



McLEOD RUSSEL  
*Believe in tea*

07<sup>th</sup> September 2023

The Secretary  
BSE Ltd  
P. J. Towers, 25<sup>th</sup> Floor  
Dalal Street  
MUMBAI – 400 001  
Scrip Code: 532654

The Secretary  
National Stock Exchange of India,  
Listing Dept.  
Exchange Plaza, 5<sup>th</sup> Fl.  
Plot No. C/1, G-Block  
Bandra-Kurla Complex  
Bandra(E)  
MUMBAI – 400 051  
Scrip Code: MCLEODRUSS

The Secretary  
The Calcutta Stock –  
Exchange Limited  
7, Lyons Range  
KOLKATA – 700 001  
Scrip Code: 10023930

Dear Sir,

**Sub: 25<sup>th</sup> Annual General Meeting Notice & Annual Report of the Company for the Financial Year 2022-23**

Please be informed that the 25<sup>th</sup> Annual General Meeting (AGM) of the Members of McLeod Russel India Limited (the Company), will be held on Friday, September 29, 2023 at 11.30 a.m. (IST), through Video Conferencing (VC)/Other Audio Visual Means (OAVM) in conformity with the regulatory provisions and Circulars issued by the Ministry of Corporate Affairs and Securities and Exchange Board of India ("SEBI").

Further, pursuant to Section 108 of the Companies Act, 2013 and Regulations 30 and 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the following:

1. Notice of the 25<sup>th</sup> AGM (including e-voting instructions)
2. Annual Report for the financial year 2022-23

which are also being sent through electronic mode to the members, who have registered their e-mail addresses with the Company/Registrar and Share Transfer Agents/Depositories.

The Notice and the Annual Report FY 2022-23 is also uploaded on the Company's website [www.mcleodrussel.com](http://www.mcleodrussel.com).

This is for your information and records.

Yours faithfully,

**McLeod Russel India Limited**

ALOK KUMAR SAMANT  
Digitally signed by ALOK KUMAR SAMANT  
Date: 2023.09.07 15:22:43 +05'30'

**Alok Kumar Samant**  
**Company Secretary**

Encl: as above

*Registered Office :*

**McLEOD RUSSEL INDIA LIMITED**

Corporate Identity Number (CIN) : L51109WB1998PLC087076  
FOUR MANGOE LANE, SURENDRA MOHAN GHOSH SARANI, KOLKATA - 700 001  
TELEPHONE : 033-2210-1221, 2248-9434 / 35, FAX : 91-33-2248-8114 / 6265  
E-mail : administrator@mcleodrussel.com Website : www.mcleodrussel.com



**A Williamson Magor Group Enterprise**



## McLEOD RUSSEL INDIA LIMITED

Registered Office : Four Mangoe Lane, Surendra Mohan Ghosh Sarani, Kolkata - 700 001

CIN : L51109WB1998PLC087076

Email : administrator@mcleodrusssel.com; Website : www.mcleodrusssel.com

Phone No. : (033) 2210-1221/2243-5391/2248-9434/35

Fax : (033) 2248-8114/2248-6265

### NOTICE

**Notice** is hereby given that the Twenty-fifth Annual General Meeting (AGM) of the Members of McLeod Russel India Limited will be held on **Friday, 29th September, 2023 at 11.30 a.m.**, Indian Standard Time (IST), through Video Conferencing / Other Audio Visual Means ("VC/OAVM"), to transact the following business:-

#### ORDINARY BUSINESS:

##### **Item No. 1 - Adoption of Audited Standalone Financial Statements**

To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2023 together with the Reports of the Board of Directors and the Auditors thereon.

##### **Item No. 2 - Adoption of Audited Consolidated Financial Statements**

To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2023 together with the Report of the Auditors thereon.

##### **Item No. 3 - Re-appointment of a Director**

To appoint a Director in place of Mr. Amritanshu Khaitan (DIN: 00213413), who retires by rotation and being eligible, offers himself for re-appointment.

#### SPECIAL BUSINESS:

##### **Item No. 4 - Ratification of the remuneration payable to the Cost Auditors in respect of the financial year ending 31st March, 2024.**

To consider and if thought fit to pass the following Resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors Rules), 2014, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the remuneration payable to the Cost Auditors namely, Messrs. Mani & Co, Messrs. SPK Associates and Messrs. DGM & Associates appointed by the Board of Directors of the Company for conducting Audit of Cost Accounting records maintained by the Company as applicable, for the year ending 31st March, 2024, as set out in the Explanatory Statement annexed to the Notice convening this Meeting, be and is hereby ratified."

**By Order of the Board  
McLEOD RUSSEL INDIA LIMITED**

**ALOK KUMAR SAMANT  
Company Secretary**

**Place : Kolkata**

**Date: 14th August 2023**

M No. F9347

### NOTES

1. Ministry of Corporate Affairs (MCA) vide its General Circular No. 14/2020 dated April 08, 2020, General Circular No.17/2020 dated April 13, 2020, General Circular No. 20/2020 dated May 05, 2020, General Circular No. 02/2021 dated January 13, 2021, General Circular No. 19/2021 dated December 8, 2021, General Circular No. 20/2021 dated December 14, 2021, General Circular No. 02/2022 dated May 05, 2022 and 10/2022 and 11/2022 dated December 28, 2022 ('MCA Circulars') and Securities and Exchange Board of India ("SEBI") vide its circular nos. SEBI/HO/CFD/CMD1/ CIR/P/2020/79 dated May 12, 2020 and SEBI/HO/CFD/ PoD-2/P/CIR/2023/4 dated January 5, 2023 (collectively "SEBI Circulars"), have permitted companies to conduct their Annual General Meetings (AGM) through Video Conferencing / Other Audio Visual

Means ("VC/OAVM"), thereby, dispensing with the requirement of physical attendance of the members at the AGM. In compliance with the aforesaid MCA and SEBI Circulars, the **Twenty-fifth Annual General Meeting (the "AGM" or the "Meeting") of McLeod Russel India Limited (the "Company")** will be held through VC or OAVM in compliance with the said circulars and the relevant provisions of the Companies Act, 2013 (as amended) (the "Act") and Rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (the "Listing Regulations"). Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act. The deemed venue for the AGM shall be the Registered Office of the Company.

- In terms of the MCA Circulars and SEBI Circulars, the requirement of sending proxy forms to holders of securities as per provisions of Section 105 of the Act read with Regulation 44(4) of The Listing Regulations, has been dispensed with. Therefore, the facility to appoint proxy by the members will not be available and consequently, the proxy form and attendance slip are not annexed to this notice convening the 25th AGM of the company (The "Notice").

However, in pursuance of Section 113 of the Act and Rules framed thereunder, the corporate members are entitled to appoint authorized representatives for the purpose of voting through remote e-Voting or for the participation and e-Voting during the AGM, through VC or OAVM. Institutional Shareholders (i.e., other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF / JPG Format) of the relevant Board Resolution / Power of Attorney / appropriate Authorization Letter together with attested specimen signature(s) of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail at [aklabhcs@gmail.com](mailto:aklabhcs@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

- In case of Joint-holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote during the AGM.
- An Explanatory Statement pursuant to Section 102 of the Act and Rules framed thereunder, in respect of the Special Business under Item No. 4 is annexed hereto. The recommendation of the Board of Directors of the Company (the "Board") in terms of Regulation 17(11) of the Listing Regulations is also provided in the said Statement. Necessary information of the Director seeking re-appointment at the AGM as required under Regulation 36(3) of the Listing Regulations and the Revised Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI) is also appended to the Notice.
- Dispatch of Annual Report through E-mail**

In accordance with the MCA Circulars and the said SEBI Circulars, the Notice alongwith the Annual Report of the Company for the financial year ended 31st March 2023, is being sent only through e-mail, to those Members whose e-mail addresses are registered with the Company or the Registrar and Share Transfer Agent (the "RTA"), i.e., M/s. Maheshwari Datamatics Private Limited or the Depository Participant(s). The Notice and the Annual Report for the financial year ended 31st March, 2023 shall be available on the websites of the Company viz., [www.mcleodrussel.com](http://www.mcleodrussel.com) and of the Stock Exchanges where Equity Shares of the Company are listed. The Notice shall also be available on the e-Voting website of the agency engaged for providing e-Voting facility, i.e., National Securities Depository Limited (NSDL), viz., [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- Members who have not registered their e-mail addresses so far are requested to register their e-mail addresses for

receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically with the Depository through Depository Participant(s). The Forms can be obtained from the Company/RTA or from the Website of the Ministry of Corporate Affairs at [www.mca.gov.in](http://www.mca.gov.in).

In respect of shares held in physical form, members may register their email id by writing to the Company's RTA, Maheshwari Datamatics & Private Limited having office at 23 R. N. Mukherjee Road, 5th Floor, Kolkata 700001

- The Company has sent individual letters to all the Members holding shares of the Company in physical form for furnishing their PAN, KYC details and Nomination pursuant to SEBI Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/655 dated November 3, 2021 in Form ISR-1. The Form ISR-1 is also available on the website of the Company at [www.mcleodrussel.com](http://www.mcleodrussel.com). Attention of the Members holding shares of the Company in physical form is invited to go through and submit the said Form ISR-1.
- Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The Nomination Form SH-13, prescribed by the Government can be obtained from the Registrar and Share Transfer Agent or the Secretarial Department of the Company at its registered office.

## 9. IEPF related Information:

### I. Unclaimed Dividend:

The Company has transferred the unpaid or unclaimed dividends declared upto financial years 2014-15, from time to time, to the Investor Education and Protection Fund ("IEPF") established by the Central Government. Details of dividends so far transferred to the IEPF Authority are available on the website of IEPF Authority and the same can be accessed through the link [www.iepf.gov.in](http://www.iepf.gov.in). Dividends for the financial year ended 31st March 2016, which remain unpaid or unclaimed for a period of 7 (seven) years from the date of its transfer to the unpaid dividend account, also be transferred to IEPF within statutory timelines. Members who have not encashed the dividend warrant(s), so far for the financial year ended 31st March 2016, or any subsequent financial years are requested to make their claim to the Company at its Registered Office. The details of unpaid and unclaimed dividends lying with the Company as on 31st March 2022 and 31st March 2021 are uploaded on the website of the Company [www.mcleodrussel.com](http://www.mcleodrussel.com).

### II. Transfer of Unclaimed Shares:

Adhering to the various requirements set out in the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), as amended, the Company has during the year transferred to the IEPF Authority 80,623 (Eighty thousand Six hundred and Twenty Three) equity shares w.r.t. financial year 2014-15 in respect of which dividend has remained

unpaid/unclaimed for 7 (seven) consecutive years or more, within stipulated timelines. Details of shares so far transferred to IEPF Authority have been uploaded on the website of the Company [www.mcleodrussel.com](http://www.mcleodrussel.com). The said details have also been uploaded on the website of IEPF Authority and the same can be accessed through the link [www.iepf.gov.in](http://www.iepf.gov.in).

It may please be noted that once the unclaimed dividend and shares are transferred to IEPF, as above, no claims shall lie against the Company. However, claim can be made from IEPF Authority by making an application in Form no. IEPF-5 available on [www.iepf.gov.in](http://www.iepf.gov.in) in accordance with the IEPF Rules.

#### 10. Dematerialisation of Shareholding:

In accordance with the proviso to Regulation 40(1) of the Listing Regulations, as amended from time to time, and read with SEBI circular no. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated January 25, 2022, transfer of securities of the Company including transmission and transposition requests shall not be processed unless the securities are held in the dematerialized form with a depository. Accordingly, shareholders holding equity shares in physical form are urged to have their shares dematerialized so as to be able to freely transfer them, eliminate all risks associated with physical holding and participate in corporate actions.

11. Members holding shares in physical form are requested to intimate change, if any, pertaining to their name, postal address, Email id, contact no., PAN, nomination, KYC, bank mandate etc. and submit bank details along with a cancelled cheque immediately to the Company's Registrar and Share Transfer Agent, M/s. Maheshwari Datamatics Private Limited at 23 R.N. Mukherjee Road 5th Floor, Kolkata - 700001, contact person Mr. S K. Chaubey, [Phone: (033) 22482248 / 22435029, Email ID: [mdpldc@yahoo.com](mailto:mdpldc@yahoo.com)] in prescribed Form ISR-1 along with supporting documents and other forms pursuant to SEBI Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/655 dated November 3, 2021, SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/687 dated December 14, 2021 and SEBI/HO/MIRSD/MIRSD-PoD1/P/CIR/2023/37 dated March 16, 2023 to enable them to update records.
12. In keeping with the Ministry of Corporate Affairs' Green Initiative measures, the Company hereby requests the members who have not registered their email addresses so far, to register their email addresses for receiving all communication including annual report, notices, circulars etc. from the Company electronically.
13. Members are requested to contact the Company's Registrar & Share Transfer Agents, Maheshwari Datamatics Private Limited, contact person Mr. S K. Chaubey, [Phone: (033) 22482248 / 22435029, Email ID: [mdpldc@yahoo.com](mailto:mdpldc@yahoo.com)], for reply to their queries/redressal of complaints, if any, or contact Mr. Alok Kumar Samant, Company Secretary of the Company at the Registered Office of the Company [Phone: (033) 22101221; Email: [investors@mcleodrussel.com](mailto:investors@mcleodrussel.com)]

#### 14. Consolidation of Multiple Folios:

Members who are holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or its Registrar and Share Transfer Agent, the details of such folios together with the share certificates for consolidating their holding in one folio as per the procedure stipulated in SEBI circular no. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/ CIR/2022/8 dated January 25, 2022.

#### 15. New Certificates:

Members who have not yet surrendered their old Share Certificate(s) for exchange with new Certificate(s) bearing hologram, logo and barcoding are requested to surrender the same to the Company's Registrar and Share Transfer Agents.

#### 16. Inspection by Members:

All relevant documents referred to in the Notice and the Statement pursuant to Section 102 of the Companies Act, 2013 are available electronically for inspection without any fee by the Members from the date of circulation of this Notice upto the date of the 25th AGM. Members seeking to inspect such documents can send an email to [investors@mcleodrussel.com](mailto:investors@mcleodrussel.com).

The Register of Directors and Key Managerial Personnel (KMPs) and their shareholding maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or arrangements in which Directors are interested, if any maintained under Section 189 of the Companies Act, 2013 will be available electronically for inspection by the Members during the AGM.

