

## 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, 2023, 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 statement").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, 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 (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules there under and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### Information other than the financial statements and Auditor's Report thereon

The Company's management & Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, for example Board's Report, Report on Corporate Governance, Management Discussion and Analysis Report, etc. but does not include financial statements and our auditors' 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.



**Responsibilities of Management and those charged with governance for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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:

- a. 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;
- b. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls;
- c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management and Board of Directors;
- d. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and
- e. 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 A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. Further to our comments in the annexure referred to in the paragraph above, 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 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 Indian Accounting Standards prescribed under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time;
  - e) On the basis of the written representations received from the directors as on March 31, 2023, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, from being appointed as a director in terms of section 164 (2) of the Act;
  - f) With respect to the adequacy of the internal financial controls with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" 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;
  - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. Based on audit procedure and as per explanation 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 long-term contracts including derivative contracts for which there were any material foreseeable losses;
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection fund by the Company.



- iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;
- (b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. (a) The dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.
- (b) As stated in note 42(b) to the financial statements, the Board of Directors of the Company have proposed dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

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



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(ML Shukla)  
Partner

Membership No. 051505  
UDIN: 23051505BGZEQD5307

Place: Kolkata  
Dated: 10<sup>th</sup> May, 2023

**ANNEXURE A REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF CINNATOLIAH TEA LIMITED AS AT AND FOR THE YEAR ENDED MARCH 31, 2022**

- i. a. (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property Plant & Equipment.  
(B) The Company has maintained proper records showing full particulars of intangibles assets.
- b. The Company has a program of verification to cover all the items of Property, Plant and Equipment in a phased manner over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, a portion of property plant & equipment were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the company.
- d. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment or intangible assets or both during the year.
- e. According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
- ii. a. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the inventory has been physically verified by the management during the year. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate. Discrepancies of 10% or more in aggregate for each class of inventory were not noticed.
- b. The Company has not been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks or financial institutions during any point of time of the year on the basis of security of current assets. Accordingly, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company.
- iii. During the year, the Company has not made any investment, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) to (f) of the Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations provided to us, the Company has not granted any loans or provided any guarantees or security to the parties covered under Section 185 of the Act. The Company has complied with the provisions of Section 186 of the Act in respect of investments made as covered under Section 186 of the Act.
- v. The Company has not accepted any deposits or amounts which are deemed to be deposits from the public within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable to the Company.
- vi. The company is not required to maintain its cost records as per the rules made by the Central Government for the maintenance of cost records under Section 148 (1) of the Act in respect of the Company's products. Accordingly, the provisions of clause 3(vi) of the Order are not applicable to the Company.
- vii. a. The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.



- b. According to the records of the Company, there are no dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, Goods & Service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues which have not been deposited on account of any dispute.
- viii. According to the information and explanations given to us, the Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company
- ix. The Company did not have any outstanding loans or borrowings or interest thereon due to any lender during the year. Accordingly, the requirement to report on clause ix(a) to (f) of the Order is not applicable to the Company.
- x. a. In our opinion, and according to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, clause 3(x)(a) of the Order is not applicable to the Company.
- b. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- xi. a. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no material fraud on the Company has been noticed or reported during the year.
- b. During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor/ secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- c. As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable Indian accounting standards.
- xiv. The Company does not have an internal audit system and is not required to have an internal audit system under the provisions of Section 138 of the Companies Act, 2013. Therefore, the requirement to report under clause 3(xiv)(a) and (b) of the Order is not applicable to the Company.
- xv. According to the information and explanations given to us and as represented to us by the management and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. a. The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.
- b. The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.
- c. The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- d. According to the information and explanations given to us, the Group has only one Core Investment Company as part of the Group.



- xvii. The Company has not incurred any cash losses in the current and in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable.
- xix. According to the information and explanations given to us and on the basis of the financial ratios (refer note 43 to the financial statements), ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

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



A handwritten signature in blue ink, appearing to read "ML Shukla".

(ML Shukla)  
Partner

Membership No. 051505  
UDIN: 23051505BGZEQD5307

Place: Kolkata

Dated: 10<sup>th</sup> May, 2023

**ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF CINNATOLLIH TEA LIMITED**

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

We have audited the internal financial controls over financial reporting of Cinnatollah Tea Limited ("the Company") as of March 31, 2023 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.

**Auditor's Responsibility**

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

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

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

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

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



## Inherent Limitations of Internal Financial Controls over Financial Reporting

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

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, 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 Registration No.302049E



A handwritten signature in blue ink, appearing to read "ML Shukla".

(ML Shukla)  
Partner

Membership No. 051505  
UDIN: 23051505BGZEQD5307

Place: Kolkata  
Dated: 10<sup>th</sup> May, 2023

**Cinnatollah Tea Limited**  
(CIN: U15122UP2015PLC069633)  
Balance Sheet as at 31st March, 2023

Particulars	Note No	₹ in lakhs	
		As at	
		31st March, 2023	31st March, 2022
<b>ASSETS</b>			
1. Non-Current Assets			
(a) Property, Plant and Equipment	4	1,021.56	1,001.48
Right to Use Assets	4	1.38	4.14
(c) Capital Work-in-progress	5	227.04	132.27
(d) Goodwill	6 (a)	90.11	90.11
(e) Other Intangible Assets	6 (b)	11.78	-
(f) Financial Assets			
(i) Investments	7	986.53	1,027.50
(ii) Other Financial Assets	13	67.16	130.42
(g) Deferred Tax Assets (net)	14	-	9.09
(h) Non-current Tax Assets (net)	15 (a)	137.24	117.16
(i) Other Non-current Assets	15 (b)	0.24	1.33
Total Non-current Assets		<b>2,543.04</b>	<b>2,513.50</b>
2. Current Assets			
(a) Inventories	8	249.74	318.53
(b) Biological Asset other than Bearer Plants	9	1.60	3.12
(c) Financial Assets			
(i) Trade Receivables	10	81.82	15.14
(ii) Cash and Cash Equivalents	11	76.29	59.31
(iii) Bank Balances other than (ii) above	12	1,908.96	1,904.17
(iv) Other Financial Assets	13	95.96	97.34
(d) Other Current Assets	16	47.57	70.67
Total Current Assets		<b>2,461.94</b>	<b>2,468.28</b>
<b>TOTAL ASSETS</b>		<b>5,004.98</b>	<b>4,981.78</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity Share Capital	17	2,617.54	2,617.54
(b) Other Equity	18	1,794.36	1,809.28
Total Equity		<b>4,411.90</b>	<b>4,426.82</b>
<b>LIABILITIES</b>			
1. Non-Current Liabilities			
(a) Financial Liabilities			
(i) Lease Liabilities	20	-	1.57
(b) Provisions	22	225.49	189.47
(c) Deferred Tax Liabilities (net)	14	5.75	-
Total Non-current Liabilities		<b>231.24</b>	<b>191.04</b>
2. Current Liabilities			
(a) Financial Liabilities			
(i) Trade Payables	19	-	-
total outstanding dues of micro enterprises and small enterprises		-	-
total outstanding dues of creditors other than micro enterprises		29.40	39.97
(ii) Lease Liabilities	20	1.53	3.01
(iii) Other Financial Liabilities	20	61.66	34.89
(b) Provisions	22	247.97	264.80
(c) Other Current Liabilities	21	21.28	21.25
Total Current Liabilities		<b>361.84</b>	<b>363.92</b>
Total Liabilities		<b>593.08</b>	<b>554.96</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>5,004.98</b>	<b>4,981.78</b>
Basis of Preparation & Presentation of Financial Statement	2		
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 Singh & Co.  
Chartered Accountants  
Firm Registration No : 302049E

Partner : M.L.Shukla  
Membership No.: 051505  
Place : Kolkata  
Date : 10.05.2023



*Harjinder Singh Kapoor*  
Harjinder Singh Kapoor  
Whole Time Director  
DIN : 10092589

*Priyanka Ghosh*  
Priyanka Ghosh  
Chief Financial Officer

*Dilip Patodia*  
Dilip Patodia  
Director  
DIN : 00482435

*Vijaya Agarwala*  
Vijaya Agarwala  
Company Secretary

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

Statement of Profit and Loss for the year ended 31st March, 2023


(₹ in lakhs)

