclassified/regrouped to confirm the presentation requirements under IND AS and the requirements laid down in Division-II of the Schedule-III of the Companies Act, 2013.

The accompanying notes are an integral part of the Financial Statements

As per our Report annexed of even date

For Singhi & Co.  
Chartered Accountants  
Firm Registration No : 02049E

  
Partner : Sankar Bandyopadhyay  
Membership No. 08230  
Place : Kolkata  
Date : 24.06.2020



For and on behalf of the Board of Directors

  
Santosh Kumar Poddar  
Managing Director  
DIN : 00055786

  
Dilip Kumar Patodia  
Director  
DIN : 00482435

  
Rajes Gupta  
Chief Financial Officer

  
Vijaya Agarwala  
Company Secretary