Member desirous of getting any information on the accounts or operations of the Company is requested to forward his queries to the Company at least seven days prior to the Meeting so that the required information can be made available at the Meeting.

#### INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned in the Notice for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under **"Join meeting"** menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience. Further Members will be required to allow Camera and use Internet with a good



speed to avoid any disturbance during the meeting.

3. Please note that Participating Members connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches. Participating Members are requested to keep their device under 'Mute' mode, except for pre-registered speakers, when invited to speak at the Meeting.
4. Members who would like to express their views/ or ask questions during the AGM may register themselves as a speaker, mentioning their name, demat account number/folio number, e-mail id, mobile number by sending e-mail to [alok.samant@mcleodrussel.com](mailto:alok.samant@mcleodrussel.com) from their registered e-mail address on or before **Friday, September 22nd September, 2023 by 10.30 a.m. IST**. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the Meeting with regard to the Accounts or any matter to be placed at the Meeting. Further, Members who would like to seek any information with regard to the Accounts or any matter to be placed at the Meeting are requested to write to the Company in advance within the aforesaid date and time, by following the similar process as stated above. The same will be replied by the Company suitably.
5. At the AGM, the pre-registered speakers shall be called upon on first come first served basis on his/her views and/or questions as already emailed in advance to the Company. When a pre-registered speaker is so invited at the AGM but he/she does not/is unable to respond, the next pre-registered speaker would then be called upon to speak. Accordingly, all speakers are requested to get connected to a device with a video/ camera along with stable internet speed. The Company reserves the right to restrict the number of questions/speakers, as appropriate, for smooth conduct of the AGM.
6. The Members whose names are recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date on **Friday, 22nd September, 2023** shall be entitled to avail the facility of remote e-Voting or the facility of e-Voting during the Meeting and are requested to join the AGM through VC/OAVM mode, by following the procedure mentioned in the Notice. Persons who are not Members as on the cut-off date should treat this Notice for information purposes only.

Any individual person, holding shares in demat mode, who acquires shares of the Company and becomes a Member of the Company after the Notice has been sent by electronic means and holding shares as on the cut-off date i.e. **Friday, 22nd September, 2023**, may follow the steps mentioned in the Notice of the AGM under Step 1: "Access to NSDL e-Voting system" as mentioned below. Any non-individual

person or person holding shares in physical form, who acquires shares of the Company and becomes a Member of the Company after the Notice is sent by electronic means and holding shares as of the cut-off date i.e. **Friday, 22nd September, 2023** may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or RTA at [mdpldc@yahoo.com](mailto:mdpldc@yahoo.com). However, if a Member is already registered with NSDL for remote e-Voting, then existing User ID and password can be used for casting of vote. In case of forgotten password, same can be reset by using "Forgot User Details/Password" or "Physical User Reset Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on 022 - 4886 7000 and 022 - 2499 7000.

7. The members can join the 25th AGM in the VC/OAVM mode 30 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the 24th AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee, Auditors, Scrutinizer and others who are allowed to attend the AGM without restriction on account of first come first serve basis.

#### 17. E-VOTING :

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars, the Company is providing facility of remote e-voting to its members in respect of the business to be transacted at the 25th AGM. For this purpose, the Company has entered into an agreement with National Services Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized e-Voting agency. The facility of casting votes by a member using remote e-voting as well as the e-voting facility during the AGM will be provided by NSDL.

The remote e-voting period begins on **Tuesday, 26th September 2023 at 09:00 A.M. and ends on Thursday, 28th September 2023 at 05:00 P.M.** The remote e-voting module shall be disabled by NSDL for voting thereafter.

The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. **Friday, 22nd September 2023** may cast their vote electronically.

The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being **Friday, 22nd September 2023**.

### Instructions for Remote E-Voting

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

#### Step 1: Access to NSDL e-Voting system

#### Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.


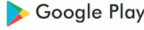


#### Step 1: Access to NSDL e-Voting system

#### A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the "<b>Beneficial Owner</b>" icon under "<b>Login</b>" which is available under '<b>IDeAS</b>' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "<b>Access to e-Voting</b>" under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https:// eservices.nsdl.com</a>. Select "<b>Register Online for IDeAS Portal</b>" or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a</li> </ol>

Type of shareholders	Login Method
	<p>Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>4. Shareholders/Members can also download NSDL Mobile App "<b>NSDL Speede</b>" facility by scanning the QR code mentioned below for seamless voting experience.</p> <p><b>NSDL Mobile App is available on</b></p> <p>   </p> <p>   </p>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi / Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab and then user your existing my easi username &amp; password.</li> <li>After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote</li> </ol>

Type of shareholders	Login Method
	<p>e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</p> <p>3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</p> <p>4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at 022-4886 7000 and 022-2499 7000

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33

**B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

How to Log-in to NSDL e-Voting website?	
1.	Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile.
2.	Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3.	<p>A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.</p> <p><i>Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <a href="https://eservices.nsdl.com/">https://eservices.nsdl.com/</a> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.</i></p>
4.	Your User ID details are given below :
Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	<p>8 Character DP ID followed by 8 Digit Client ID</p> <p>For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.</p>
b) For Members who hold shares in demat account with CDSL.	<p>16 Digit Beneficiary ID</p> <p>For example if your Beneficiary ID is 12***** then your user ID is 12*****</p>
c) For Members holding shares in Physical Form.	<p>EVEN Number followed by Folio Number registered with the company</p> <p>For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***</p>

5. Password details for shareholders other than Individual shareholders are given below:

a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
- If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
  - If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
- Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.
- Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**
- How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**
- After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle.
  - Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "vc/oavm" link placed under 'Join Meeting'.
  - Now you are ready for e-Voting as the Voting page opens.
  - Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
  - Upon confirmation, the message "Vote cast successfully" will be displayed.
  - You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
  - Once you confirm your vote on the resolution, you will not be allowed to modify your vote.
- General Guidelines for shareholders**
- Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG



Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to aklabhcs@gmail.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on : 022 - 4886 7000 and 022 - 2499 7000 or send a request to Ms. Pallavi Mhatre, Senior Manager, NSDL at evoting@nsdl.co.in

**Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to administrator@mcleodrussel.com
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to administrator@mcleodrussel.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting for Individual**

**shareholders holding securities in demat mode.**

3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

**OTHER INFORMATION FOR MEMBERS**

**1. Scrutiniser:**

The Company has appointed Mr. A K. Labh, Practising Company Secretary, Kolkata (FCS - 4848/ CP No. - 3238) to act as the Scrutinizer to scrutinize the remote e-voting process in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for the said purpose.

**2. Declaration of Results:**

The Scrutinizer shall, after the conclusion of AGM, first count the votes cast at the AGM and then unblock the votes cast through remote e-voting. The scrutinizer shall submit the consolidated scrutinizer's report, not later than two working days from conclusion of the Meeting, to the Chairman or any other person authorized by the Board.

The results declared along with the consolidated Scrutinizer's Report shall be placed on the Company's website www.mcleodrussel.com and on the website of NDSL www.evoting.nsdl.com immediately after the results are declared and simultaneously communicated to the Stock Exchanges where the Company's shares are listed. Subject to receipt of requisite number of votes, the resolutions set out in the Notice shall be deemed to be passed on the date of the AGM i.e. 29th September, 2023.

**3. Route Map:**

Since the AGM will be held through VC or OAVM, no Route Map is being provided with the Notice.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013.**

**Item No. 4**

The Company being engaged in tea plantation and manufacturing activities, is required to appoint Cost Auditor/s to audit its cost accounting records in respect of plantation products in accordance with Section 148 of the Companies Act, 2013 ('the Act') read with Companies (Cost Records and Audit) Rules, 2014 as amended ('the Rule'). In terms of Section 148 of the Act read with Rule 6 of the Rule, the Board of Directors of the Company at its Meeting held on 30th May 2023 appointed Messrs Mani & Company, Messrs. SPK Associates and Messrs DGM & Associates, Cost Accountants, as Cost Auditors of the Company for the financial year ending on 31st March 2024 on the recommendation of the Audit Committee of the Board ('the Audit Committee'). The Board has also designated Messrs. Mani & Company as the Lead Cost Auditor. The Board, in terms of the Section 148 of the Act read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, approved the remuneration of the Cost Auditors as recommended by the Audit Committee, which is subject to ratification by the Members of the Company.

The remuneration fixed by the Board is as under:

<b>Cost Auditors</b>	<b>Remuneration</b>
Messrs. Mani & Company	Rs. 90,000/- for auditing the records of 10 Tea Estates and Rs. 35,000/- being the lead audit fee.
Messrs. SPK Associates	Rs. 99,000/- for auditing the records of 11 Tea Estates
Messrs DGM & Associate	Rs. 1,08,000/- for auditing the records of 12 Tea Estates

In addition to above, the Cost Auditors will be reimbursed out of pocket expenses as may be incurred by them on actual basis. The Resolution set out in Item No. 4 of the convening Notice is to be considered accordingly and the Board recommends the same for your approval.

No Director or any Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the said Resolution.

**PARTICULARS RELATING TO DIRECTORS PROPOSED TO BE APPOINTED/RE-APPOINTED**

{In pursuance of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards-2 on General Meetings issued by the Institute of Company Secretaries of India (ICSI)}

<b>Name of Director</b>	MR. AMRITANSHU KHAITAN
<b>Date of Birth</b>	7th November, 1982
<b>Qualification</b>	MBA (London Business School)
<b>Expertise</b>	Mr. Amritanshu Khaitan hails from a renowned family of Industrialists having interest in Tea, Batteries and Engineering. Mr. Khaitan has gained considerable experience and expertise in management, production, marketing, corporate finance and other related areas. He is a Committee Member of Indian Chamber of Commerce, Kolkata.
<b>Directorships held in other Companies (excluding foreign Companies)</b>	<ul style="list-style-type: none"> <li>• Kilburn Engineering Limited</li> <li>• Prana Lifestyle Pvt. Limited</li> <li>• Indian Chamber of Commerce and Calcutta</li> <li>• Preferred Consumer Products Private Limited</li> </ul>
<b>Committee Memberships, with position, if any</b>	Member of CSR Committee of Kilburn Engineering Limited
<b>Date of first appointment on the Board</b>	Mr. Khaitan was appointed as Director on the Board with effect from 31.03.2015. In terms of Section 152(6) of the Companies Act, 2013, Mr. Khaitan retires by rotation as a Director and being eligible, offers himself for re-appointment. He is accordingly proposed to be re-appointed as a Director of the Company.
<b>Number of Board Meetings attend:</b>	Attended all meetings.
<b>Relationship with other Directors /KMP of the Company</b>	Mr. Aditya Khaitan, Managing Director is the uncle of Mr. Amritanshu Khaitan, Director
<b>Shareholding in the Company</b>	15,000 Equity Shares of Rs.5/- each



**McLEOD RUSSEL**

*Believe in tea*



**McLEOD RUSSEL INDIA LIMITED**

**ANNUAL REPORT**

**2022 - 23**

# CORPORATE INFORMATION

## **BOARD OF DIRECTORS**

### **Mr. Aditya Khaitan**

*Chairman & Managing Director*

### **Mr. Amritanshu Khaitan**

*Non - Executive Director*

## **Independent Directors**

Mr. Suman Bhowmik

Mr. Raj Vardhan

Mr. Sanjay Ginodia (w.e.f. 14.11.2022)

Mrs. Rupanjana De (w.e.f. 30.12.2022)

Mrs. Arundhuti Dhar (upto 30.09.2022)

## **Wholetime Director**

Mr. Azam Monem (upto 31.03.2023)

## **Chief Financial Officer**

Mr. Pradip Bhar

## **Company Secretary**

Mr. Alok Kumar Samant

## **BOARD COMMITTEES**

### **Audit Committee**

Mr. Raj Vardhan

Mr. Suman Bhowmik

Mr. Aditya Khaitan

Mrs. Rupanjana De(w.e.f. 17.05.2023)

Mrs. Arundhuti Dhar (upto 30.09.2022)

### **Nomination & Remuneration Committee**

Mr. Suman Bhowmik

Mr. Amritanshu Khaitan

Mr. Raj Vardhan (w.e.f. 07.11.2022)

Mrs. Arundhuti Dhar (upto 30.09.2022)

### **Stakeholders' Relationship Committee**

Mr. Raj Vardhan (w.e.f. 07.11.2022)

Mr. Suman Bhowmik

Mrs. Rupanjana De (w.e.f. 17.05.2023)

Mr. Azam Monem (upto 31.03.2023)

Mrs. Arundhuti Dhar (upto 30.09.2022)

## **Corporate Social Responsibility Committee**

Mr. Aditya Khaitan

Mr. Sanjay Ginodia (w.e.f. 17.05.2023)

Mrs. Rupanjana De (w.e.f. 17.05.2023)

Mr. Azam Monem (upto 31.03.2023)

Mrs. Arundhuti Dhar (upto 30.09.2022)

## **Auditors**

### **Lodha & Co.**

14, Government Place East

Kolkata 700069

## **Solicitors**

Khaitan & Co. LLP

## **REGISTERED OFFICE**

Four Mangoe Lane

Surendra Mohan Ghosh Sarani

Kolkata 700001

Corporate Identity Number

CIN: L51109WB1998PLC087076

Phone No (033) 2210-1221/2248-9434/35

Fax: (033) 2248-8114/2248-6265

Email: administrator@mcleodrussel.com

Website : www.mcleodrussel.com

## **BANKERS**

Indian Bank (erstwhile Allahabad Bank)

RBL Bank Limited

Axis Bank Limited

HDFC Bank Limited

ICICI Bank Limited

State Bank of India

UCO Bank

Punjab National Bank (erstwhile United Bank of India)

Yes Bank Limited (loan assigned to J. C. Flowers Asset Reconstruction Co. Pvt Ltd.)

IndusInd Bank Limited

## **REGISTRAR**

Maheshwari Datamatics Private Limited

23, R. N. Mukherjee Road

5th Floor, Kolkata 700001

Tel: (033) 2248-2248/2243-5029

(033) 2231-6839

Fax: (033) 2248-4787

Email: mdpldc@yahoo.com

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## REPORT OF THE DIRECTORS

### For the year ended 31st March 2023

Your Directors have pleasure in presenting the Twenty-Fifth Annual Report with the Audited Financial Statements of your Company, for the financial year ended 31st March 2023.