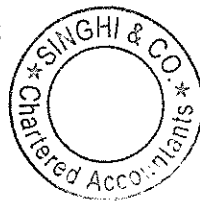
Particulars	Note No	For the year ended	For the year ended
		31st March, 2023	31st March, 2022
I. Revenue from Operations	23	2,783.62	2,622.47
II. Other Income	24	284.75	181.91
III. Total Income (I + II)		<b>3,068.37</b>	<b>2,804.38</b>
IV. Expenses			
Changes in inventories of Finished Goods, Stock-in-Trade and Work-in-progress	25	47.47	(49.31)
Employee benefits expense	26	1,887.57	1,814.17
Finance costs	27	2.89	4.35
Depreciation and amortization expense	28	66.64	67.22
Other expenses	29	887.73	660.34
Total Expenses		<b>2,892.30</b>	<b>2,496.77</b>
V. Profit / (Loss) before tax (III - IV)		<b>176.07</b>	<b>307.61</b>
VI. Tax expense	30		
Current tax		62.00	78.50
Provision for tax related to earlier years		(32.26)	(25.96)
Deferred tax		18.75	15.07
Total Tax expenses		<b>48.49</b>	<b>67.61</b>
VII. Profit / (Loss) for the year (V-VI)		<b>127.58</b>	<b>240.00</b>
VIII Other comprehensive income	31		
Items that will not be reclassified subsequently to profit or loss			
(a) Remeasurement of defined benefit plans		(15.55)	(12.39)
(b) Income taxes relating to items that will not be reclassified to profit or loss		3.91	3.12
Other comprehensive income for the year (net of taxes)		<b>(11.64)</b>	<b>(9.27)</b>
IX. Total comprehensive income for the year (VII+VIII)		<b>115.94</b>	<b>230.73</b>
X. Earnings per equity share-Basic & Diluted -₹ [Nominal value of share ₹10]	32	<b>0.49</b>	<b>0.92</b>
Basis of Preparation & Presentation of Financial Statement	2		
Summary of significant accounting policies	3		
The accompanying notes are an integral part of the Financial Statements			

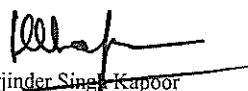
As per our Report annexed of even date

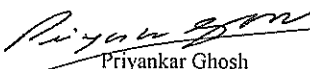
For and on behalf of the Board of Directors

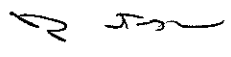
For Singhi & Co.  
Chartered Accountants  
Firm Registration No : 302049E

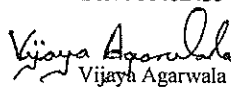
  
Partner : M.L. Shukla  
Membership No.: 051505  
Place : Kolkata  
Date : 10.05.2023



  
Harjinder Singh Kapoor  
Whole Time Director  
DIN : 10092589

  
Priyanka Ghosh  
Chief Financial Officer

  
Dilip Patodia  
Director  
DIN : 00482435

  
Vijaya Agarwala  
Company Secretary

Particulars	(₹ in lakhs)	
	Year ended 31st Mar. 2023	Year ended 31st Mar. 2022
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Profit / (Loss) before tax	176.07	307.61
Adjustments for:		
Depreciation and Amortization expenses	66.64	67.22
Finance Costs	2.89	4.35
Gain on Property, Plant & Equipment sold / discarded (net)	(7.13)	-
Unspent liabilities, provision no longer required and unclaimed balances adjusted	(5.08)	(6.62)
Net gain on investments mandatorily measured at fair value through profit and loss account	(63.57)	(13.51)
Gain on sale/redemption of mutual funds	(0.67)	-
Interest Income	(107.38)	(145.39)
Operating Profit / (Loss) before Working Capital Changes :	<u>61.77</u>	<u>213.66</u>
Adjustments for:		
Increase / (Decrease) in Trade Payables	(10.57)	(18.25)
Increase / (Decrease) in Long-term Provisions	36.03	(1.48)
Increase / (Decrease) in Short-term Provisions	(16.83)	45.00
Increase / (Decrease) in Other Current Liabilities	5.11	3.77
Increase / (Decrease) in Other Financial Liabilities	29.82	(11.88)
(Increase) / Decrease in Trade Receivables	(66.68)	43.78
(Increase) / Decrease in Other Financial Assets	64.64	117.57
(Increase) / Decrease in Biological Assets	1.52	-
(Increase) / Decrease in Other Non-Current Assets	10.63	(1.33)
(Increase) / Decrease in Other Current Assets	23.11	2.68
(Increase) / Decrease in Inventories	68.79	(105.88)
Cash Generated from Operations	<u>207.34</u>	<u>287.64</u>
Income Taxes Paid (Net)	(23.90)	(100.62)
Net Cash from Operating Activities	<u>183.44</u>	<u>187.02</u>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Payments for Property, plant & equipment including CWIP	(193.40)	(142.18)
Purchase of Investments	-	(1,013.99)
Sale of Investments	51.17	-
Proceeds from sale of property, plant and equipment	9.99	-
(Increase)/Decrease in deposits with banks	(4.79)	859.27
Interest Received	107.38	145.39
Net Cash from Investing Activities	<u>(29.64)</u>	<u>(151.51)</u>
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Interest Paid	(2.52)	(3.77)
Dividend Paid	(130.88)	(130.88)
Payment of Lease Liabilities	(3.05)	(2.83)
Interest on lease liabilities	(0.37)	(0.59)
Net Cash used in Financing Activities	<u>(136.82)</u>	<u>(138.07)</u>
Net Changes in Cash & Cash Equivalents (A+B+C)	<u>16.98</u>	<u>(102.56)</u>
Cash & Cash Equivalents at the beginning of the year	59.31	161.87
Cash & Cash Equivalents at the end of the year *	76.29	59.31

Notes:

- Closing cash and cash equivalents represent cash & cash equivalents as indicated in Note no. 11 to the financial statements.
- 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".
- Figures relating to previous years have been regrouped/ re-arranged wherever necessary.


	Year ended 31st Mar. 2023	Year ended 31st Mar. 2022
Cash & Cash Equivalents are represented by		
Cash on Hand	29.05	15.73
In Current Accounts	47.24	43.55
In Cash Credit Accounts	-	0.03
Total	<u>76.29</u>	<u>59.31</u>

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


Partner : M.L.Shukla  
Membership No. : 051505  
Place : Kolkata  
Date : 10.05.2023

For and on behalf of the board of directors

  
Harjinder Singh Kapoor  
Whole Time Director  
DIN : 10092589

  
Dilip Patodia  
Director  
DIN : 00482435

  
Priyanka Ghosh  
Chief Financial Officer

  
Vijaya Agarwala  
Company Secretary




Cinnatollah Tea Limited  
(CIN: U15122UP2015PLC069633)  
Statement of Changes in Equity for the year ended 31<sup>st</sup> March, 2023

Particulars	Note No	As at 31 <sup>st</sup> March, 2023		As at 31 <sup>st</sup> March, 2022	
		No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs
<b>A. Equity Share Capital</b>					
Balance at the beginning of the year	17	26175396	2,617.54	26175396	2,617.54
Change in equity share capital during the year		-	-	-	-
Balance at the end of the year		26175396	2,617.54	26175396	2,617.54

Particulars	Note No.	(₹ in Lakhs)		
		Reserves & Surplus	Items of	Total
		Retained Earnings	Other Comprehensive Income	
Balance at 1 <sup>st</sup> April, 2021	18	1,709.44	-	1,709.44
Total comprehensive income for the year				
- Profit		240.00	-	240.00
- Remeasurement of defined benefit liability / (asset) (net of tax)		-	(9.27)	(9.27)
Total comprehensive income		240.00	(9.27)	230.73
Transfer of OCI -Remeasurement to Retained Earnings		(9.27)	9.27	-
Dividend on equity shares		(130.88)	-	(130.88)
Balance at 31 <sup>st</sup> March, 2022		1,809.28	-	1,809.28
Total comprehensive income for the year				
- Profit		127.58	-	127.58
- Remeasurement of defined benefit liability / (asset)(net of tax)		-	(11.64)	(11.64)
Total comprehensive income		127.58	(11.64)	115.95
Transfer of OCI -Remeasurement to Retained Earnings		(11.64)	11.64	-
Dividend on equity shares		(130.88)	-	(130.88)
Balance at 31 <sup>st</sup> March, 2023		1,794.36	-	1,794.36


As per our report of even date attached


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


  
Partner : M.L. Shukla  
Membership No.: 051505

Place: Kolkata  
Date : 10.05.2023



  
Harinder Singh Kapoor  
Whole Time Director  
DIN : 10092589

  
Priyanka Ghosh  
Chief Financial Officer

  
Dilip Patodia  
Director  
DIN : 00482435

  
Vijaya Agarwala  
Company Secretary

**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.

The Board of Directors approved the Financial Statements for the year ended 31st March 2023 on 10th May 2023.

**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, (as amended).

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

A. Ind AS 1 and Ind AS 8 (Presentation of Financial Statements and Accounting Policies, Changes in Accounting Estimates and Errors): Change/modification in the definition of "Material".

B. Ind AS 10 (Events after the Reporting Period): Definition for non – adjusting events and its effective date of application.

C. Ind AS 34 (Interim Financial Reporting): Consequential of the above amendments.

D. Ind AS 37 (Provisions, Contingent Liabilities and Contingent Assets): Consequential amendment and accounting of restructuring plan.

**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
- 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.



CINATOLLIH TEA LIMITED

CIN No.: U15122UP2015PLC069633

Notes to Financial Statements as on and for the year ended 31<sup>st</sup> March, 2023

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

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.

### **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 Property, Plant and Equipment (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.
- 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.



### 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:

Tea Bushes	50 years
------------	----------

#### 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.

#### 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.



### 3.7 Revenue from contract with customers

Revenue from sale of products is recognized when property in the goods and significant risk and rewards are transferred and no effective ownership control is retained, which generally co-insides with delivery. Revenue is measured at fair value of consideration received or to be received. Fair value is determined based on contractual transaction price adjusted with discount/ commission/ rebates/ imputed interest etc at the time of sale.

As the period between the date on which the Company transfers the promised goods to the customer and the date on which the customer pays for these goods is generally one year or less, no financing components are taken into account.

The taxes collected by the Company on behalf of the Government and specifically identified as such on the sales documents is excluded from the revenue.

Certain contracts provide a customer with a right to return the goods. The Company uses the expected value method to estimate the goods that will be returned because this method best predicts the amount of variable consideration to which the Company will not be entitled. The requirements of Ind AS 115 "Revenue from Contracts with Customers" on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that are to be excluded from the value of goods delivered but are expected to be returned by de-recognizing the related receivables. A right of return asset (and corresponding adjustment to change in inventory is also recognized for the right to recover products from a customer).

### 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.

##### 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.



### 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:

##### 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 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.

**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).

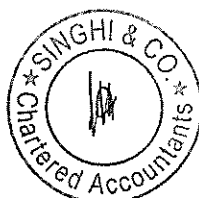
An impairment loss is recognized as an expense in the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in earlier accounting period is reversed if there has been an improvement in recoverable amount.

**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 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 34.

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.

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 20).

**3.18 Recent Accounting Pronouncement**

" The Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

• Ind AS 1, "Presentation of Financial Statements"- Companies are now required to disclose material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements.

• Ind AS 8, "Accounting policies, Change in Accounting Estimates and Errors"- Definition of 'change in account estimate' has been replaced by revised definition of 'accounting estimate. As per revised definition, accounting estimates are monetary amounts in the financial statements that are subject to measurement uncertainty. A company develops an accounting estimate to achieve the objective set out by an accounting policy. Accounting estimates include:

- a) Selection of a measurement technique (estimation or valuation technique)
- b) Selecting the inputs to be used when applying the chosen measurement technique. The amendments will help entities to distinguish between accounting policies and accounting estimates.

• Ind AS 12, "Income Taxes"- Narrowed the scope of the Initial Recognition Exemption (IRE) (with regard to leases and decommissioning obligations). Now IRE does not apply to transactions that give rise to equal and offsetting temporary differences. Accordingly, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on transactions such as initial recognition of a lease and a decommissioning provision. The Company has evaluated the effect of the above on the financial statements and the impact is not material.

**3.19 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



**3.19.1 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.

**3.19.2 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.

**3.19.3 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.

**3.19.4 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.

**3.19.5 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.

**3.19.6 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.



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Notes to Financial Statements as at and for the year ended 31st March, 2023

4. Property, Plant and Equipment and Right to Use Assets

Property, Plant and Equipment	Property, Plant and Equipment and Right to Use Assets							Total Property, Plant and Equipment	Right to Use Assets
	Buildings	Plants and Equipments	Bearer Plant	Computer and Data Processing Equipments	Furniture and Fixtures	Vehicles	Office Equipments		
<b>Carrying Amount</b>									
<b>At 1st April 2021</b>	623.84	365.42	43.79	5.25	10.64	98.01	4.74	1,151.69	12.42
Additions	30.29	22.96	11.38	3.96	0.16	8.26	0.79	77.80	-
Disposals	-	-	-	-	-	-	-	-	-
<b>At 31st March, 2022</b>	654.13	388.38	55.17	9.21	10.80	106.27	5.53	1,229.49	12.42
Additions	39.13	25.41	-	5.85	1.19	7.17	6.76	85.51	-
Disposals	-	-	0.75	2.65	-	12.56	-	15.96	-
<b>At 31st March, 2023</b>	693.26	413.79	54.42	12.41	11.99	100.88	12.29	1,299.04	12.42
<b>Accumulated Depreciation</b>									
<b>At 1st April 2021</b>	44.17	78.87	-	2.57	3.49	32.58	1.87	163.55	5.52
Charges for the year	15.63	29.19	0.82	1.37	0.89	15.76	0.80	64.46	2.76
Disposals for the year	-	-	-	-	-	-	0.00	0.00	-
<b>At 31st March, 2022</b>	59.80	108.06	0.82	3.94	4.38	48.34	2.67	228.01	8.28
Charges for the year	16.08	28.75	1.04	2.19	0.94	12.06	1.51	62.57	2.76
Disposals for the year	-	-	0.02	1.15	-	11.93	-	13.10	-
<b>At 31st March, 2023</b>	75.88	136.81	1.84	4.99	5.31	48.47	4.18	277.48	11.04
<b>Net block</b>									
<b>At 31st March, 2022</b>	594.33	280.32	54.35	5.27	6.42	57.93	2.86	1,001.48	4.14
<b>At 31st March, 2023</b>	617.38	276.98	52.58	7.42	6.67	52.41	8.11	1,021.56	1.38

a) During the year, no revaluation has been carried out in respect of Property, Plant and Equipment.

b) Title Deed of immovable property are held in the name of the company.

c) There are no contractual Agreement with respect to Property, Plant and Equipment.

d) No indicator of impairment was identified during the current year. Hence, Property, Plant and Equipment were not tested for impairment.



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Notes to Financial Statements as at and for the year ended 31st March, 2023

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

	(₹ in lakhs)	
	As at 31.03.2023	As at 31.03.2022
Balance at the beginning of the year		
Add : Additions during the year	132.27	67.87
Add : Expenses on Bearer Plant during the year	136.87	93.44
	34.22	33.32
Less : Transferred to Property, Plant and Equipment	303.36	194.63
Less : Mortality / Damaged, consumption for Infilling	76.32	62.36
	-	-
	<u>227.04</u>	<u>132.27</u>

**Capital Work in Progress (CWIP) ageing schedule - Based on the requirements of Amended Schedule III**

CWIP	Amount in CWIP for a period of			
	Less than 1 year	1-2 years	2-3 Years	More than 3 years
Projects in progress	115.89	37.29	20.10	53.76
Projects temporarily suspended				

CWIP	Amount in CWIP for a period of			
	Less than 1 year	1-2 years	2-3 Years	More than 3 years
Projects in progress	58.41	20.10	53.76	
Projects temporarily suspended				

Note: In the above ageing, as Rs 53.76 lakhs is CWIP Bearer Plants hence, out of this Rs 50.04 lakhs is capitalized on 1.04.2023 and the balance Rs 3.72 lakhs to be capitalized on 31.03.2024.  
There are no projects under Capital work in progress which are suspended or which have exceeded its budgeted cost in the year ended 31st March, 2023 and 31st March, 2022.

**6 (a). Goodwill**

	(₹ in lakhs)	
	As at 31.03.2023	As at 31.03.2022
Reconciliation of carrying amount		
Gross carrying amount		
Balance at the beginning of the year		
Additions during the period	90.11	90.11
Balance at the end of the period	90.11	90.11
Carrying amount	<u>90.11</u>	<u>90.11</u>

Note- Impairment test of goodwill has been done for the year ended 31.03.2023 and it has been observed that there is no variation in its value.