### REVIEW OF PERFORMANCE

The financials of the Company for the year ended 31st March 2023 are summarized below:

(₹ in Lakhs)

	2022-23	2021-22
Revenue from Operations	1,09,669.66	1,10,853.44
Other Income	1,366.15	554.08
Total Revenue	1,11,035.81	1,11,407.52
Profit before Finance Costs, Depreciation, Exceptional Items and Taxation	7,568.02	9,424.32
Less : Finance Costs	18,391.83	15,207.62
Less : Depreciation and Amortization Expenses	5,255.33	5,628.48
Profit/(Loss) before Exceptional Items and Tax	(16,079.14)	(11,411.78)
Add/(Less) : Exceptional Items	(93,342.16)	-
Profit before Tax	(1,09,421.30)	(11,411.78)
Tax Expense	(4,479.03)	2,205.36
Profit/(Loss) for the year	(1,04,942.27)	(13,617.14)

### FINANCIAL PERFORMANCE

The operational turnover of the Company was lower at Rs. 1,09,669.66 lakhs against Rs. 1,10,853.44 lakhs in the last year, due to lower production (although selling price was higher) 'Loss before exceptional items' was 16,079.14 lakhs against Rs. 11,411.78 lakhs for the last year. The higher loss was mainly due to lower operational turnover (as above) and also due to increase in wage rate and other inputs.

The Statement of Profit & Loss for the year 2022-23 includes charge of Rs 93,342.16 Lakhs on account of 'Exceptional Items' being provision made in the year against Inter-Corporate Deposits and advance given in earlier years. This is part-provision, without prejudice to company's legal right to recover the amounts given by it.

The Company has not been able to meet terms of facilities/loans availed from various Lenders. The company has been in discussion with lenders for debt-resolution. Forensic audit, Techno Economic Viability Study (TEV), valuations, and credit-ratings have already been done satisfactorily. Meanwhile, lenders in addition to the above also requested for submission of the proposal for One Time Settlement ('OTS proposal') of their dues. The resolution process as stated above are under active consideration of the lenders and related plans and proposals are expected to be finalised after due consideration of all the related aspects and once finalised will be placed for necessary approval for implementation. The management is confident that with the bankers' support in restructuring/ settlement of their debt to a sustainable level and resultant rationalisation of cost of borrowing and other costs, induction of additional fund in the system by sale of assets or otherwise etc. and other ameliorative measures taken and/or proposed to be taken, the company will be able to generate sufficient cash-flow to meet its obligations and strengthen its financial position over a period of time.

### SHARE CAPITAL

The Authorised Share Capital of the Company is Rs. 60,00,00,000/- divided into 12,00,00,000 equity shares of Rs. 5/- each and the Issued, Subscribed and Paid up share capital of the Company is Rs. 52,22,79,000/- divided into 10,44,55,735 equity shares of Rs. 5/- each.

During the year, the Company did not issue any shares with differential rights or convertible securities. The Company does not have any scheme for the issue of shares, including sweat equity to the employees or directors of the Company. The Company does not have a scheme for the purchase of its shares by employees or by trustees for the benefit of employees. The company securities have been suspended from trading on The Calcutta Stock Exchange Limited and the Company is in process of revocation for the same.

There was no change in the capital structure of the Company during the period under review.

### RECLASSIFICATION OF PROMOTER AND PROMOTER GROUP

Subsequent to the closure of financial year, the Company at the request of Eveready Industries India Limited ('EIL'), falling under Promoter and Promoter Group Category has applied for reclassification of EIL from 'Promoter and Promoter Group' category to 'Public Shareholder' category with the stock exchanges. Approval is awaited from the exchanges.

### TRANSFER TO GENERAL RESERVE

The Board has decided not to transfer any amount to the General Reserve for the year ended 31st March 2023 because of loss sustained.

### DIVIDEND

In view of the loss sustained by the Company during the year under review, the Board decided to not recommend any dividend for the year ended 31st March 2023.

## REVIEW OF OPERATIONS

During the Financial year under review, fluctuating and inconsistent weather conditions resulted in a loss of harvest during peak cropping months. The saleable production of your Company was 414.29 Lakh Kgs tea, as compared to 489.04 Lakh Kgs in the previous year.

Emphasis in plucking standards remained a priority and quality of leaf harvested improved considerably, resulting in a better quality of teas produced. The Uprooting and Replanting Policy of your Company continued to remain in focus and has further improved the percentage of tea under fifty years which is now over 75% of the area. "Integrated Pest Management" practice continued as per past practice and was very effective resulting in improved pest control and reduced cost. Timely supply and application of fertilizer also controlled further crop loss. A high standard of Clonal Tea nurseries with requisite, approved Clonal Blend was established on all estates. The Shade Nurseries being of a good standard contributed as one of the key factors in developing a healthy plantation. The Afforestation program continues to be enhanced along with creation of new water-bodies, to improve the "micro-climate", in select areas which has become essential to counter the effects of climate change. Plantation of 'Agarwood' continued, for revenue enhancement, on some estates.

It has always been your Company's endeavor to produce Quality teas, which continued to command a premium, both in the domestic and international markets. Factory infrastructure and machinery was enhanced accordingly, to meet the requirements and Capital expenditure to further improve processes were accordingly sanctioned. To improve field operations and overcome the acute shortage of workers by way of absenteeism, additional investments in plucking Shears and Pruning machines were made available. Additions to the transport fleet included Tractors to aid field operations, and Ambulances to further improve the medical facilities.

The Company has thirty-one ISO 22000:2005 certified Factories which are in the process of upgradation to ISO 22000:2018. Your Company has twenty seven estates certified under "Rainforest Alliance." All our factories are certified under the "Trustea" certification and we are also in the process of assisting our suppliers of leaf from Small Tea Growers to become compliant under this certification.

Your Company also participates in the Ethical Tea Partnership forum for international buyers and producers to promote sustainable practices jointly. Due to such initiatives we have set up 'Community Development Forums' on some of our estates, to enable welfare schemes mandated by the Government to reach our communities as well as bring about better awareness and improve the livelihood of our workers and their families.

We have also over the last few years, engaged with various organisations including UN Women, IDH, Dharmalife, GAIN, BSR, Mercy Corps, ZvdZ Foundation, ETP and ITA to build awareness and provide responsible services among all levels of our employees, particularly women. Programmes such as 'Preventing Violence Against Women and Girls', 'Women's Safety Accelerator Fund', 'Work and Opportunities for Women', 'Global Alliance for Improved Nutrition', 'Project Sanitation' etc. now cover twenty-nine of our Estates in Assam and have proven to be most successful at building social awareness amongst women and children.

The Company performed well in the domestic and overseas markets and achieved a sales turnover of Rs 1,05,871.64 lakhs. Favorable feedback was received from all buyers both in terms of quality and deliveries. Your Company continues to be the leading producer-exporter of tea with shipments to over seventeen countries worldwide at an FOB/CIF value of Rs 28,830.35 lakhs.

### **CORPORATE INSOLVENCY RESOLUTION PROCESS ("CIRP") PROCESS INITIATED UNDER THE INSOLVENCY AND BANKRUPTCY CODE 2016**

During the year under review, the Company was under Corporate Insolvency Resolution Process ("CIRP") pursuant to order dated 10th February, 2023, of Hon'ble National Company Law Tribunal, Kolkata Bench, Court II, Kolkata ("NCLT") and the Hon'ble NCLT had appointed Mr. Ritesh Prakash Adatiya, having registration number IBBI/IPA-001/IP-P01334/2018-2019/12013), as Interim Resolution Professional ('IRP') to perform the functions as mentioned under the Insolvency and Bankruptcy Code, 2016 (the Code) and the related rules and regulations issued thereunder. The powers of the Board of Directors was suspended and such powers had been vested with the IRP and had since taken control of the management of the Company.

Further, the Hon'ble National Company Law Appellate Tribunal, New Delhi Bench, New Delhi ("NCLAT") vide its Order dated 15th May, 2023, has closed the CIRP initiated vide order dated 10th February 2023 and has set aside the said order. The suspension of the Board of Directors of the Company has been revoked and the Company has been set free of the restrictions of the CIRP and IRP has also been relieved from his functions.

Further, Aditya Birla Finance Limited, State Bank of India, Shah Brothers and IndusInd Bank Limited (not registered) have filed applications before National Company Law Tribunal (NCLT), Kolkata for initiating Corporate Insolvency Resolution Process (CIRP) under Insolvency and Bankruptcy Code, 2016 which are being contested by the Company.

### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

In terms of requirements of Regulation 34(2)(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), a Management Discussion and Analysis Report is attached as Annexure - I forming part of this Report.

### **REPORT ON CORPORATE GOVERNANCE**

In terms of requirements of Regulation 34(3) of the Listing Regulations, a Report on Corporate Governance together with the Auditors' Certificate regarding Compliance of Conditions of Corporate Governance are attached as Annexure II and Annexure III respectively, forming part of this Report.

### **SUBSIDIARY COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS**

The Company has one wholly owned subsidiary namely, Borelli Tea Holdings Limited, U.K. (Borelli) and four step down Subsidiaries. Borelli is inter alia engaged in the business of investing funds in various companies engaged in tea production, blending and marketing activities. As at the end of the year on 31st March 2023 Borelli had the following Subsidiaries in different countries:-

- (i) Phu Ben Tea Company Limited, Vietnam - controlling stake of Borelli being 100%
- (ii) McLeod Russel Uganda Limited - controlling stake of Borelli being 100%
- (iii) McLeod Russel Middle East DMCC, UAE - controlling stake of Borelli being 100%
- (iv) McLeod Russel Africa Limited, Kenya - controlling Stake of Borelli being 100%

The performances of the Subsidiaries are summarised below for your information. As required under Section 129(3) of the Companies Act, 2013 and Regulation 33 and 34(2)(b) of the Listing Regulations, Consolidated Profit & Loss Statement of the Company and its five subsidiaries and the Consolidated Balance Sheet of the Company and its five subsidiaries prepared in accordance with the Indian Accounting Standards prescribed under Section 133 of the Companies Act 2013 read with the Companies (Indian Accounting Standard) Rules 2015 as amended ("Ind AS") are appended in the Annual Report. Investments made in D1 Williamson Magor Bio Fuel Limited, an Associate Company, have been fully provided for in the Accounts of the earlier years and as such the Financial Statements of the said Company have not been considered for consolidation.

A statement containing the salient features of the financial statements of the Company's Five Subsidiaries and the Associate Company pursuant to the first proviso to sub-section (3) of Section 129 of the Companies Act, 2013 prepared in Form AOC-1 is attached to the financial statements of the Company for your information.

In terms of Regulation 34(2)(a) of the Listing Regulations, Statements on impact of Audit Qualifications as stipulated in Regulation 33(3)(d) of the Listing Regulations are appended in the Annual Report.

Although the Company does not have any material subsidiary still the Company has formulated a "Policy for determining Material Subsidiary" and the same is disclosed on the website of the Company and can be accessed at: <http://www.mcleodrussel.com/investors/policies.aspx>

#### **BORELLI TEA HOLDINGS LIMITED**

Borelli Tea Holdings Limited ("Borelli") has investments in its subsidiaries in Vietnam, Uganda, Dubai and Kenya. During the year under review, Borelli has a loss after tax GBP 174,64,728 as compared to last year (2021-22) loss of GBP 8,12,243. The loss was due to provision for diminution in the value of its investment in Phu Ben Tea Co Limited by GBP 17,158,826.

#### **PHU BEN TEA COMPANY LIMITED (PBT)**

PBT's business is cultivation and manufacture of tea. It prepares its accounts calendar year wise. During the year 2022, the company incurred loss (both pre-tax and post-tax) of USD 2.91 million as against loss (both pre-tax and post-tax) of USD 4.51 million in year 2021. During the year 2022, PBT manufactured 0.63 million kg of tea as against 3.24 million kg in year 2021.

During the year 2022, PBT sold 3.25 million kg tea as compared to last year (2021) of 6.14 million kg. Average selling price per kg during 2022 was USD 1.08 as compared to last year ended (2021) of USD 1.19. Closing Stock of tea as at 31st December 2022 was 0.59 million kgs as compared to last year 31st December 2021 of 3.16 million kgs.

Performance of PBT has continued to deteriorate. The measures, so far taken to improve the operations, have not been successful. The Company has been engaged in monetisation of tea stocks and repayment of bank loan. The management is actively considering monetisation of the company/ assets in order to reduce liabilities / repay debt.

#### **MCLEOD RUSSEL UGANDA LIMITED (MRUL)**

MRUL's business is cultivation and manufacture of tea. It prepares accounts on calendar year wise. During the year 2022, MRUL's total comprehensive income was USD 1.80 million as against the total comprehensive loss of USD 0.70 million in year 2021

During the year 2022, MRUL manufactured 19.65 million kgs and that was lesser by about 6% as compared to previous year i.e. 2021 of 20.97 million kgs.

The sale price during the year 2022 has increased to USD 1.32 per kg as compared to USD 1.15 per kg in previous year registering increase of USD 0.17 per kg.

However, there has been decline in tea price in 2023 due to excess tea supply in Mumbasa Tea Auction, the decline has since been arrested and is likely to improve in future. To mitigate the expected problems in tea-market, the company is trying to improve quality.

#### **MCLEOD RUSSEL MIDDLE EAST - DMCC (MRME)**

MRME's business is blending and selling of tea. It prepares its accounts calendar year wise. During the year 2022, MRME's total comprehensive income was USD 44,735 as compared to total comprehensive loss of USD 172,912 in year 2021.

The current year 2023 is expected to bring growth in business and profitability. Higher sales-volumes are expected from export-market as well as domestic-market.

#### **MCLEOD RUSSEL AFRICA LIMITED (MRAL)**

MRAL's business is trading in tea. It prepares its accounts calendar year wise. During the year 2022, MRAL's total comprehensive income was USD 59,444 as compared to USD 18,902 in year 2021.

For the current year 2023, MRAL expects to expand its customer-base and thereby increase its business and profitability.

## **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

The philosophy of your Company towards fair governance going hand-in hand with social responsibilities is deeply embedded in its day to day working. The Company has, over the years, successfully formulated a methodology aimed towards improving the life of the people and the environment, which surround the units of the Company and thereby enriching the society.