**6 (b). Computer Software**

Reconciliation of carrying amount	
Gross carrying amount	
Balance at the beginning of the year	
Additions during the period	-
Amortisation	13.09
Balance at the end of the period	<u>(1.31)</u>
	<u>11.78</u>

No indicator of impairment was identified during the current year. Hence, Intangible Assets were not tested for impairment.



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Notes to financial statements as at and for the year ended 31st March 2023  
(All amounts in INR lakhs, unless otherwise stated)

(` in lakhs)	
As at 31.03.2023	As on 31.03.2022

Particulars

**7. Investments**

Investments in debentures and bonds at FVTPL-Quoted  
Investments in mutual funds at FVTPL: Unquoted

726.07	726.07
260.46	301.43
<b>986.53</b>	<b>1,027.50</b>

**Note No 7a-Investments**

Particulars	As at 31st March 2023		As at 31st March 2022		
	Face Value	No. of Units	Amount	No. of Units	Amount
<b>Non-Current</b>					
<b>Investments in debentures and bonds at FVTPL</b>					
Quoted					
SBI SR II 7.72 BD Perpetual Bonds	10000000	7	726.07	7	726.07
<b>Total (debentures and bonds)</b>			<b>726.07</b>		<b>726.07</b>
<b>Investments in mutual funds at FVTPL:</b>					
Unquoted					
Aditya Birla Sunlife Corporate Bond -G-Debt Fund		56,206	53.05	56,206	50.69
HDFC Banking & PSU Debt -Reg.-G -Debt Fund		-	-	2,70,901	50.50
Bandhan CRISIL IBX Gilt April 2028 Index Fund Reg -G-Debt Fund		9,51,907	103.70	9,51,907	100.01
Nippon India Dynamic Bond -G -Debt Fund		3,34,383	103.71	3,34,383	100.23
<b>Total (mutual funds)</b>			<b>260.46</b>		<b>301.43</b>
<b>Total non-current investments</b>			<b>986.53</b>		<b>1,027.50</b>
Aggregate amount of quoted investments			726.07	-	726.07
Aggregate amount of unquoted investments			260.46	-	301.43
<b>Aggregate market value of quoted investments</b>			<b>726.07</b>		<b>726.07</b>



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Notes to Financial Statements as at and for the year ended 31st March, 2023

**8. Inventories**

	(₹ in lakhs)	
	As at	As at
	31.03.2023	31.03.2022
<i>(Value at lower of cost and net realisable value)</i>		
Finished goods		
Tea Waste	75.66	126.86
Stores, chemicals and spare parts	3.73	-
	170.35	191.67
	249.74	318.53

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

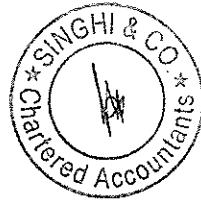
**9. Biological Assets other than Bearer Plant**

	(₹ in lakhs)	
	As at	As at
	31.03.2023	31.03.2022
<b>Reconciliation of carrying amount</b>		
Balance at the beginning of the year		
Increase/(Decrease) due to unharvested/ physical changes	3.12	1.33
Decrease due to sales/ write off	(1.52)	1.79
Balance at the end of the year	-	-
	1.60	3.12

**10. Trade receivables**

	(₹ in lakhs)	
	As at	As at
	31.03.2023	31.03.2022
Trade Receivables		
Less: Allowance for expected credit loss	93.64	26.96
Total Trade receivables - (Considered Good)	11.82	11.82
Break up of security details	81.82	15.14
Trade Receivables considered good - Secured		
Trade Receivables considered good - Unsecured	-	-
Trade Receivables -credit impaired	81.82	15.14
Total Trade receivables	11.82	11.82
Less: Allowance for doubtful debts	93.64	26.96
Total	11.82	11.82
	81.82	15.14

10.1 No trade or other receivables are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any Director is a partner, a Director or a Member.



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Notes to Financial Statements as at and for the year ended 31st March, 2023

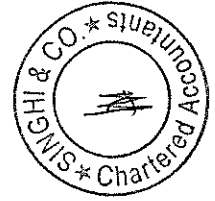
**10.2 Trade receivables ageing Schedule- Based on the requirements of Amended Schedule III**

Particulars	Not Due	Outstanding from due date of payment as on March 31, 2023					Total
		Up to 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed		81.82	-	-	-	-	81.82
Considered good		-	-	-	-	-	-
Which have significant increase in credit risk		-	-	-	-	-	-
Credit impaired		-	-	-	11.82	-	11.82
Disputed		-	-	-	-	-	-
Considered good		-	-	-	-	-	-
Which have significant increase in credit risk		-	-	-	-	-	-
Credit impaired		81.82	-	-	-	-	81.82
Sub-total		81.82	-	-	-	-	81.82
Less: Loss allowance		-	-	-	-	(11.82)	(11.82)
Total	0	81.82	-	-	-	-	81.82

Particulars	Not Due	Outstanding from due date of payment as on March 31, 2022					Total
		Up to 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed		15.14	-	-	-	-	15.14
Considered good		-	-	-	-	-	-
Which have significant increase in credit risk		-	-	-	-	-	-
Credit impaired		-	-	-	-	11.82	11.82
Disputed		-	-	-	-	-	-
Considered good		-	-	-	-	-	-
Which have significant increase in credit risk		-	-	-	-	-	-
Credit impaired		15.14	-	-	-	-	15.14
Sub-total		15.14	-	-	-	-	15.14
Less: Loss allowance		-	-	-	-	(11.82)	(11.82)
Total		15.14	-	-	-	-	15.14

**10.3 Movement in Loss Allowance**

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Balance at the beginning of the year	11.82	11.82
Change in loss allowances during the year	0	0
Trade receivables written off during the year	0	0
Balance as at the end of the year	11.82	11.82



**Cinnatollah Tea Limited**

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Notes to Financial Statements as at and for the year ended 31st March, 2023

	(₹ in lakhs)	
	As at 31.03.2023	As at 31.03.2022
<b>11. Cash and cash equivalents</b>		
Cash and cash equivalents	29.05	15.73
Cash on hand	-	-
Balances with banks (of the nature of Cash & Cash Equivalents)	47.24	43.55
- Current accounts	-	0.03
- Cash credit accounts	76.29	59.31
<b>12. Other Balances with Banks</b>		
	As at 31.03.2023	As at 31.03.2022
Short Term Deposits (Fixed Deposits)	1,908.96	1,904.17
	1,908.96	1,904.17
<b>13. Other Financial Assets</b>		
	As at 31.03.2023	As at 31.03.2022
<i>(Considered good - Unsecured)</i>		
<b>Non-current</b>		
Security and other deposits	4.52	4.52
Balances with Tea Development Account Scheme, 1990	62.64	125.90
	67.16	130.42
<b>Current</b>		
<i>(Considered good - Unsecured)</i>		
Interest receivable on Loans, deposits, investments etc	29.66	19.57
Balances with Tea Development Account Scheme, 1990	66.3	77.77
	95.96	97.34
<b>14. Deferred Tax Assets (net)</b>		
	As at 31.03.2023	As at 31.03.2022
<b>Deferred Tax Liabilities</b>		
Arising on account of		
Property, plant and equipments including intangible assets and right of use assets net of lease liabilities	102.22	95.07
Loss in fair value of unquoted mutual funds	-	0.36
	102.22	95.42
<b>Deferred Tax Assets</b>		
Arising on account of:		
Section 43B of Income-tax Act	93.01	101.20
Provisions - others	3.31	3.32
Loss in fair value of unquoted mutual funds	0.15	-
Remeasurement of defined benefit plan	-	-
	96.47	104.52
Net deferred tax assets / (liabilities)	(5.75)	9.09





**Cinnatollah Tea Limited**

(CIN: U15122UP2015PLC069633)

Notes to Financial Statements as at and for the year ended 31st March, 2023

	As at 31.03.2023	As at 31.03.2022
15. (a) Advance income tax [net of provision for taxation Rs. 455.87 lakhs (31 March 2022 : 426.13 lakhs)]	137.24	117.16
	<u>137.24</u>	<u>117.16</u>

15. (b) Other Non-current Assets

(Considered good - Unsecured)

Prepaid Expenses

0.24	1.33
<u>0.24</u>	<u>1.33</u>

16. Other Current Assets

(₹ in lakhs)

	As at 31.03.2023	As at 31.03.2022
Considered good		
Advance to Suppliers		
Balance with Excise and other Government Authorities	0.94	2.31
Prepaid Expenses	26.80	50.64
Insurance Claim Receivable	10.07	9.10
Other receivables (represents Staff Advance, Labour Advance, etc)	2.20	5.53
	<u>7.56</u>	<u>3.09</u>
16.1 No advances are due to directors or other officers of the company either severally or jointly with any other person.	<u>47.57</u>	<u>70.67</u>

17. Share Capital

(₹ in lakhs)

	As at 31.03.2023	As at 31.03.2022
Authorised:		
2,65,00,000 equity shares of ₹ 10 each	2,650.00	2,650.00
	<u>2,650.00</u>	<u>2,650.00</u>
Issued, subscribed and fully paid-up:		
2,61,75,396 equity shares of ₹ 10 each	2,617.54	2,617.54
	<u>2,617.54</u>	<u>2,617.54</u>

	As at 31.03.2023		As at 31.03.2022	
	Number of shares	₹ in lakhs	Number of shares	in lakhs
Equity shares				
Outstanding at the beginning of the year				
Add: Issued during the year	2,61,75,396	2,617.54	2,61,75,396	2,617.54
Outstanding at the end of the year	<u>2,61,75,396</u>	<u>2,617.54</u>	<u>2,61,75,396</u>	<u>2,617.54</u>

(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 31.03.2023		As at 31.03.2022	
	Number of shares	% of total shares in the class	Number of shares	% of total shares in the class
Equity shares of ₹ 10 each fully paid up held by				
Ganges Securities Limited (Holding Company)	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) 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.

(e) The Company has not allotted any equity shares against consideration other than cash nor has allotted any 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.

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

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



## Cinnatolliah Tea Limited

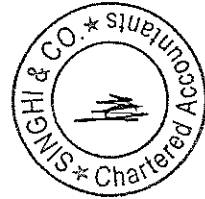
(CIN: U15122UP2015PLC069633)

Notes to Financial Statements as at and for the year ended 31st March, 2023

### 17. (h) Disclosure of shareholding of promoters

Particulars	March 31, 2023		March 31, 2022		Change in % of Holding
	No. of Shares	% in Holding	No. of Shares	% in Holding	
Ganges Securities Limited	26175326	99.81%	26175326	99.81%	0.00%
Santosh Kumar Poddar	10	0.00%	10	0.00%	0.00%
Dilip Patodia	10	0.00%	10	0.00%	0.00%
Anand Sharma	10	0.00%	10	0.00%	0.00%
Kailash Chand Gupta	10	0.00%	10	0.00%	0.00%
Brij Mohan Agarwal	10	0.00%	10	0.00%	0.00%
Sunil Choraria	10	0.00%	10	0.00%	0.00%
Subramanian Sathyamurthy	10	0.00%	10	0.00%	0.00%

Particulars	March 31, 2022		March 31, 2021		Change in % of Holding
	No. of Shares	% in Holding	No. of Shares	% in Holding	
Ganges Securities Limited	26175326	99.81%	26175326	99.81%	0.00%
Santosh Kumar Poddar	10	0.00%	10	0.00%	0.00%
Dilip Patodia	10	0.00%	10	0.00%	0.00%
Anand Sharma	10	0.00%	10	0.00%	0.00%
Kailash Chand Gupta	10	0.00%	10	0.00%	0.00%
Brij Mohan Agarwal	10	0.00%	10	0.00%	0.00%
Sunil Choraria	10	0.00%	10	0.00%	0.00%
Subramanian Sathyamurthy	10	0.00%	10	0.00%	0.00%



**Cinnatollah Tea Limited**

(CIN: U15122UP2015PLC069633)

Notes to Financial Statements as at and for the year ended 31st March, 2023

**18. Other Equity**

	(₹ in lakhs)	
	As at 31.03.2023	As at 31.03.2022
<b>Reserves &amp; Surplus</b>		
Retained Earnings	1,794.36	1,809.28
Other Comprehensive Income	-	-
	<u>1,794.36</u>	<u>1,809.28</u>
	As at 31.03.2023	As at 31.03.2022
<b>i) Retained Earnings</b>		
Balance at the beginning of the year	1,809.28	1,709.44
Profit for the year	127.58	240.00
Dividend (including dividend distribution tax) on equity shares	(130.88)	(130.88)
Remeasurement of defined benefit liability / (asset) (net)	(11.64)	(9.27)
Closing balance	<u>1,794.36</u>	<u>1,809.28</u>
	As at 31.03.2023	As at 31.03.2022
<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 -net of taxes	11.64	9.27
Less: Transfer to retained earning	(11.64)	(9.27)
Balance at the end of the year	<u>-</u>	<u>-</u>
<b>Total Reserves and Surplus</b>	<u>1,794.36</u>	<u>1,809.28</u>

(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.

**19. Trade Payables**

	(₹ in lakhs)	
	As at 31.03.2023	As at 31.03.2022
Total outstanding dues of creditors to micro enterprises and small enterprises	-	-
Total outstanding dues of creditors to other than micro enterprises and small enterprises	29.40	39.97
	<u>29.40</u>	<u>39.97</u>
<b>The following details relating to Micro enterprises and small enterprises are as under:</b>		
(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 and Small Enterprises Development Act, 2006	-	-
(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	-	-
(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	-	-

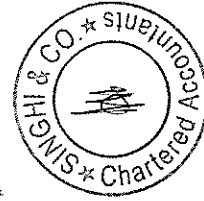


**Cinnatollah Tea Limited**  
(CIN: U15122UP2015PLC069633)  
Notes to Financial Statements as at and for the year ended 31st March, 2023

**19.1 Trade Payables Ageing Schedule - Based on the requirements of Amended Schedule III**

Particulars	Outstanding as on March 31, 2023 from due date of payment						Total
	Unbilled Due	Not Due	Upto 1 Year	1-2 Years	2-3 Years	More than 3 Years	
MSME							
Others	2.70		24.51	0.24	1.63	0.32	29.40
Disputed dues -MSME							
Disputed dues -Others							
<b>Total</b>	<b>2.70</b>		<b>24.51</b>	<b>0.24</b>	<b>1.63</b>	<b>0.32</b>	<b>29.40</b>

Particulars	Outstanding as on March 31, 2022 from due date of payment						Total
	Unbilled Due	Not Due	Upto 1 Year	1-2 Years	2-3 Years	More than 3 Years	
MSME							
Others	2.97	1.46	33.58	1.64	0.32		39.97
Disputed dues -MSME							
Disputed dues -Others							
<b>Total</b>	<b>2.97</b>	<b>1.46</b>	<b>33.58</b>	<b>1.64</b>	<b>0.32</b>		<b>39.97</b>



**Cinnatollah Tea Limited**

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Notes to Financial Statements as at and for the year ended 31st March, 2023

	(₹ in lakhs)	
	As at 31.03.2023	As at 31.03.2022
<b>20. Other Financial Liabilities</b>		
<b>Non-current</b>		
Liability for Lease payment (Note - 34)	-	1.57
<b>Current</b>		
Liability for Lease payment (Note - 34)	1.53	3.01
Payable to employees	61.66	34.89
	<b>63.19</b>	<b>37.90</b>

	(₹ in lakhs)	
	As at 31.03.2023	As at 31.03.2022
<b>21. Other Current Liabilities</b>		
Advance from customers	4.82	-
Statutory dues	16.46	21.25
	<b>21.28</b>	<b>21.25</b>

	(₹ in lakhs)	
	As at 31.03.2023	As at 31.03.2022
<b>22. Provisions</b>		
<b>Provision for employee benefits</b>		
Net defined benefit liability - Gratuity	269.74	173.55
Leave	15.75	15.92
<b>Non-current</b>	<b>285.49</b>	<b>189.47</b>
Net defined benefit liability - Gratuity	13.29	41.11
Leave	5.73	6.12
Bonus	227.95	217.37
<b>Current</b>	<b>247.97</b>	<b>264.80</b>

	(₹ in lakhs)	
	Year ended 31st March, 2023	Year ended 31st March, 2022
<b>23. Revenue from Operations</b>		
<b>Sale of Goods (A)</b>		
Finished goods	2,774.76	2,611.56
	<b>2,774.76</b>	<b>2,611.56</b>
<b>Other Operating Revenue (B)</b>		
Tea Board replanting subsidy	-	-
Scrap Sale	1.01	0.11
Tea Waste Sale	7.85	10.80
	<b>8.86</b>	<b>10.91</b>
<b>Total Revenue from Operations (A) + (B)</b>	<b>2,783.62</b>	<b>2,622.47</b>

**23(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 primary 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.