In terms of Section 135(5) of the Companies Act, 2013, certain class of companies are required to spend at least 2% of Average Net Profits made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy. Although your Company did not have Average Net Profit during the above period computed in terms of Section 198 of the Act, still like earlier years, it continued with its welfare activities for development in the field of education, culture and other welfare measures to improve the general standard of living in and around the Tea Estates of the Company and other areas where it operates.

The Company has a CSR Committee and has adopted a CSR Policy which can be accessed at <http://www.mcleodrussel.com/investors/policies.aspx>. The Corporate Social Responsibility Committee of the Board as on 31st March, 2023 comprised of 2 Executive Directors, namely, Mr. Aditya Khaitan and Mr. Azam Monem. Mrs. Arundhuti Dhar, an Independent Director, who was the Member of the Committee ceased to be a Director with effect from 1st October 2022. As mentioned elsewhere in the report, post CIRP, the committee has been reconstituted and comprises of Mr. Aditya Khaitan, Executive Director, Mr. Sanjay Ginodia and Mrs. Rupanjana De, Independent Directors. Mr. Aditya Khaitan acts as the Chairperson of the Committee. A report on CSR is attached as Annexure VIII.

## **DIVIDEND DISTRIBUTION POLICY**

In accordance with the Regulation 43A of the Listing Regulations, the Board of Directors of the Company has adopted a Dividend Distribution Policy. These has been no change in this policy during the year under review. The Policy is also available on the website of the Company and can be accessed at the weblink <http://www.mcleodrussel.com/investor/policies.aspx>.

## **DIRECTORS AND OFFICERS LIABILITY INSURANCE POLICY**

The Company has a Directors and Officers Liability Insurance Policy which protects Directors and Officers of the Company for any breach of fiduciary duty.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

The Board acknowledges the responsibility for ensuring compliance with the provisions of Section 134(3)(c) read with Section 134(5) of the Companies Act, 2013 for the year ended 31st March 2023 and state that:

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed with no material departure.
- (b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- (c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Directors had prepared the annual accounts on a going concern basis;
- (e) the Directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls were operating effectively and subject to continuous improvement.
- (f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **DIRECTORS & KEY MANAGERIAL PERSONNEL**

The Board of Directors of the Company as on 31st March 2023 comprised of 7(seven) Directors of whom 4(four) were Independent Directors including one woman Director. In the opinion of the Board, all the Directors possess the requisite qualifications, experience and expertise and hold high standards of integrity.

## **CHANGE IN DIRECTORATE**

During the period under review, Mrs. Arundhuti Dhar, Non - Executive Independent Director resigned from the Board of Directors of the Company with effect from 01st October 2022.

The Board places on record its appreciation for the valuable services and cooperation rendered by Mrs. Arundhuti Dhar during her tenure as a Director and Member/Chairperson of the Committees.

Further, the Board based on the recommendation of the Nomination and Remuneration Committee of the Company, approved the following appointments on the Board during the period under review:

- (i) the Board at its meeting held on 14th November 2022 approved the appointment of Mr. Sanjay Ginodia (DIN: 07781746) as an Additional Director (Non - Executive Independent) for a period of five consecutive years commencing from 14th November 2022 to 13th November 2027 (both days inclusive).
- (ii) the Board at its meeting held on 30th December 2022 approved the appointment of Mrs. Rupanjana De (DIN: 01560140) as an Additional Director (Non - Executive Independent) for a period of three consecutive years commencing from 30th December 2022 to 29th December 2025 (both days inclusive).

The above mentioned appointments have been approved by the Shareholders through Postal Ballot by way of remote e-voting on 28th January 2023 and 31st March 2023 respectively.

Further, the tenure of Mr. Aditya Khaitan as Managing Director of the Company had expired on 31st March 2023 but due to initiation of CIRP, the said reappointment could not be regularized. Subsequently, the Board at its meeting held on 17th May 2023 had approved the appointment of Mr. Aditya Khaitan as the Managing Director of the Company for a period of three years commencing from 17th May 2023 to 16th May 2026 (both days inclusive). The said appointment is subject to approval of the Shareholders and such other necessary approvals as may be required in terms of Section 196 read with Schedule V of the Companies Act, 2013.

The tenure of Mr. Azam Monem as Wholetime Director of the Company has expired on 31st March 2023 and he has expressed his unwillingness to continue in the said position on the Board of Directors of the Company and has stepped down from the position with effect from 01st April 2023.

The Board places on record its deep sense of appreciation and gratitude to Mr. Monem who has been a part of the Group for over 4 decades, for the leadership, immense invaluable contribution, guidance and cooperation rendered by him during his tenure as a Wholetime Director since 2005 and Member of the Committees that has helped the Company build and execute a resilient growth strategy.

#### **RETIREMENT BY ROTATION AND SUBSEQUENT REAPPOINTMENT**

In accordance with the provisions of the Articles of Association of the Company read with Section 152 of the Companies Act, 2013, Mr. Amritanshu Khaitan (DIN: 00213413) will retire by rotation at the forthcoming Annual General Meeting and being eligible has offered his candidature for re-appointment.

As per provisions of the Act, the Independent Directors are not liable to retire by rotation.

Brief resume, nature of expertise, disclosure of relationship between directors inter-se, details of directorships and committee membership held in other companies of Mr. Amritanshu Khaitan proposed to be re-appointed, along with his shareholding in the Company, as stipulated under Secretarial Standard-2 and Regulation 36 of the Listing Regulations, is appended as an Annexure to the Notice of the ensuing AGM.

#### **KEY MANAGERIAL PERSONNEL**

During the year, the Company had 4 Key Managerial Personnel, being Mr. Aditya Khaitan, Chairman and Managing Director, Mr. Azam Monem, Whole time Director, Mr. Pradip Bhar, Chief Financial Officer and Mr. Alok Kumar Samant, Company Secretary.

#### **DECLARATION FROM INDEPENDENT DIRECTORS**

The Independent Directors have submitted their disclosures to the Board, that they meet the criteria as stipulated in Section 149(6) of the Companies Act, 2013.

In the opinion of the Board, all Independent Directors possess requisite qualifications, experience, expertise and hold high standards of integrity required to discharge their duties with an objective independent judgment and without any external influence. List of key skills, expertise and core competencies of the Board, including the Independent Directors, forms a part of the Corporate Governance Report of this Integrated Annual Report.

In terms of Section 150 of the Companies Act, 2013 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended, the names of all the Independent Directors of the Company have been included in the data bank maintained by the Indian Institute of Corporate Affairs.

A certificate of Non-Disqualification of Directors furnished by M/s. A.K. Labh & Co., Company Secretaries as required under Regulation 34(3) read with Schedule V Para C sub-clause 10(i) of SEBI (LODR) Regulations, 2015 is attached as Annexure IX.

#### **MEETINGS OF THE BOARD**

The Board met six times during the year on 30th May 2022, 12th August 2022, 31st August 2022, 14th November 2022, 30th December 2022 and 19th January 2023 which was adjourned to 21st January 2023.

During the period under review, as intimated earlier, the Company was undergoing through the process of Corporate Insolvency Resolution Process during the period commencing from February - March quarter and therefore, Four (4) meetings were held on 14th February 2023, 28th February 2023, 17th March 2023 and 31st March 2023 under the Chairmanship of the Insolvency Resolution Professional with Key Managerial Personnel in lieu of Board Meeting.

#### **BOARD EVALUATION AND FAMILIARISATION PROGRAMME**

The Securities and Exchange Board of India (SEBI) vide its circular No. SEBI/HO/CFD/CMD/CIR/P/2017/004 dated 5th January 2017 had issued a guidance note on Board Evaluation which inter alia contains indicative criterion for evaluation of the Board of Directors, its Committees and the individual members of the Board.

The Nomination & Remuneration Committee of the Board of Directors had laid down the criteria for evaluation of the performance of the Board as a whole, the Directors individually as well as the evaluation of the working of the Audit, Nomination & Remuneration, Stakeholders Relationship and Corporate Social Responsibility Committees of the Board. Annual Performance Evaluations as required have been carried out. The statement indicating the manner in which formal annual evaluation of the Directors (including Independent Directors), the Board and Board level Committees is given in the Corporate Governance Report, which forms a part of this Annual Report.



The Company has adopted a Familiarization Programme for Independent Directors and the same is disclosed on the website of the Company and can be accessed at <http://www.mcleodrussel.com/investors/policies.aspx>.

#### **SEPARATE MEETING OF INDEPENDENT DIRECTORS**

During the period under review, the Company was under Corporate Insolvency Resolution Process commencing from 10th February 2023 till 15th May 2023 and hence, no meeting of the Independent Directors as required under Schedule IV of the Companies Act, 2013, was held as the powers of the Board of Directors of the Company were suspended by virtue of the said NCLT order dated 10th February 2023.

#### **COMMITTEES**

As on 31st March, 2023, the Board has 4 statutory Committees: Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Stakeholders Relationship Committee. During the year, all recommendations of the Committees of the Board which were mandatorily required have been accepted by the Board. A detailed note on the composition of the Board and its Committees, meetings held during the year and its terms of reference is provided in the Corporate Governance Report forming part of this Integrated Annual Report. The composition and terms of reference of all the Committees of the Board of Directors of the Company is in line with the provisions of the Act and the Listing Regulations.

#### **VIGIL MECHANISM**

The Company has established a Vigil Mechanism/Whistle Blower Policy and oversees through the Audit Committee, the genuine concerns, if any, expressed by the employees and the Directors. The Company has also made provisions for adequate safeguards against victimization of employees, Directors or any other person who express their concerns. The Company has also provided direct access to the Chairperson of the Audit Committee on reporting issues concerning the interests of the employees and the Company. During the year under review, there has been no complaint received by the company. The Vigil Mechanism / Whistle Blower Policy of the Company has been uploaded on the website of the Company and can be accessed at <http://www.mcleodrussel.com/investors/policies.aspx>.

#### **LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

The particulars of loans, guarantee or investment made under Section 186 of the Companies Act, 2013 are furnished in the Note 50 to the Financial Statements for the year ended 31st March 2023.

#### **PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES**

The Related Party Transactions entered into by the Company during the year under review were on arm's length basis in the ordinary course of business. There was no contract, arrangement or transaction with Related Parties which could be considered as material and which may have a potential conflict with the interest of the Company. Accordingly, the disclosure required u/s 134(3)(h) of the Act in Form AOC-2 is not applicable to your Company. The Company has formulated a Related Party Transaction Policy and the same is disclosed on the website of the Company and can be accessed at <http://www.mcleodrussel.com/investors/policies.aspx>.

#### **POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION AND OTHER DETAILS**

In pursuance of the provisions of Section 178 of the Companies Act, 2013 and Listing Regulations, the Company has formulated a Remuneration Policy. There has been no change in this policy during the year under review and a copy of the said Policy is annexed as Annexure IV and is also available at the website of the Company at the web link <http://www.mcleodrussel.com/investors/policies.aspx>

The Remuneration Policy, inter-alia, includes the appointment criterion & qualification requirements, process for appointment & removal, retirement policy and remuneration structure & components, etc. of the Directors, Key Managerial Personnel (KMP) and other senior management personnel of the Company. As per the Remuneration Policy, a person proposed to be appointed as Director, KMP or other senior management personnel should be a person of integrity with high level of ethical standards. In case of appointment as an Independent Director, the person should fulfil the criteria of independence prescribed under the Companies Act, 2013, rules framed thereunder and the Listing Regulations. The Remuneration Policy also contains provisions about the payment of fixed & variable components of remuneration to the Whole-time Director and payment of sitting fee & commission to the Non-Executive Directors.

#### **DEPOSITS**

The Company has neither accepted nor renewed any deposits during the year under review.

#### **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

During the year under review, no significant or material order was passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations in future except the order dated 10th February 2023 passed by Hon'ble National Company Law Tribunal, Kolkata Bench initiating Corporate Insolvency Resolution Process against the Company as mentioned elsewhere in the report.

However, in the matter of Arbitration between Aditya Birla Finance Limited (ABFL) vs McNally Bharat Engineering Company Limited (MBECL) and others, the Sole Arbitrator, passed an Interim Order on 30th June 2020 upon the Company to perform obligations under the Put Option Agreement dated 24th March 2018. The Company had filed an application for setting aside the award which was subsequently withdrawn as the disputes between the parties was settled.

Members' attention is also invited to Notes on Contingent Liabilities, in the notes forming part of the Financial Statements.

#### **MATERIAL CHANGES AFTER END OF THE FINANCIAL YEAR**

Except as disclosed elsewhere in the report, no other material changes and commitments which could affect the financial position of the Company have occurred between the end of the last financial year and the date of this Annual Report.

### **ONE TIME SETTLEMENT WITH BANKS AND FINANCIAL INSTITUTIONS**

During the year under review, the Company has not entered into any One Time Settlement with Banks and Financial Institutions, hence, the details of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof is not applicable.

However, in earlier years the company had given undertakings to IL&FS Infrastructure Debt Fund ('ILFS-IDF') and Aditya Birla Finance Limited (ABFL) in connection with borrowings and other facilities availed by group companies. After 31st March 2023, pursuant to the settlement agreement entered with ILFS-IDF on 05th May 2023 and ABFL on 07th June 2023, the claim made by them have been settled by another group company. The company's obligations in this respect and consequential impact, if any, in this respect have presently not been determined.

Further, during the year under review, the Company had entered into an exclusivity agreement ('agreement') with Carbon Resources Private Limited to exclusively discuss, negotiate and evaluate a mutually agreeable mechanism for the Company to offer a proposed one-time settlement of the debt owed by the Company to its identified lenders, pursuant to a debt resolution process to be undertaken by the Lenders as per the Reserve Bank of India's Prudential Framework for Resolution of Stressed Assets dated June 7, 2019. The said agreement had expired on 31st March 2023 but due to initiation of CIRP w.e.f. 10th February 2023, the same could not be renewed. Subsequent to withdrawal of CIRP w.e.f. 15th May 2023, the said agreement was further extended till 28th July 2023 by the Board of Directors of the Company and thereafter a term sheet was finally executed by the Company on 04th August 2023. The Company has given an OTS offer to the banking lenders which is under consideration.

### **DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS**

Financial statements (i.e. Balance Sheet, Profit & Loss Statement and Cash-Flow Statement, together with notes) are prepared through the process which has automated as well as manual controls to ensure accuracy of recording all transactions which have taken place during any accounting period, and the resultant financial position at period end. All data pertaining to payroll, purchases, agricultural activities, plucking, manufacturing, dispatch, selling and other activities are recorded through ERP systems operating in tea estates as well as head office. All data/ transactions entered in systems are checked by various functional personnel on the basis of supporting documents & records, then the accounting entries are checked by accounts personnel and finally those are validated by managerial personnel.