	Year ended 31st March, 2023	Year ended 31st March, 2022
<b>Major Product</b>		
Tea	2,774.76	2,611.56
<b>Geographical Market</b>		
In India	2,774.76	2,611.56
Outside India	-	-

The company recognises revenue at a point in time. The contracts 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 2023	As at 31st March 2022
Receivables, which are included in "Trade and other receivables" (Refer Note - 10)	81.82	15.14
Contract assets	-	-
Contract liabilities (Advance received from Customers)	-	-
<b>Total (Assets - Liabilities)</b>	<b>81.82</b>	<b>15.14</b>

iv) Other information

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
(i) Transaction price allocated to the remaining performance obligations	Nil	Nil
(ii) The amount of revenue recognised in the current period that was included in the opening contract liability balance	Nil	Nil
(iii) The amount of revenue recognised in the current period from performance obligations satisfied or partially satisfied in previous periods	Nil	Nil

Performance obligations: The Company satisfies the performance obligations on shipment / delivery.

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.

No customer individually accounted for more than 10% of the revenues from external customers during the year except for the following:

Name of the Customer	Sale Value	% of Total Sales
Gautam Enterprise	240.64	13.27%
Punam Choud & Sons	587.76	12.95%



**Cinnatollah Tea Limited**

(CIN: U15122UP2015PLC069633)

Notes to Financial Statements as at and for the year ended 31st March, 2023

**24. Other Income**

	(₹ in lakhs)	
	Year ended 31st March, 2023	Year ended 31st March, 2022
Interest income at amortized cost		
- Loans and deposits	107.38	145.39
Unspent liabilities, Provisions no longer required and Unclaimed balances written back	5.08	6.62
Changes in Fair value of Biological assets	-	1.79
Compensation from damage of shade trees	48.45	9.05
Compensation from Power Grid for usage of land for transformer line	50.10	
Gain on tangible assets sold / discarded (net)	7.13	-
Net gain on financial assets mandatorily measured at fair value through profit and loss account	63.57	13.51
Profit on sale/redemption of mutual funds	0.67	
Insurance and other claims	2.20	5.53
Miscellaneous Receipts	0.17	0.02
	284.75	181.91

**25. Changes In Inventories of Finished Goods, Work-in-progress and Stock-in-Trade**

	(₹ in lakhs)	
	Year ended 31st March, 2023	Year ended 31st March, 2022
Inventories at the end of the year		
Finished goods	75.66	126.86
Stock-in-trade	-	-
Tea Waste	3.73	-
	79.39	126.86
Inventories at the beginning of the year		
Finished goods	126.86	77.55
	126.86	77.55
	47.47	(49.31)

**26. Employee benefits expense**

	(₹ in lakhs)	
	Year ended 31st March, 2023	Year ended 31st March, 2022
Salaries, wages, bonus, Ex-gratia etc.	1,510.92	1,440.68
Contribution to provident and other funds	163.42	160.40
Expenses related to post-employment defined benefit plans	44.45	43.04
Staff welfare expenses	168.78	168.05
	1,887.57	1,814.17

**27. Finance costs**

	(₹ in lakhs)	
	Year ended 31st March, 2023	Year ended 31st March, 2022
Interest expense on lease liabilities	0.37	0.59
Interest on income tax/ GST	2.52	3.76
	2.89	4.35

**28. Depreciation and amortization expense**

	(₹ in lakhs)	
	Year ended 31st March, 2023	Year ended 31st March, 2022
Depreciation of property, plant and equipment [Note 4]	62.57	64.46
Depreciation of right of use [Note 4]	2.76	2.76
Amortisation of intangible assets [Note 6]	1.31	-
	66.64	67.22

**29. Other expenses**

	(₹ in lakhs)	
	Year ended 31st March, 2023	Year ended 31st March, 2022
Consumption of stores and spares & Packing materials	185.85	146.73
Power and fuel	312.39	258.80
Repairs to:		
- Buildings	31.42	15.73
- Machinery	21.86	23.45
- Others	1.93	1.22
Rent	-	-
Rates and taxes	18.31	5.38
Irrecoverable ITC written off	35.41	0.52
Insurance	11.90	10.98
Payment to Statutory Auditor		
Statutory Audit Fees	3.00	3.00
Limited Review Fees	1.80	1.80
Other Services	-	-
Commission on sales	38.41	31.40
Freight and forwarding charges	4.60	7.61
Other Selling expenses	11.25	11.71
Corporate Social Responsibility Expenses	9.89	9.30
Professional Fees	70.08	53.88
Loss on sale / discard of Property, Plant and Equipment (net)	0.34	-
Changes in Fair value of Biological assets	1.52	-
Subscription	14.84	11.99
Travelling and Conveyance	45.30	23.84
Computer Peripherals/ERP Expenses	2.83	0.01
Miscellaneous expenses	64.80	42.99
	887.73	660.34



**Cinnatollah Tea Limited**

(CIN: U15122UP2015PLC069633)

Notes to Financial Statements as at and for the year ended 31st March, 2023

**29.1. Corporate Social Responsibility (CSR) Expenses**

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
(i) Gross amount required to be spent by the company during the year	9.89	9.30
(ii) Amount spent during the year on:	-	-
(A) Construction/acquisition of any asset	-	-
in Cash	-	-
Yet to be paid in cash	-	-
Total	-	-
(B) On purposes other than (A) above	-	-
in Cash	9.89	9.30
Yet to be paid in cash	-	-
Total	9.89	9.30
(iii) Surplus/ Shortfall at the end of the year	-	-
(iv) Total of previous years surplus/shortfall	-	-
(v) Reason for Shortfall, if any	Not Applicable	
(vi) Nature of CSR Activities		
Promoting education, including special education, and employment enhancing vocation skills especially among children women, elderly and the differently abled and livelihood enhancement projects.		
(vii) The Movements in the provision for CSR expenditure during the year		
Provision for CSR Expenditure at the beginning and at the end of the year	-	-
(viii) There are no contribution to a trust controlled by the Company in relation to the CSR during the year ended 31st March, 2023 and the previous year ended 31st March, 2022.		

**30. Tax expense**

	(₹ in lakhs)	
	Year ended 31st March, 2023	Year ended 31st March, 2022
Current tax	62.00	78.50
Provision for tax related to earlier years	0.17	0.62
Provision for tax no longer required written back	(32.43)	(26.58)
Deferred tax	-	-
Attributable to origination and reversal of temporary differences	18.75	15.07
Total tax expense for the year	48.49	67.61

**Reconciliation of effective tax rate**

	As at 31st March, 2023		As at 31st March, 2022	
	Rate	(' in lakhs)	Rate	(' in lakhs)
Profit before tax		176.07		307.61
Tax using the Company's domestic tax rate	25.17%	44.31	25.17%	77.42
Tax effect of:				
- Adjustments due to change in tax rate		-		-
- Amount related to earlier years		(32.26)		(25.96)
- Others (including due to permanent differences)		36.44		16.15
Income tax expense in Statement of Profit & Loss		48.49		67.61

**31. Other Comprehensive Income**

	(₹ in lakhs)	
	Year ended 31st March, 2023	Year ended 31st March, 2022
Items that will not be reclassified to profit or loss		
Remeasurement of the defined benefit plans	(15.55)	(12.39)
Less: Tax expense on the above	3.91	3.12
	(11.64)	(9.27)

**32. 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, 2023	Year ended 31st March, 2022
(i) Profit attributable to equity shareholders (Rs. in lakhs)	127.58	240.00
(ii) Weighted average number of equity shares for the year	2,61,75,396	2,61,75,396
At the beginning and at the end of the year		
(iii) Earning per equity share [Nominal value of share Rs. 10] [(i)/(ii)]	0.49	0.92
Basic and Diluted (Rs.)		

There is no dilutive potential equity share.



**Cinnatollah Ten Limited**

(CIN: U18122UP2015PLC069633)

Notes to Financial Statements as at and for the year ended 31st March, 2023

**33. 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**

	(₹ in lakhs)	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Present value of defined benefit obligations	535.21	539.19
Fair value of plan assets	311.18	324.53
Net defined benefit liabilities	224.03	214.66

**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 serving 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 Adverse Salary Growth Experience: 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. Variability in mortality rates: 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. Variability in withdrawal rates: 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 ₹s. 265.57 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:

**33a. Reconciliation of the net defined benefit liabilities / (assets):**

	(₹ in lakhs)	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
(i) Reconciliation of present value of defined benefit obligations		
(a) Balance at the beginning of the year		-471.41
(b) Service cost	539.19	28.99
(c) Interest cost	38.82	31.39
(d) Benefits paid	(86.62)	(10.75)
(e) Actuarial (gain) / loss on defined benefit obligations		
- due to change in financial assumptions	(1.03)	(25.95)
- due to experience changes	15.85	-41.92
Balance at the end of the year	535.20	539.19

(ii) Reconciliation of fair value of plan assets

(a) Balance at the beginning of the year		263.22
(b) Actual return on plan assets	22.64	21.09
(c) Contributions by the employer	50.63	50.97
(d) Benefits paid	(86.62)	(10.75)
Balance at the end of the year	311.18	324.53

(iii) Actuarial gain / (loss) on plan assets

(a) Expected Interest Income	23.37	17.52
(b) Actual return on plan assets	22.64	21.09
	(0.73)	3.57

(iv) Expense recognised in Employee benefits expenses

	(₹ in lakhs)	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
(a) Service cost	28.99	31.17
(b) Interest cost	38.82	31.39
(c) Interest income	(23.37)	(17.52)
Amount charged to Employee benefits expenses	44.456	45.04

(v) Remeasurement recognised in Other Comprehensive Income

(a) Actuarial gain/ loss on defined benefit obligations	(14.82)	(15.97)
(b) Actuarial gain/ loss on plan assets	(0.73)	3.57
Amount recognised in Other Comprehensive Income	(15.55)	(12.40)

(vi) Plan assets

	As at 31 <sup>st</sup>	
	March, 2023	March, 2022
Plan assets comprise of the following		
(a) Investments with LIC	100%	100%

(vii) Actuarial assumptions

	As at 31 <sup>st</sup>	
	March, 2023	March, 2022
Principal actuarial assumptions at the reporting date (expressed as weighted averages)		
(a) Discount rate	7.22%	7.20%
(b) Future salary growth	5.00%	5.00%
(c) Attrition rates		
Less than 40 Years	0.42%	0.42%
41 years to 54 years	0.18%	0.18%
more than 54 years	0.22%	0.22%

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



**Cinnatollah Tea Limited**

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Notes to Financial Statements as at and for the year ended 31st March, 2023

(viii) 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

	(₹ in lakhs)			
	As at 31 <sup>st</sup> March, 2023		As at 31 <sup>st</sup> March, 2022	
	Increase	Decrease	Increase	Decrease
(a) Discount rate (1% movement)	(43.52)	61.45	(39.37)	54.43
(b) Future salary growth (1% movement)	62.74	(44.84)	55.39	(40.45)

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) Maturity profile of defined benefit obligations (valued on undiscounted basis)

	(₹ in lakhs)	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Within the next 12 months (next annual reporting period)	34.13	103.26
Between 2 and 5 years	154.75	113.40
Between 6 and 10 years	247.70	248.61
Beyond 10 years	825.36	724.30
	<u>1,261.94</u>	<u>1,189.57</u>

Defined contribution plans

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

	(₹ in lakhs)	
	Year ended 31st March, 2023	Year ended 31st March, 2022
Contribution to Provident / Pension Funds	163.42	160.40

34. Leases

The company has a lease contract for land used in its operation. The carrying amount of lease liabilities and right of use assets and its movement is given below:

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

As Lessee

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

Particulars	(₹ in lakhs)	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Balance as at 1 <sup>st</sup> April, 2021	6.90	-
Recognised on account of adoption of Ind AS 116 as at 1 <sup>st</sup> April, 2021	-	-
Additions during the year	-	-
Depreciation for the year	2.76	-
Balance as at 31 <sup>st</sup> March, 2022	<u>4.14</u>	-
Balance as at 1 <sup>st</sup> April, 2022	4.14	-
Additions during the year	-	-
Depreciation for the year	2.76	-
Balance as at 31 <sup>st</sup> March, 2023	<u>1.38</u>	-

(ii) Movement in lease liabilities:

Particulars	(₹ in lakhs)	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Balance as at 1 <sup>st</sup> April, 2021	7.41	-
Finance cost accrued during the year	0.59	-
Payment of lease liabilities for the year	(3.42)	-
Balance as at 31 <sup>st</sup> March, 2022	<u>4.58</u>	-
Balance as at 1 <sup>st</sup> April, 2022	4.58	-
Finance cost accrued during the year	0.37	-
Payment of lease liabilities for the year	(3.42)	-
Balance as at 31 <sup>st</sup> March, 2023	<u>1.53</u>	-

Particulars	(₹ in lakhs)	
	As at 31st March, 2023	As at 31 <sup>st</sup> March, 2022
Lease liabilities - Non-current (refer Note 20)	-	1.57
Lease liabilities - Current (refer Note 20)	1.53	3.01
	<u>1.53</u>	<u>4.58</u>



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Notes to Financial Statements as at and for the year ended 31st March, 2023

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

Particulars	(₹ in lakhs)	
	As at 31st March, 2023	As at 31st March, 2022
Less than one year	1.70	3.40
One to five years	-	1.70
<b>Total</b>	<b>1.70</b>	<b>5.10</b>

(iv) Amounts recognised in profit or loss:

Particulars	(₹ in lakhs)	
	Year ended 31st March, 2023	Year ended 31st March, 2022
Interest on lease liabilities	0.37	0.59
Depreciation on right of use assets	2.76	2.76
<b>Total</b>	<b>3.13</b>	<b>3.35</b>

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

**35. 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	Related Parties	Relationship
	Late Yash Kant Chaturvedi	Whole Time Director (1.04.2022 - 12.12.2022)
	Smt. Nandini Nopany	Director
	Shri Dilip Patodia	Director
	Smt. Shiruti Vora	Director
	Shri Anu Kumar Newar	Director
	Shri Harjinder Singh Kapoor	Whole Time Director (appointed w.e.f 1.04.2023)
	Shri Piyankar Ghosh	Chief Financial Officer
	Smt. Vijaya Agarwala	Company Secretary

Enterprises owned or significantly influenced by key management personnel or their relatives: Ganges Securities Limited

**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 31st March, 2023		Year ended 31st March, 2022	
	Dividend on Equity Shares	Director's sitting fees	Dividend on Equity Shares	Director's sitting fees
<b>Holding Company</b>				
Ganges Securities Limited	130.88	-	130.88	-
<b>Key management personnel</b>				
Smt. Nandini Nopany	-	0.33	-	0.33
Shri Dilip Patodia	-	0.58	-	0.53
Smt. Shiruti Vora	-	0.20	-	0.10
Shri Anu Kumar Newar	-	0.58	-	0.50

**b. Remuneration to key managerial personnel**

**(i) Short term employee benefits**

	Year ended 31st March, 2023		Year ended 31st March, 2022	
	Transaction during the year *	Amount owed to related parties	Transaction during the year *	Amount owed to related parties
Shri Santosh Kumar Poddar (upto 31.03.2022)	-	-	52.99	3.09
Late Shri Yash Kant Chaturvedi (upto 12.12.2022)	38.64	-	-	-
Shri Rajes Gupta (upto 31.12.2021)	-	-	4.76	0.32
Shri Piyankar Ghosh	14.62	0.84	1.80	0.10

\* 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, 2023 or year ended 31st March, 2022

**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, 2023 and 31st March 2022, the Company has not recorded any impairment of receivables relating to amounts owed by 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.

36. 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.