At periodic intervals, the accounting data are compiled, and financial statements are prepared. While preparing the financial statements, it is ensured that all transactions pertaining to the accounting period are recorded. Fixed assets, stock of tea, all significant items of stores and monetary assets are physically verified. Balance confirmations are obtained for all significant items of trade receivable and advances.

After preparation of the financial statements, all items appearing in the statements are analysed in order to ensure overall reasonableness.

The Company has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of fraud and errors, accuracy and completeness of the accounting records, and timely preparation of reliable financial disclosures.

### **CEO AND CFO CERTIFICATION**

In terms of Part B of Schedule II of Listing Regulations, the CEO and the CFO of the Company certify to the Board regarding review of the financial statements, compliance with the accounting standards, maintenance of internal control systems for financial reporting and accounting policies, etc.

### **HEALTH, SAFETY AND WORKING ENVIRONMENT**

The Company considers its people as one of the most valuable resources and recognises that safe and healthy working environment motivate employees to be more productive and innovative. The Company takes adequate measures to keep its field and factories safe in all respects. Regular training is imparted to the employees for promoting awareness on safety and skill enhancement. The Company runs a hospital in each of its Tea Estates where the employees of the concerned Estate get regular medical attention. In addition, the Company has set up few central hospitals which are equipped with modern medical instruments. These hospitals are accessible to the employees of the surrounding areas. The Company also provides facilities for sporting and cultural activities for the employees in the Tea Estates.

### **ANNUAL SECRETARIAL COMPLIANCE REPORT**

The Company has undertaken an Audit of all the applicable compliances as per the SEBI Regulations and Circulars/Guidelines issued thereunder.

The Annual Secretarial Compliance Report issued by a Practising Company Secretary (PCS) has been submitted to the Stock Exchanges within the stipulated time as mentioned in SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/109 dated June 25, 2020.

### **ANNUAL RETURN**

The Annual Return of the Company as on March 31, 2023 pursuant to the provisions of Section 92 of the Companies Act, 2013 is available on the Company's website and can be accessed at <https://www.mcleodrusel.com/investors/annual-return.aspx>

### **AUDITORS AND AUDIT REPORT**

In terms of Section 139 of the Companies Act, 2013, M/s. Lodha & Co., Chartered Accountants (Registration firm No. 301051E) was appointed as the Statutory Auditors of the Company to hold office for a term of 5 (five) consecutive years from the conclusion of 21st Annual General Meeting till the conclusion of the 26th Annual General Meeting. M/s. Lodha & Co. has conducted audit for the Financial Year ended 31st March 2023 and furnished their report.

In their Report dated 30th May 2023, M/s. Lodha & Co. has given an adverse opinion in relation to the Standalone and Consolidated Financial Statements of the Company for the Financial Year ended 31st March 2023. The Board's response in relation to the said opinion is as under:-

Sl. No.	Audit-Qualification	Board's Response
(i)	<p>Inter Corporate Deposits (ICD) with ref to Note no. 58(a) of the standalone financial statement aggregating to Rs. 2,86,115 lakhs (including interest accrued till March 31, 2019) as on March 31, 2023 given to certain companies which are doubtful of recovery and considering recoverability etc. are prejudicial to the interest of the company. Provision of Rs. 1,01,039 lakhs (including Rs. 9,097 lakhs provided in earlier years) has been made against this till March 31, 2023. In absence of provision against the remaining amount, the loss for the year is understated to that extent. Impact in this respect have not been ascertained by the management and recognised in the financial statements.</p>	<p>In respect of Inter-Corporate Deposits (ICDs) given to Promoter group and certain other companies ('borrowing companies'), the amount outstanding aggregates to Rs. 2,76,174 Lakhs as at March 31, 2023. Further, interest of Rs. 9,941 lakhs on these amounts were accrued upto March 31, 2019 and are remaining unpaid in this respect as on March 31, 2023. Interest on such ICDs considering the waiver sought by borrower companies and uncertainties involved with respect to recovery and determination of amount thereof, has not been accrued since April 01, 2019. These borrowing companies which in turn advanced the amount so taken by them to other entities including one of the promoter group company which is under Corporate Insolvency and Resolution Process ('CIRP') as per the Insolvency and Bankruptcy Code, 2016 (IBC) are in the process of recovering these amounts. The claims made by these borrowing companies pursuant to CIRP have not been fully acknowledged and amount as admitted by Resolution Professional ('RP') are stated to be substantially lower than those being claimed by these companies. Whilst CIRP proceeding is yet to be concluded and amount finally recoverable pursuant to the same is yet to be determined, considering the amount so far accepted by the RP in respect of the claims made by the companies, valuation indications, eventuality of recovery in this respect and resultant net worth of these companies, provision of Rs. 1,01,039 lakhs (including Rs. 9,097 lakhs provided in earlier years) on lumpsum basis without prejudice to company's legal right to recover the amounts given by it, has been made in these financial statements. This includes provision of Rs. 9,941 lakhs (including Rs. 7,999 lakhs provided in earlier years) provided against interest accrued upto March 31, 2019 which has been fully provided for in the financial statements.</p> <p>The management believes that the outstanding dues, net of provision there against, as mentioned above, shall be recovered/adjusted and/or restructured depending upon the outcome of the recovery proceedings pursuant to CIRP or otherwise and completion of the resolution process of the company. Impacts if any in this respect will be given effect to on determination of the amount in this respect and no further provision/adjustment is required at this stage.</p>
(ii)	<p>Non-recognition of Interest on Inter Corporate Deposits (ICD) of Rs. 9185.03 lakhs (including Rs. 2469.03 lakhs for the year) with reference to Note No. 36.2 of the standalone financial statements taken by the company and thereby the loss for the year is understated to the extent indicated in said note and non-determination of interest and other consequential adjustments/disclosures in absence of relevant terms and conditions in respect of certain advances being so claimed by customers as stated therein. Further, as stated in Note no. 59(b), penal/compound interest and other adjustments in respect of borrowings from lenders/banks/financial institution have not been recognised and amount payable to banks and financial institutions as recognised in this respect are subject to confirmation from respective parties and consequential reconciliation. Pending final determination of amount in this respect, adjustments and impacts arising therefrom have not been ascertained and as such cannot be commented upon by us.</p>	<p>The Company submits that the resolution process as stated in Note no. 59(a) of the standalone financial statements are under active consideration of the lenders and related plans and proposals are expected to be finalised after due consideration of all the related aspects. The amount of interest will be determined and recognised based on the proposals once finalised to give effect to all the aspect of the proposal on comprehensive basis.</p> <p>Penal interest / compound interest has not yet been confirmed by banks. Further, interest would be restructured/ finalised in accordance with the plans and proposals under consideration of the lenders and amount payable will then be ascertained and given effect to in the accounts</p>

Sl. No.	Audit-Qualification	Board's Response
(iii)	<p>Non reconciliation/disclosure with ref to Note No. 60 of the standalone financial statements regarding certain debit and credit balances with individual details and confirmations etc. including borrowings and interest thereupon dealt with in Note no. 59. Adjustments/ Impacts with respect to these are currently not ascertainable and as such cannot be commented upon by us.</p>	<p>Not quantified</p> <p>The Company submits that it has 33 tea estates/ factories and 2 offices and therefore it is practically not feasible to reconcile the entire balances and such reconciliation is an ongoing process. Impact will thus become ascertainable only upon reconciliations and confirmations. However, during the year certain account balances which were under reconciliation have been reconciled and required adjustments thereof have been given effect to in this year.</p>
(iv)	<p>Non-determination/recognition of amount payable with ref to Note No. 57 of the standalone financial statements in respect of claims made pursuant to shortfall undertaking executed between the company and debenture holders in respect of the debentures issued by certain group companies as dealt with in the said note and Note no. 18.2 dealing with company's obligation in respect of the settlement arrived at with a corporate lender in earlier year. Pending finalisation of terms and condition with respect to the company's obligations in respect of settlement arrived at with the parties, adjustments required in this respect are currently not ascertainable and as such cannot be commented upon by us</p>	<p>Not quantified</p> <p>The company as stated in Note no. 57 of the financial statements had given shortfall undertaking ('undertaking') to IL&amp;FS Infrastructure Debt Fund ('ILFS-IDF') in connection with Debt Service Reserve Account ('DSRA') obligations pertaining to the secured debentures of Rs. 15,000 lakhs and Rs. 9,950 lakhs issued respectively by Babcock Borsig Limited ('BBL') and Williamson Magor &amp; Company Limited ('WMCL'). The claims made by ILFS-IDF pursuant to an agreement entered with the party have been settled by Dufflaghur Investment Limited for Rs. 4,967 lakhs and CIRP proceedings as stated in Note no. 57 have since been withdrawn. The settlement obligation in this respect has been fulfilled by the said company. The company's obligations in this respect and related terms and condition thereof and consequential impact if any in this respect have presently not been determined and therefore has not been given effect to in these financial statements.</p> <p>Finance Cost includes Rs. 2,000 lakhs being the amount paid by a third party on behalf of the company in settlement of the dues of a corporate lender in earlier year. This represents differential amount over and above the principle amount so far paid in terms of the said settlement. Pending discharge of balance obligations and finalisation of related terms and conditions, further adjustments required if any in this respect are presently not ascertainable.</p>
(v)	<p>As stated in Note no. 58(b) of the financial statements, the predecessor auditor pertaining to financial year ended March 31, 2019 in respect of loans included under qualification 1 above have reported that it includes amounts given to group companies whereby applicability of Section 185 of the Companies Act, 2013 could not be ascertained and commented upon by them. They were not been able to ascertain if the aforesaid promoter companies could, in substance, be deemed to be related parties to the Company in accordance with paragraph 10 of Ind AS-24 "Related Party Disclosures". Further certain ICDs as reported were in nature of book entries and/or are prejudicial to the interest of the company. Moreover, in case of advance to a body corporate as stated in Note no. 18.3 which has now been fully provided appropriate audit evidences were not made available to them. These amounts are outstanding as on this date and the status thereof have remained unchanged and uncertainty and related concerns including utilisation thereof and being prejudicial to the interest of the company are valid for periods subsequent to March 31, 2019 including current year also. The promoter companies have not been considered as related parties and therefore, transactions and outstanding from them have not been disclosed separately in the financial statements. As represented by the management, the parties involved are not</p>	<p>Could not be ascertained.</p> <p>The matter as reported is pending before regulatory authorities.</p>

Sl. No.	Audit-Qualification	Board's Response
	related parties requiring disclosure in terms of the said accounting standard and provisions of Companies Act, 2013 and concerns expressed as above are not relevant and as such inconsequential to the Company. The matter as reported is under examination and pending before regulatory authorities. Pending final outcome of the matter under examination we are unable to ascertain the impact of non-compliances and comment on consequential impact thereof.	

#### **SECRETARIAL AUDIT**

In terms of the requirements of Section 204 of the Companies Act, 2013, the Secretarial Audit of the Company for the year ended 31st March 2023 was conducted by Messrs. A. K. Labh & Co., Company Secretaries. The Secretarial Auditors' Report is attached to this Report as Annexure V and forms part of the Directors' Report.

#### **COST AUDIT**

In accordance with the requirements of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, the Board of Directors of the Company has appointed the following firms of Cost Accountants to conduct audit of Cost Records maintained by the Company for the Tea Plantations of the Company for the year ending 31st March 2024;

(i) M/s Mani & Company (ii) M/s SPK Associates (iii) M/s DGM & Associates.

Pursuant to the provisions of Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration of the Cost Auditors is required to be ratified by the Members of the Company, a resolution for which has been placed before the Members at the ensuing Annual General Meeting for their approval.

The Cost Audit Report furnished by the Cost Auditors in respect of the year ended 31st March 2023 which did not contain any qualification, reservation or adverse remark was filed with the Ministry of Corporate Affairs within the time prescribed under the Companies Act, 2013.

#### **FRAUD REPORTING BY AUDITORS**

During the year under review, no instances of fraud has been reported to the Audit Committee under Section 143(12) of the Companies Act, 2013 against the Company by its officers or employees, the details of which would need to be mentioned in the Board's Report neither by the Statutory Auditors nor the Secretarial Auditors.

#### **CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO**

A statement giving details of conservation of energy, technology absorption and foreign exchange earnings & outgo in accordance with Section 134(3)(m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014, is attached to this Report as Annexure VI.

#### **RISK MANAGEMENT**

The Company identifies various risks which the Company encounters with during the course of its business and which in the opinion of the Board may threaten the very existence of the Company itself. The Company has taken adequate measures to mitigate various risks encountered by the Company. The Company has in place a risk management policy to mitigate these actual and potential risks both at tea estates and head office. The Board is actively considering a comprehensive review of the policy for further improvement.

#### **PREVENTION OF INSIDER TRADING**

Your Company has adopted a Code of Conduct to regulate, monitor and report trading by insiders in compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015. All Directors, employees and other designated persons, who could have access to unpublished price sensitive information of the Company, are governed by this Code. The trading window for dealing with equity shares of the Company is duly closed during declaration of financial results and occurrence of any other material events as per the code. During the year under review there has been due compliance with the code.

#### **PARTICULARS OF EMPLOYEES**

The ratio of the remuneration of each Director to the median employee's remuneration and other particulars or details of employees pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are attached to this Report as Annexure VII.



**EMPLOYEE RELATIONS**

The Company's large work force continues to remain the backbone of its operations and their welfare has remained a prime area of focus. Upgradation of housing facilities, water supply, medical infrastructure etc. have been given priority.

**INFORMATION REQUIRED UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013**

Your Company has constituted an Internal Complaints Committee, under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH Act) and has a policy and framework for employees to report sexual harassment cases at workplace. The Company's process ensures complete anonymity and confidentiality of information. Adequate workshops and awareness programmes against sexual harassment are conducted across the organization.

As per requirement of the POSH act, your Company follows calendar year for annual filing with statutory authority and as per the filing, there were no complaints related to sexual harassment raised in the calendar year 2022.

**COMPLIANCE WITH SECRETARIAL STANDARDS**

Your Company complies with all applicable Secretarial Standards as issued by the Institute of Company Secretaries of India (ICSI).