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

	Year ended 31st March, 2023	Year ended 31st March, 2022
Contingent Liabilities	Nil	Nil



## Cinnatolliah Tea Limited

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Notes to Financial Statements as at and for the year ended 31st March, 2023

### 38. Fair Value Measurement

Categories of Financial Assets & Financial Liabilities as at 31st March 2023 and 31st March 2022

Particulars	31st March 2023			31st March 2022		
	*FVTPL	**FVTOCI	Amortized Cost	*FVTPL	**FVTOCI	Amortized Cost
<b>Financial Assets</b>						
Investments	986.53	-	-	1,027.50	-	-
Trade Receivables	-	-	81.82	-	-	15.14
Cash and Cash Equivalents	-	-	76.29	-	-	59.31
Bank deposits due to mature after 3 months of original maturities but within 12 months of the reporting date	-	-	1,908.96	-	-	1,904.17
Interest accrued on Loans, deposits, investments etc.	-	-	29.66	-	-	19.57
Bank deposits due to mature after 12 months of the reporting date	-	-	-	-	-	-
Balances with Tea Development Account Scheme, 1990	-	-	128.94	-	-	203.67
Security Deposits	-	-	4.52	-	-	4.52
<b>Total Financial Assets</b>	<b>986.53</b>	<b>-</b>	<b>2,230.19</b>	<b>1,027.50</b>	<b>-</b>	<b>2,206.38</b>
<b>Financial Liabilities</b>						
Borrowings	-	-	-	-	-	-
Trade Payables	-	-	29.40	-	-	39.97
Payable to employees	-	-	61.66	-	-	34.89
Lease Liabilities	-	-	1.53	-	-	4.58
<b>Total Financial Liabilities</b>	<b>-</b>	<b>-</b>	<b>92.59</b>	<b>-</b>	<b>-</b>	<b>79.44</b>

\*FVTPL : Fair Value Through Profit and Loss

\*\*FVTOCI : Fair Value Through Other Comprehensive Income

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 Values of Financial Assets and Financial Liabilities measured at Amortised Cost

39.1 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.

39.2 The management considers that the carrying amounts of Financial assets and Financial liabilities recognised at nominal cost/amortised cost in the Financial statements approximate their fair values.



# Cinnatolliah Tea Limited

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Notes to Financial Statements as at and for the year ended 31st March, 2023

## 40 Fair Value Hierarchy

### 40.1 Financial Instrument

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.

Assets and Liabilities measured at Fair Value - recurring fair value measurements

As at 31st March 2023 and 31st March 2022

Particulars	31st March 2023			31st March 2022		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Financial Assets</b>						
<b>Investments</b>						
Bonds	726.07	-	-	726.07	-	-
Mutual Funds	-	260.46	-	-	301.43	-
<b>Total Financial Assets</b>	<b>726.07</b>	<b>260.46</b>	<b>-</b>	<b>726.07</b>	<b>301.43</b>	<b>-</b>

### 40.2 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 2023 and 31st March 2022

Particulars	31st March 2023			31st March 2022		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Non Financial Assets</b>						
<b>Biological Assets other than Bearer Plant</b>						
Unharvested Tea Leaf	-	1.6	-	-	3.12	-
<b>Total Non Financial Assets</b>	<b>-</b>	<b>1.6</b>	<b>-</b>	<b>-</b>	<b>3.12</b>	<b>-</b>

### 40.3 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.

40.4 There were no transfers between level 1, level 2 and level 3.

### 40.5 Explanation to the fair value hierarchy

The Company measures Financial instruments, such as, equity investments and non financial instruments, such as, unharvested tea leaf at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole. The valuation of bonds are based on level 1 inputs, the valuation of mutual funds are based on level 2 inputs and valuation of unharvested tea leaf are based on level 2 inputs as per the hierarchy mentioned in the Accounting Policies.



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**Notes to Financial Statements as at and for the year ended 31st March, 2023**

**41 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.

**41.1 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.

**41.2 Liquidity Risk**

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, 2023						
Trade Payables	-	22.21	-	2.19	-	29.40
Other Financial Liabilities	-	0.76	61.56	0.86	-	63.19
Total	-	22.97	61.56	3.05	-	92.59
As at 31st March, 2022						
Trade Payables	-	38.00	-	1.97	-	39.97
Other Financial Liabilities	-	1.51	36.39	1.57	-	39.47
Total	-	39.51	36.39	3.54	-	79.44

**41.3 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.

**41.3.1 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.

**41.3.2 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.

**41.3.3 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-facilities 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.

**42 Capital Management**

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The management monitors the return on capital, as well as the level of dividends to equity shareholders.

The Company's objective when managing capital are to

- maximise shareholders value and provide benefits to other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. The Company has complied with these covenants and there have been no breaches in the financial covenants of any interest-bearing loans and borrowings.

For the purpose of the Company's capital management, capital includes issued equity share capital and other equity reserves attributable to the equity holders.

**a) Risk Management**

The Company's objectives when managing capital are to

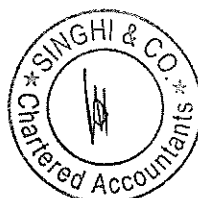
- safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

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.

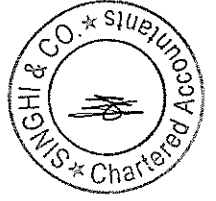
No changes were made to the objectives, policies or processes for managing capital during the years ended 31st March 2023 and 31st March 2022.

**b) Dividends paid and proposed**

Dividends paid during the year ended March 31, 2023 include an amount of 50 paise per equity share towards final dividend for the year ended March 31, 2022 and Dividends paid during the year ended March 31, 2022 include an amount of 0.50 per equity share towards final dividend for the year ended March 31, 2021. Dividends declared by the Company are based on the profit available for distribution. On 10th May 2023, the Board of Directors of the Company have proposed a final dividend of 50 paise per equity share in respect of the year ended March 31, 2023 subject to the approval of shareholders at the Annual General Meeting, and if approved, would result in a cash outflow of approximately Rs 130.88 lakhs.



Ratio	Numerator	Denominator	Current Period	Previous Period	% Variance	Reason for variance
Current ratio	Total Current Assets	Total Current Liabilities	6.80	6.78	0.32%	
Debt-equity ratio	Total Debt	Shareholder's Equity			NA	This ratio is not applicable as Company has no debt.
Debt service coverage ratio	Earnings for Debt Service - Net Profit after taxes minus depreciation and amortization expenses like depreciation and other adjustments like loss on sale of fixed assets etc.	Debt service Interest & Lease Payments - Principal Repayments			NA	This ratio is not applicable as Company has no debt.
Return on equity ratio	Net Profit after taxes - Preference Dividend (if any)	Average Shareholder's Equity	0.03	0.05	-47.35%	Deviation is due to increase in wage rate salary of staff and sub-staff and reduction in the average selling price of the product.
Inventories turnover ratio	Cost of goods sold OR sales	Average inventory - (Opening + Closing balance : 2)	27.46	23.55	7.24%	
Trade receivables turnover ratio	Net Credit Sales - Net credit sales consists of gross credit sales minus sales return. Trade receivables includes sundry debtors and bill's receivables.	Average trade debtors - (Opening + Closing balance : 2)	57.42	70.82	-18.92%	
Trade payables turnover ratio	Net Credit Purchases - Net credit purchases consists of gross credit purchases minus purchase return.	Average Trade Payables - (Opening + Closing balance : 2)			NA	This ratio is not applicable to us as we do not purchase the goods from any other party.
Net capital turnover ratio	Net Sales - Net sales shall be calculated as total sales minus sales returns.	Working Capital - Working capital shall be calculated as current assets minus current liabilities.	1.33	1.23	6.36%	
Net profit ratio	Net profit shall be after tax	Net Sales - Net sales shall be calculated as total sales minus sales returns.	0.05	0.09	-49.92%	Deviation is due to increase in wage rate and reduction in the average selling price of the product.
Return on capital employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	0.04	0.07	-41.20%	Deviation is due to increase in wage rate and reduction in the average selling price of the product.
Return on investment	Difference in the market value at the beginning & at the end of the year plus realized gain	Market value at the beginning of the year	0.07	0.01	-422.36%	The increase in the fair value of investments has been more as compared to last year.



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**Notes to Financial Statements as at and for the year ended 31st March, 2023**

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**Segment Reporting**

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the Chief Operating Decision Maker, in deciding how to allocate resources and assessing performance. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. Based on the management approach as defined in Ind AS 108, the Chief Operating Decision Maker evaluates the Company's performance based on only one segment i.e. growing and production of Tea Leaves.

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**ADDITIONAL REGULATORY REQUIREMENT SCHEDULE III**

45(i)

**Utilisation of Borrowed Fund & Share Premium**

No funds have been advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("intermediaries") with the understanding, whether recorded in writing or otherwise, that the intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whither, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(i) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding that the intermediary shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(ii) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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Previous year's figures have been reclassified/regrouped wherever necessary

As per our Report annexed of even date

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



Partner : M.L. Shukla  
Membership No. : 051505  
Place : Kolkata  
Date : 10.05.2023



For and on behalf of the Board of Directors



Harinder Singh  
Whole Time Director  
DIN : 10092589



Pankaj Ghosh  
Chief Financial Officer



Dilip Paodia  
Director  
DIN : 00482435



Vinaya Agarwala  
Company Secretary