**GREEN INITIATIVE**

Pursuant to the relevant circulars issued by Ministry of Corporate Affairs, Government of India (MCA) and Securities and Exchange Board of India and as a continuing endeavour towards 'Go Green' initiative undertaken by the MCA, the Company proposes to send all the correspondences/communications including Notice and Annual Report etc. to shareholders at their e-mail address already registered with the Depository Participants ("DPs") and Registrar and Share Transfer Agents ("RTA").

In view of the above, shareholders who have not yet registered their email addresses are requested to register the same with their DPs/ the Company's RTA for receiving all communications, including Annual Report, Notices, Circulars etc. from the Company electronically.

Your Board of Directors wish to place on record its sincere appreciation for the dedicated services rendered by the executives, staff and workers at all levels for smooth functioning of all the estates.

**For and on behalf of the Board of Directors**

**Date : 14th August, 2023**  
**Place : Kolkata**

**Aditya Khaitan**  
**Chairman and Managing Director**  
**DIN: 00023788**

**MANAGEMENT DISCUSSION AND ANALYSIS**
**ANNEXURE I**
**INDUSTRIAL STRUCTURE AND DEVELOPMENT**

World tea production during 2022 registered 6398 million kg, compared to 6452 million kg in 2021, a decline of 54 million kg (-0.8%). China remained the largest producer in 2022 at 3090 million kg (48.3%), followed by India at 1365 million kg (21.3%). The other major producers globally were Kenya at 530 million kg (8.3%), Sri Lanka at 252 million kg (3.9%), Turkey at 280 million kg (4.4%), Vietnam at 174 million kg (2.7%), Indonesia at 125 million kg (2.0%), Bangladesh at 94 million kg (1.5%), Uganda at 74 million kg (1.2%), Japan at 74 million kg (1.2%), and Argentina at 71 million kg (1.1%). Following the drop in production, world tea exports in 2022 also reduced to 1828 million kg, compared to 1918 million kg in 2021, a substantial decrease of 90 million kg (-4.7%). The largest exporter was Kenya at 456 million kg (24.9%), followed by China at 375 million kg (20.5%), Sri Lanka at 247 million kg (13.5%), India at 227 million kg (12.4%), Vietnam at 140 million kg (7.7%), Uganda at 74 million kg (4.09%), Argentina at 71 million kg (3.9%) and Indonesia at 45.0 million kg (2.5%). Total world exports amounted to approximately 28.6% of world production for the year in 2022, ie. approximately 71.4% of world production was retained at origin, slightly more than the 2021 figure of 70.3%. India and China, aside from being the two largest producers, were also the largest consumers of tea in the world, retaining between 83% to 88% of their production for domestic consumption. The other major world producers who also retain the majority of their produce for domestic consumption are Turkey, Bangladesh, Indonesia, Japan and to a lesser extent, Vietnam. The remaining countries, viz. Kenya, Sri Lanka, Argentina, Uganda and the smaller producing countries all export the majority of their production, with minimal or virtually no domestic market to serve as a foil for their exports. In terms of export competition for Indian teas, the two main competitor countries are Kenya, which produces mainly CTC Black Teas, and Sri Lanka, which produces mainly Orthodox Black Teas. China predominantly produces Green Tea and Oolong Tea, most of which is consumed within the country itself and is not considered a direct competitor for India tea exports. (Source: International Tea Committee Bulletin and Tea Board of India).

For the first time in the last decade, world tea production in 2022 showed a slight decline. The loss was almost entirely on account of Sri Lanka -44 million kg (-14.7%). The drop in production in Sri Lanka was almost entirely due to the lack of fertiliser, fuel and other essential inputs, as the country faced an unprecedented financial crisis, and was unable to source the inputs needed in time to meet the seasonal requirements of their tea sector. Indian tea production in 2022 recorded an increase of 22 million kg (+1.6%), with virtually all the gains accruing in the 2nd half of the year after losing considerably in the 1st half as Production of all the other major global tea producers was more or less in balance, either at par, or marginally higher / lower than 2021. Tea prices in 2022 recorded gains across almost all production origins, led by the shortage in supply of Orthodox teas from Sri Lanka. Prices at the Colombo auctions in Sri Lanka in 2022 actually doubled, +102.3% compared to 2021, aided as much by a substantive devaluation of the Sri Lankan Rupee. At the Indian tea auction centres, tea prices rose on average 3.4% over previous year, pushed mainly by North India (+5.8%) production increase, with significant price increases for Orthodox teas, as replacements for Sri Lankan teas, and also for good quality Assam CTC teas which remained in short supply. South Indian prices were overall marginally lower than the previous year (-4.2%), although gains accrued there as well for Orthodox teas and good quality CTC teas. Tea prices at the Mombasa tea auctions in Kenya for East African teas on average rose significantly by 17.8% in 2022 over 2021, owing in part to lower production during the year, but mainly on account of minimum floor pricing instituted by the Govt. of Kenya for teas belonging to their parastatal, the Kenya Tea Development Agency, the largest tea producer not only in Kenya / East Africa but also globally, comprising small holders. However, by the end of the year there was a significant build up of unsold stocks at the auction centre on account of the minimum floor prices over the months, with almost no takers. Small holders' production continues to constitute the majority of the production in India (52.0%) and Kenya (53.0%). This sector has witnessed exponential growth in production in the last decade and comprises mainly mediocre quality teas, particularly in India and to a fair extent in Kenya, both of whom essentially produce CTC Black teas. As a result, in the global tea supply pipeline, there remains a surfeit of medium quality CTC Black teas, which is exerting downward pressure on prices of this category of teas and had led to a significant price differential of 100% to 250% between good quality CTC Black teas and medium / plain quality teas, especially in India. (Source: J. Thomas Annual Tea Statistics).

**OPPORTUNITIES AND THREATS**

The increasingly large domestic market in India and the very wide price concertina that now exists between good quality teas and lower quality teas in India presents a significant opportunity for MRIL to move up the value chain and increase both top line and bottom line metrics by upgrading quality. The company has invested in a full time, dedicated Manufacturing Advisor to tap into the value premiums available in the market for good / best quality teas, by upgrading quality across all its tea estates.

Consumer insistence is growing internationally in developed markets, for sustainably produced / sourced teas, together with the mandatory regulatory compliances and certifications necessary for import into these countries. As one of the most internationally compliant and certified producers from Assam, this is an opportunity for further growth of MRIL's export business which is already amongst the highest in the industry.

Conversely, depressed CTC prices in East Africa and continuing devaluation of their local currencies make it a very attractive origin for purchases by the major international tea packers. This is likely to temper prices internationally for CTC exports from Assam and is likely to prove one of the major challenges to growth of MRIL's export business.

Substantially lower freight rates in 2022 compared to 2021 and a slide in the INR vis a vis internationally traded currencies are likely to provide added impetus to our export initiatives. But the continuing international sanctions on Iran and Russia, our foremost markets for Orthodox teas become a stumbling block in transacting business smoothly in both of these crucial markets, be it in terms of payments or purchasing power. This is likely to hinder our Orthodox exports and may result in lower Orthodox production in India, which in turn may upset the balance of CTC and Orthodox supply, leading to increased CTC production, and thereby could impact CTC prices in the domestic market to some extent.

**SEGMENTWISE OR PRODUCTWISE PERFORMANCE**

The Company is primarily engaged in the business of cultivation, manufacture and sale of tea and is managed as a single unit organisation. Accordingly, the Company is a single business segment company.

## **RISKS AND CONCERNS**

The Tea Industry is largely dependent on the vagaries of nature. The Industry is highly worker intensive and is subject to stringent worker laws. Substantial increase in worker's wages, high social cost over most other tea producing countries, high infrastructure costs and increasing energy and other input costs remain the major problems for the Indian Tea Industry. Shortage of workers who seek more lucrative employment outside the tea estates during peak season in some pockets is also a cause for concern. The Company has made substantial investment in irrigation to minimize the impact on crop due to a change in climatic conditions. The draft Code on Wages (Central) Rules 2019, published by the Government of India will continue to increase costs unless employee benefits provided under the Plantation Labour Act are also considered as part of wages in the final notification.

The State Govt. has initiated several projects in Assam to provide relief to tea estates from the high costs of the Plantation Labour Act. These include establishment of Tea Garden Model Schools, Provincialisation of Tea Garden Schools, Mahaprabhu Jagannath Community Hall cum Skill Centres in Tea Estates, supply of essential drugs and medicines free of cost to tea estates etc. National rural schemes such as the Jal Jeevan Mission and the Pradhan Mantri Awas Yojna (PMAY) are also being extended to the tea estates through the State Government.

Global warming, unpredictable climate change and inclement weather also pose considerable risk to our estate operations. Frequent changes in the weather pattern and increasing extremes in localized weather have become serious everyday challenges to contend with in the tea estates. Increase in consequential pest activity to possess another potential risk to maintaining economically sustainable production and yields for tea estates in Assam and Dooars.

Given the nature of business, the Company also faces risks arising out of fluctuations in foreign exchange and interest rates, the Company has in place a risk management policy to mitigate these and other actual and potential risks both at the tea estates and at the head office. The Board is actively considering a comprehensive review of the existing policy for further improvement in scope. The Company follows the Tea Research Association guidelines, the leading authority in India and internationally, on good agricultural practices for tea estates, on field practices and integrated pest management to protect its fields and manage risk. The Company has invested in Rainforest Alliance and Trustea certification programs to manage environmental risks and ensure long term sustainability of its tea estate operations. The Company has ISO 22000 certification and Hazard Analysis and Critical Control Points (HACCP) at all the tea factories to mitigate possible risks related to food safety and quality of product.

The Industry is also subject to taxation from the State Government as well as Central Government and while the level of direct taxes has come down over a period, some of the Central and State levies put the industry at a disadvantageous position. However, the State Government has been very considerate by withdrawal of Assam Green Leaf cess for three years from January 2023 to December 2025 and also exempted Agriculture Income Tax for 3 years for the sustainability of the Industry. The State Government has also announced subvention of interest on term loans and working capital loans and provided a subsidy on Orthodox production of Rs 10/- to partially mitigate the incremental cost of production of this exportable variety of tea.

## **OUTLOOK**

Indian tea prices have seen a downtrend at the start of 2023-24 season after the upturn witnessed in 2022-23, following larger carry forward stocks in domestic market and a slowdown in consumer sales arising from commodity inflation in the country. Export sales have also been impacted at the start of the new fiscal due to low CTC prices in East Africa and the slowdown in Orthodox sales to two of our biggest export markets of Iran and Russia. This has resulted in increased supply of CTC teas in the domestic market, at a time when consumer demand has slowed, thereby adversely impacting prices. However, the major part of the new fiscal remains ahead of us and there are signs of reversal of the negative trends seen thus far. Export demand is slowly picking up for good quality teas, particularly for Assams, despite the low prices in East Africa as there remains good demand internationally for good quality CTC teas. There are also indications of revival of demand from Iran and Russia, both of which markets are now looking for fresh imports after destocking over the last 6 months. With a normal monsoon predicted across most parts of India, the domestic economy and consumer demand are likely to grow stronger for the rest of the new fiscal. Inflationary trends have now been adjusted for and normal buying / stocking is likely to follow in the main season. The prevailing inclement weather at the start of the 2023-24 season in North India has curtailed supply to some extent and reduced the overall availability of teas in the 1st quarter of the new fiscal. This has served to restore some balance to the demand / supply equation and the positive effect on prices should be seen in the quarters ahead. The overall outlook for 2023-24 for quality tea is positive and the Company is likely to benefit in terms of value gain on good quality teas that comprise the bulk of MRIL's produce.

## **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has in place adequate systems of internal control commensurate with its size and the nature of its operations which have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorized use or losses, executing transactions with proper authorization and ensuring compliance of corporate policies. Independent firms of Chartered Accountants carry out the internal audit at all Tea Estates on a regular basis. Another independent firm of Chartered Accountants conducts internal audit at the Head Office.

The Company has an Audit Committee, the details of which have been provided in the Corporate Governance Report. The Audit Committee reviews Audit Reports submitted by the internal Auditors. Suggestions for improvement are considered and the Audit Committee follows up the implementation of corrective actions. The Committee also meets the Company's statutory auditors to ascertain, inter alia, their views on the adequacy of internal control systems in the Company and keeps the Board of Directors informed of its major observations from time to time.

**FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**

The details of Financial Performance and Operational Performance have been provided in the Report of the Directors.

**DETAILS OF SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS (I.E. CHANGE OF 25% OR MORE AS COMPARED TO THE IMMEDIATELY PREVIOUS FINANCIAL YEAR IN KEY FINANCIAL RATIOS) ALONG WITH DETAILED EXPLANATIONS :-**

Ratio	2022-23	2021-22	Change (%)	Reason
Debtors Turnover Ratio (number of times)	35.82	44.60	(19.70)	Not Applicable
Inventory Turnover Ratio (number of times)	12.36	11.74	5.23	Not Applicable
Interest Coverage Ratio (number of times)	0.41	0.62	(33.60)	Deterioration due to increase in finance cost and also due to reduction in "Profit before tax, depreciation and interest".
Current Ratio (number of times)	0.07	0.10	(27.79)	Due to provision made against various loans & advances incl. interest receivable.
Debt Equity Ratio (number of times)	4.37	1.27	245.08	Due to provision made against various loans & advances incl. interest receivable.
Operating Margin Ratio	(0.15)	(0.10)	42.42	Due to lesser production, higher wage cost and higher finance cost.
Net Profit Margin Ratio	(0.11)	(0.12)	(13.89)	Not Applicable
Return on Net Worth	-	(14.20)	--	For the year 2022-23 the ratio "Return on Net Worth" can't be calculated because the Net Worth is negative as it includes Equity share capital, Security premium, retained earnings and general reserve.

**HUMAN RESOURCES**

Tea Industry is highly labour intensive. The Company employs around 67,303 personnel, of which 46,532 are permanent and 20,771 temporary at its Tea Estates and other establishments in India with more than 56% being women. Employee relations remained satisfactory during the period under review. The Company would like to record its appreciation of the wholehearted support and dedication from employees at all levels in maintaining smooth production and manufacture of tea from all the Tea Estates during the year.

**CAUTIONARY STATEMENT**

Statements in the Management Discussion and Analysis Report in regard to projections, estimates and expectations have been made in good faith. Many unforeseen factors may come into play and affect the actual results, which could well be different from what the Directors envisage in terms of future performance and outlook. Market data and product information contained in this Report have been based on information gathered from various published and unpublished reports, and their accuracy, reliability and completeness cannot be assured.

**For and on behalf of the Board of Directors**

**Date : 14th August, 2023**  
**Place : Kolkata**

**Aditya Khaitan**  
**Chairman and Managing Director**  
**DIN: 00023788**

**CORPORATE GOVERNANCE REPORT****ANNEXURE II****(1) COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE**

The Company's philosophy on Corporate Governance oversees business strategies and ensure fiscal accountability, ethical corporate behavior and fairness to all stakeholders comprising of Customers, Vendors, Employees, Shareholders and Financiers and to the Society at large. The Company is in the business of cultivation and production of Tea and is one of the major producers of Tea in the world. The Company endeavours to produce quality Tea that consistently commands respect, trust and loyalty throughout the world by way of sustained efforts, research and development in plantation and adoption of latest technology. The Company strives for successful management of contingencies like drought and flood. While it is the endeavour of your Company to continue to produce Tea of premium quality to the satisfaction of its Customers worldwide, it also gives due importance to its obligations to the large workforce that it employs on the Tea Estates. The Company runs a business that has a human face and values the environment, people, products, plantation practices, customers and shareholders. The Company believes in achieving its goals, which result in enhancement of Shareholders' value through transparency, professionalism and accountability and nurture these core values in all aspects of its operations.

**(2) CORPORATE INSOLVENCY RESOLUTION PROCESS ("CIRP")**

The Company was under Corporate Insolvency Resolution Process ("CIRP") pursuant to order 10th February, 2023, of Hon'ble National Company Law Tribunal, Kolkata Bench, Court II, Kolkata ("NCLT") and the Hon'ble NCLT had appointed Mr. Ritesh Prakash Adatiya, having registration number IBBI/IPA-001/IP-P01334/2018-2019/12013), as Interim Resolution Professional to perform the functions as mentioned under the Insolvency and Bankruptcy Code, 2016 (the Code) and the related rules and regulations issued thereunder. The powers of the Board of Directors was suspended and such powers had been vested with the Interim Resolution Professional (IRP) and had since taken control of the management of the Company.

Further, the Hon'ble National Company Law Appellate Tribunal, New Delhi Bench, New Delhi ("NCLAT") vide its Order dated 15th May, 2023, has closed the CIRP initiated vide order dated 10th February 2023 and has set aside the said order. The suspension of the Board of Directors of the Company has been revoked and the Company has been set free of the restrictions of the Corporate Insolvency Resolution Process (CIRP) and IRP has also been relieved from his functions.

**(3) BOARD OF DIRECTORS****(a) Composition and Category of Directors**

The Board of Directors of your Company as on 31st March 2023 consisted of seven Directors as under:

- Chairman & Managing Director who is a Promoter;
- One Non-Executive Promoter Director;
- One Whole time Director;
- Four Non-Executive Independent Directors.

The composition of the Board is in conformity with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) read with Sections 149 and 152 of the Companies Act, 2013 (Act).

(i) None of the Directors on the Board:

- holds directorships in more than ten public companies;
- serves as Director or as independent directors in more than seven listed entities; and
- who are the Executive Directors serve as independent directors in more than three listed entities.

Necessary disclosures regarding Committee positions in other public companies as on 31st March 2023 have been made by the Directors. None of the Directors is related to each other.

(ii) Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations and Section 149(6) of the Act along with rules framed thereunder. In terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management. Further, the Independent Directors have included their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

**(b)&(c) Attendance of each Director at the Board Meetings/last AGM, Directorship and Chairmanship/ Membership in other Board/Board Committees**

Name and category of the Directors on the Board, their attendance at Board Meetings held during the financial year ended 31st March 2023, number of Directorships and Committee Chairmanships/Memberships held by them in other public limited companies are given below.

As informed elsewhere in the report, during the period of pendency of CIRP proceedings, the powers of the Board of Directors was suspended and such powers had been vested with the Interim Resolution Professional (IRP).

Other Directorships do not include alternate Directorships, Directorships in Private Limited Companies and Companies under Section 8 of the Companies Act, 2013 and of the Companies incorporated outside India. Chairmanship/Membership of Board Committees relates to only Audit and Stakeholders' Relationship Committees.



Name of Directors	Category	No. of Board Meetings		Whether attended last AGM held on 30th September 2022	No. of Directorships in other Public in Limited Companies	No. of Committee positions held in other Public Limited Companies	
		Held during the year	Attended			As Chairman/ Chairperson	As Member (#)
Mr. Aditya Khaitan	Chairman & Managing Director	6	6	Yes	3	-	-
Mr. Amritanshu Khaitan	Non-Executive Director	6	6	Yes	1	-	-
Mr. Azam Monem <sup>1</sup>	Whole time Director	6	6	Yes	-	-	-
Mrs. Arundhuti Dhar <sup>2</sup>	Non-Executive & Independent	6	3	Yes	-	-	-
Mr. Suman Bhowmik	Non-Executive & Independent	6	6	Yes	-	-	-
Mr. Raj Vardhan	Non-Executive & Independent	6	4	Yes	-	-	-
Mr. Sanjay Ginodia <sup>3</sup>	Non-Executive & Independent	6	1	-	-	-	-
Mrs. Rupanjana De <sup>4</sup>	Non-Executive & Independent	6	0	-	8	1	2

#including chairmanship, if any.

<sup>1</sup>Ceased to be a director w.e.f. 01st April 2023; <sup>2</sup>Ceased to be a director w.e.f. 01st October 2022; <sup>3</sup>Appointed as Director w.e.f. 14th November 2022; <sup>4</sup>Appointed as Director w.e.f. 30th December 2022

During FY 2023, information as mentioned in Part A of Schedule II of the SEBI Listing Regulations, has been placed before the Board for its consideration.

Name of Directors	Names of the Listed Entities where the person is a director	Category of directorship
Mr. Aditya Khaitan	McLeod Russel India Limited Kilburn Engineering Limited McNally Bharat Engineering Company Limited (currently under CIRP) Williamson Financial Services Limited	Chairman & Managing Director Non-Executive Non-Executive Non-Executive
Mr. Amritanshu Khaitan	McLeod Russel India Limited Kilburn Engineering Limited	Non-Executive Non-Executive
Mr. Azam Monem <sup>1</sup>	McLeod Russel India Limited	Whole time Director
Mrs. Arundhuti Dhar <sup>2</sup>	-	-
Mr. Suman Bhowmik	McLeod Russel India Limited	Non-Executive & Independent
Mr. Raj Vardhan	McLeod Russel India Limited	Non-Executive & Independent
Mr. Sanjay Ginodia <sup>3</sup>	McLeod Russel India Limited	Non-Executive & Independent
Mrs. Rupanjana De <sup>4</sup>	McLeod Russel India Limited Assam Carbon Products Ltd Visa Steel Limited Sastasundar Ventures Limited	Non-Executive & Independent Non-Executive & Independent Non-Executive & Independent Non-Executive & Independent

<sup>1</sup>Ceased to be a director w.e.f. 01st April 2023; <sup>2</sup>Ceased to be a director w.e.f. 01st October 2022; <sup>3</sup>Appointed as Director w.e.f. 14th November 2022; <sup>4</sup>Appointed as Director w.e.f. 30th December 2022

**(d) Number & Dates of Board Meetings**

During the year under review, six Board Meetings were held on 30th May 2022, 12th August 2022, 31st August 2022, 14th November 2022, 30th December 2022 and 19th January 2023 which was adjourned to 21st January 2023.

In view of the commencement of CIRP and for the purpose of compliance, Four (4) meetings were held on 14th February 2023, 28th February 2023, 17th March 2023 and 31st March 2023 under the Chairmanship of the IRP with Key Managerial Personnel in lieu of Board Meeting.

Video-conferencing facilities are also used to facilitate Directors travelling / residing abroad or at other locations to participate in the meetings.

**(e) Disclosure of relationships between Directors**

No Director is related to any other Director on the Board in terms of the definition of 'relative' given under the Companies Act, 2013.

**(f) Number of shares and convertible instruments held by Non-Executive Directors**

Sl. No.	Name of Director	Category	No. of Shares held
1	Mr. Amritanshu Khaitan	Non-Executive Director	15,000
2	Mrs. Arundhuti Dhar <sup>1</sup>	Non-Executive & Independent	-
3	Mr. Suman Bhowmik	Non-Executive & Independent	-
4	Mr. Raj Vardhan	Non-Executive & Independent	-
5	Mr. Sanjay Ginodia <sup>2</sup>	Non-Executive & Independent	-
6	Mrs. Rupanjana De <sup>3</sup>	Non-Executive & Independent	-

<sup>1</sup>ceased to be a director w.e.f. 01st October 2022; <sup>2</sup>Appointed as Director w.e.f. 14th November 2022; <sup>3</sup>Appointed as Director w.e.f. 30th December 2022

The Company has not issued any convertible instruments.

**(g) Web Link for Familiarization Programme**

Web link giving the details of Familiarization Programme imparted to Independent Directors at <https://www.mcleodrussel.com/investors/familiarisation-programme.aspx>

**(h) Chart of Matrix setting out the skills / expertise / competence of the Board of Directors**

The Board of Directors of the Company comprise of eminent qualified professional members from the diverse fields, who have significant amount of skills / expertise / competencies and thus make valuable contributions to the Board. The collective contribution of the Board of Directors makes an overall impact which reflects in the performance of the Company.

In compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company possesses relevant skills / expertise / competencies to ensure effective functioning of the Company as per the matrix given below:

**List of core Skills / Expertise / Competencies**

Names of Directors	Skills / Expertise / Competencies				
	Wide Management and leadership Experience	Diversity	Financial and Managerial Experiences	Personal Values	Corporate Governance
Mr. Aditya Khaitan	✓	✓	✓	✓	✓
Mr. Amritanshu Khaitan	✓	✓	✓	✓	✓
Mr. Azam Monem <sup>1</sup>	✓	✓	✓	✓	✓
Mrs. Arundhuti Dhar <sup>2</sup>	✓	✓	✓	✓	✓
Mr. Suman Bhowmik	✓	✓	✓	✓	✓
Mr. Raj Vardhan	✓	✓	✓	✓	✓
Mr. Sanjay Ginodia <sup>3</sup>	✓	✓	✓	✓	✓
Mrs. Rupanjana De <sup>4</sup>	✓	✓	✓	✓	✓

<sup>1</sup>Ceased to be a director w.e.f. 01st April 2023; <sup>2</sup>Ceased to be a director w.e.f. 01st October 2022; <sup>3</sup>Appointed as Director w.e.f. 14th November 2022; <sup>4</sup>Appointed as Director w.e.f. 30th December 2022

i) In the opinion of the Board, the independent directors fulfill the conditions specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as amended are independent of the management.

j) During the year under review, Mrs. Arundhuti Dhar has resigned from the Board of Directors of the Company w.e.f. 01st October 2022 due to her increasing personal commitments and has also confirmed that there are no other material reason other than those provided.

k) D&O Insurance for Directors: The Company has taken Directors and Officers Insurance (D&O) for all its Directors and Members of the Senior Management for such quantum and for such risks as determined by the Board.

#### **(4) CODE OF CONDUCT**

A Code of Conduct has been formulated for the Directors and senior management personnel of the Company and the same is available on the Company's website. A declaration from the Managing Director, that all Board Members and senior management personnel have affirmed compliance with the Code of Conduct for the financial year ended March 31, 2023 forms part of the Annual Report. The duties of the Independent Directors as laid down in the Companies Act, 2013 has been suitably incorporated in the Code of Conduct, as necessary.

#### **(5) INFORMATION TO BOARD**

Necessary information as specified in Part A of Schedule II of the SEBI Listing Regulations including, inter alia, quarterly statutory compliance reports, updates, annual budgets, as and when applicable, are placed before the Board for its review and consideration.

#### **(6) BOARD COMMITTEES**

The Committees constituted by the Board focus on specific areas and take informed decisions within the framework designed by the Board and make specific recommendations to the Board on matters in their areas or purview. All decisions and recommendations of the Committees are placed before the Board for information or for approval, if required. To enable better and more focused attention on the affairs of the Company, the Board has delegated particular matters to the Committees of the Board set up for the purpose.

##### **STATUTORY COMMITTEES:**

- a. Audit Committee
- b. Nomination & Remuneration Committee
- c. Stakeholder's Relationship Committee
- d. Corporate Social Responsibility Committee

The terms of reference of the Board Committees are determined by the Board from time to time. Meetings of each Board Committee are convened by the respective Committee Chairman. Minutes of Board Committee meetings are placed before the Board for its information. The role and composition of these Committees, including the number of meetings held during the financial year and the related attendance, are provided below:

#### **(A) AUDIT COMMITTEE**

The Board has constituted a qualified and independent Audit Committee with majority Independent Directors. All the members of the Committee are financially literate and at least one member possesses accounting and financial management expertise.

The role and terms of reference of the Audit Committee covers the areas mentioned under Regulation 18 of Listing Regulations and Section 177 of the Companies Act, 2013. The Audit Committee, inter alia, provides reassurance to the Board on the existence of an effective internal control environment.

#### **(a) Brief descriptions of the terms of reference of the Audit Committee are as follows:**

- oversight of the Company's financial reporting process and the disclosure of its financial information;
- recommendation for appointment, re-appointment, remuneration and terms of appointment, re-appointment of auditors including cost auditors and fixation of audit fees and removal of internal auditor/cost auditors;
- approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- reviewing with the management, examination of the quarterly and annual financial statements and auditor's report thereon before submission to the board for approval;
  - i. matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - ii. changes, if any, in accounting policies and practices and reasons for the same;
  - iii. major accounting entries involving estimates based on the exercise of judgment by management;
  - iv. significant adjustments made in the financial statements arising out of audit findings;
  - v. compliance with listing and other legal requirements relating to financial statements;
  - vi. disclosure of any related party transactions;
  - vii. modified opinion(s) in the draft audit report;

- reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- reviewing and monitoring the auditor's independence and performance and effectiveness of audit process;
- approval or any subsequent modification of transactions of the Company with related parties, including omnibus approval of related party transactions under such conditions as may be statutorily applicable.
- scrutiny of inter-corporate loans and investments;
- valuation of undertakings or assets of the Company, wherever it is necessary;
- to evaluate internal financial controls and risk management systems;
- reviewing with the management, performance of statutory and internal auditors and adequacy of the internal control systems;
- reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- discussion with internal auditors of any significant findings and follow up there on;
- reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- to review the functioning of the whistle blower mechanism;
- approval of appointment of Chief Financial Officer (i.e. the Wholetime Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.
- Carrying out any other function as is mentioned in the terms of reference of the audit committee.
- Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
- Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders
- management discussion and analysis of financial condition and results of operations;
- management letters / letters of internal control weaknesses issued by the statutory auditors;
- internal audit reports relating to internal control weaknesses; and
- the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee
- statement of deviations:
  - i. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1)
  - ii. annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

The minutes of the meetings of the Committee are placed before and noted by the Board. All the recommendations made by the Committee during the year under review were accepted by the Board.

**(b) Composition, Name of Members and Chairperson**

The Audit Committee of the Board as on 31st March 2023 comprised of Mr. Raj Vardhan and Mr. Suman Bhowmik, Independent Directors and Mr. Aditya Khaitan, Executive Director as its member. Mrs. Arundhuti Dhar, a Non-Executive Independent Director, was the Chairperson of the Audit Committee. Subsequent to her resignation from the Board of Directors of the Company w.e.f. 01st October 2022, Mr. Raj Vardhan having adequate financial and accounting qualification and expertise was the acting Chairperson at the meetings of the Committee. Subsequently, as mentioned elsewhere in the report, post CIRP, the Committee was reconstituted and the Committee comprises of three non – executive independent directors namely, Mr. Raj Vardhan, Mr. Suman Bhowmik and Mrs. Rupanjana De and one executive director i.e., Mr. Aditya Khaitan. Mr. Raj Vardhan is the Chairperson of the Committee. All Members of the Committee are financially literate. The Company Secretary acted as the Secretary to the Committee.

**(c) Meetings and attendance during the year**

The particulars of meetings attended by the Members of the Audit Committee during the financial year ended 31st March 2023 are given below:

Name of Directors	Category	No. of Meetings	
		Held during the year	Attended
Mrs. Arundhuti Dhar, Chairperson <sup>1</sup>	Non-Executive & Independent	4	3
Mr. Suman Bhowmik	Non-Executive & Independent	4	4
Mr. Raj Vardhan	Non-Executive & Independent	4	2
Mr. Aditya Khaitan	Chairman & Managing Director	4	4

<sup>1</sup>ceased to be director w.e.f. 01st October 2022

Four Meetings of the Audit Committee were held during the financial year ended 31st March 2023. The dates on which the Audit Committee Meetings were held are as follows :

30th May 2022, 12th August 2022, 31st August 2022 and 13th November 2022.

As mentioned elsewhere in the report, in view of the commencement of CIRP and for the purpose of compliance, one meeting was held on 14th February 2023 under the Chairmanship of the IRP with Key Managerial Personnel and Statutory Auditors in lieu of Audit Committee Meeting during the quarter ended 31st March 2023.

## **(B) Nomination and Remuneration Committee**

### **(a) Brief description of terms of reference**

The role and principal terms of reference of the Nomination and Remuneration Committee in terms of Section 178 of the Companies Act, 2013 and Regulation 19 of Listing Regulations are as follows:

- to identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board for their appointment/removal.
- formulate criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy relating to the remuneration for the Directors, Key Managerial Personnel and other Employees;
- For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  - a. use the services of an external agencies, if required;
  - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - c. consider the time commitments of the candidates.
- formulation of criteria for evaluation of performance of independent directors and the board of directors
- to carry out evaluation of every Director's performance;
- to devise a policy on Board diversity;
- identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal
- whether to extend or continue the term of appointment of Independent Director on the basis of performance evaluation of Independent Directors.
- Recommend to the Board, all remuneration, in whatever form, payable to senior management.

The minutes of the meetings of the Committee are placed before and noted by the Board. All the recommendations made by the Committee during the year under review were accepted by the Board.

### **(b) Composition, Name of Members and Chairman**

The Nomination and Remuneration Committee of the Board as on 31st March 2023 comprised of Mr. Suman Bhowmik and Mr. Raj Vardhan, Non-Executive Independent Directors and Mr. Amritanshu Khaitan, a Non-Executive Director as its Members. Mr. Suman Bhowmik is the Chairperson of the Nomination and Remuneration Committee.

### **(c) Meeting and attendance during the year**

During the financial year ended 31st March 2023 three Meetings of the Nomination and Remuneration Committee were held on 11th August 2022, 14th November 2022 & 30th December 2022.



Name of Directors	Category	No. of Meetings	
		Held during the year	Attended
Mrs. Arundhuti Dhar <sup>1</sup>	Non-Executive & Independent	3	1
Mr. Suman Bhowmik	Non-Executive & Independent	3	3
Mr. Amritanshu Khaitan	Non-Executive	3	3
Mr. Raj Vardhan	Non-Executive & Independent	3	2

<sup>1</sup>ceased to be director w.e.f. 01st October 2022

**(d) Performance evaluation criteria for independent Directors**

The Nomination and Remuneration Committee at its Meeting held on 30 March, 2017 had considered and adopted the indicative criterion for evaluation of performance of the Board of Directors and the Independent Directors issued by Securities and Exchange Board of India (SEBI) vide its Circular No. SEBI/HO/CFD/CMD/CIR/P/2017/004 dated January 5, 2017 in terms of the requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

Pursuant to the adoption of the new criterion for evaluation of performance of the Board of Directors and the Independent Directors, the Committee carried out the process of evaluation of the performance of every Director in accordance with its terms of reference and the requirements of Companies Act, 2013.

The performance of the Independent Directors is evaluated on the basis of the following parameters:-

**General -**

- (a) Qualifications, (b) Experience, (c) Knowledge and Competency, (d) Fulfillment of functions, (e) Ability to function as a team, (f) Initiative, (g) Availability and attendance, (h) Commitment, (i) Contribution and (j) Integrity.

**Additional criteria for Independent Director -**

- (a) Independence and
- (b) Independent views and judgement.

**(C) STAKEHOLDERS' RELATIONSHIP COMMITTEE**

**(a) The Role of the Committee shall inter-alia include the following:**

- (1) Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- (2) Review of measures taken for effective exercise of voting rights by shareholders.
- (3) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- (4) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company

The minutes of the meetings of the Committee are placed before and noted by the Board. All the recommendations made by the Committee during the year under review were accepted by the Board.

**(b) Name of Non-Executive Director heading the Committee/Composition of the Committee**

Stakeholder Relationship Committee of the Board as at 31st March 2023 comprised of Mr. Raj Vardhan and Mr. Suman Bhowmik, Non-Executive Independent Directors and Mr. Azam Monem, Executive Director as Members of the Committee. Mr. Raj Vardhan is the Chairperson of the Committee.

**(c) Name and designation of Compliance Officer**

Mr. Alok Kumar Samant, Company Secretary is the Compliance Officer for redressal of Shareholder's/Investor's complaints.

**(d),(e)&(f) Details of Shareholders'/Investors' Complaints**

During the Financial Year ended 31st March 2023, 1 complaint relating to SCORES which was filed against our Registrar and Share Transfer Agent was received from the Shareholders/Investors. The details are as under:

Opening as on 1st April 2022	0
Received during the year	1
Resolved during the year	1
Closing/Pending as on 31st March 2023	0

**(g) Meetings and attendance during the year**

During the financial year ended 31st March 2023, two Meetings of the Stakeholders' Relationship Committee were held on 29th May 2022 and 13th November 2022 and the attendance of Members are as follows:

Name of Directors	Category	No. of Meetings	
		Held during the year	Attended
Mrs. Arundhuti Dhar <sup>1</sup>	Non-Executive & Independent	2	1
Mr. Suman Bhowmik	Non-Executive & Independent	2	2
Mr. Azam Monem <sup>2</sup>	Executive Director	2	2
Mr. Raj Vardhan	Non-Executive & Independent	2	1

<sup>1</sup>Ceased to be a director w.e.f. 01st October 2022, <sup>2</sup>ceased to be a director w.e.f. 01st April 2023

**(D) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**
**(a) Objectives of the Committee**

The Committee focuses on social and environmental responsibilities to fulfill the needs and expectations of the communities around company's business operations. The Corporate Social Responsibility (CSR) activities are not limited to philanthropy, but encompasses holistic community development, institution-building and sustainability related initiatives.

**(b) Composition**

As on 31st March 2023, the Committee comprised of Mr. Azam Monem, Chairman and Mr. Aditya Khaitan as Member. Mrs. Arundhuti Dhar was one of the member of the Committee who ceased to be a director w.e.f. 01st October 2022. Thereafter, as mentioned elsewhere in the report, post CIRP the Committee was reconstituted and comprises of Mr. Aditya Khaitan as Chairperson and Mr. Sanjay Ginodia and Mrs. Rupanjana De as members. The Company Secretary acts as the Secretary to the Committee.

**(c) Meetings**

No meeting was held during the financial year under review. A report on CSR is attached as Annexure VIII, forming part of this annual report.

**(d) Terms of Reference**

The terms of reference of the Corporate Social Responsibility Committee are as follows:

- To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the CSR activities to be undertaken by the Company;
- To monitor the Corporate Social Responsibility Policy of the Company from time to time.
- To discharge such other responsibilities as required under the Act and the Rules made thereunder.

During the year under review, the Company was not required to spend any amount on CSR activities as the average net profit of the Company for the preceding 3 years was negative and the Company did not meet the criteria laid down under Section 135 of the Act read with relevant rules thereunder.

**(7) RISK MANAGEMENT COMMITTEE**

Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is applicable to:

- top 1000 listed entities determined on the basis of market capitalisation as at the end of the immediately preceding financial year; and,
- a 'high value debt listed entity'

Since the Company does not fall under the aforesaid criteria, therefore, the same is not applicable.

#### **(8) GOVERNANCE OF SUBSIDIARY COMPANIES**

The minutes of the Board Meetings of the subsidiary companies along with the details of significant transactions and arrangements entered into by the subsidiary companies, if any, are shared with the Board of Directors. The Financial Statements of the subsidiary companies are presented to the Audit Committee. The Company does not have a material subsidiary as on the date of this Integrated Annual Report, having an income or net worth exceeding 10% of the consolidated income or net worth respectively, of the Company. The information with respect to the loans and advances in the nature of loans to subsidiaries pursuant to Regulation 34 of the Listing Regulations is provided in Notes to the standalone Financial Statements.

#### **(9) SENIOR MANAGEMENT**

Particulars of senior management including the changes therein since the close of the previous financial year are as below:

<b>Name</b>	<b>Designation</b>
Mr. Pradip Bhar	Chief Financial Officer
Mr. Vijay Simha Jagannath	Head of Marketing
Ms. Subhra Giri Patnaik	Vice President (Legal and Secretarial Head)
Mrs. Kavita Khaitan	General Manager - Operation & Administration

For more details, please refer Annexure VII of the Directors Report.

Further, during the year under review, Mr. Supratim Chakraborty, Senior General Manager has retired w.e.f. 01st October 2022.

#### **(10) REMUNERATION OF DIRECTORS**

##### **(a)&(b) Pecuniary Relationship or transactions of the Non-Executive Directors/ criteria of making payments to Non-Executive Directors**

The Company has no pecuniary relationship or transaction with its Non-Executive & Independent Directors other than payment of sitting fees to them for attending Board Meetings, Committee Meetings and separate Meeting of Independent Directors. They get Commission if approved by the Board for their valuable services to the Company subject to the limit fixed by the Members.

Criteria of making payment to Non-Executive Directors are disclosed in the Nomination and Remuneration Policy and the same is attached to the Report of the Directors as Annexure-IV.

The details of remuneration for the financial year ended 31st March 2023 to the Non-Executive Directors are as under:

<b>Name of Directors</b>	<b>Sitting Fees (Rs.) for Board Meetings</b>	<b>Sitting Fees (Rs.) for Committee &amp; Independent Directors' Meetings</b>
Mr. Amritanshu Khaitan	4,80,000	1,20,000
Mrs. Arundhuti Dhar <sup>1</sup>	2,40,000	2,00,000
Mr. Suman Bhowmik	4,80,000	3,60,000
Mr. Raj Vardhan	3,20,000	2,00,000
Mr. Sanjay Ginodia <sup>2</sup>	80,000	-
Mrs. Rupanjana De <sup>3</sup>	-	-
<b>Total</b>	<b>16,00,000</b>	<b>8,80,000</b>

<sup>1</sup>Ceased to be a director w.e.f. 01st October 2022; <sup>2</sup>Appointed as Director w.e.f. 14th November 2022; <sup>3</sup>Appointed as Director w.e.f. 30th December 2022.

##### **(c) Disclosures with respect to remuneration**

###### **(i), (ii) & (iii) Remuneration package/Remuneration paid to Directors**

The Executive Directors are paid Salary, contribution to Provident Fund & other Funds, Bonus and allowances and perquisites as per the terms of appointment approved by the Members of the Company and/or such other authorities, as may be necessary.

Non-Executive Directors and Independent Directors are paid sitting fees and commission as determined by the Board from time to time.

The details of the fixed components of the managerial remuneration paid to the Managing and the Wholetime Director are given below. Allowances to the Executive Director may vary as approved by the Board based on their and Company's performance. During the Financial Year ended 31st March 2023, no Commission was paid to the Non-Executive Directors.

Particulars	Mr. A. Khaitan Rs.	Mr. A. Monem Rs.
Salary	1,80,00,000	72,00,000
Contribution to Provident Fund and other Funds	48,60,900	19,44,900
Bonus and Allowances	1,30,00,000	68,20,000
Monetary value of Perquisites	20,800	3,38,942
Period of appointment**		
Notice period	3 months	3 months
Severance fees	Not specified	Not specified

\*\* Mr. Aditya Khaitan and Mr. Azam Monem were reappointed as Managing Director and Wholetime Director respectively for a period of three years w.e.f. 01st April 2020 till 31st March 2023. Post withdrawal of CIRP, Mr. Aditya Khaitan has been appointed as the Managing Director for a period three years w.e.f. 17th May 2023.

Due to retirement/resignation on 31st March 2023, Mr. Azam Monem ceased to be a Director of the Company w.e.f. 01st April 2023.

**(iv) Stock option**

The Company does not have any Scheme for grant of stock options to its employees.

**(11) GENERAL BODY MEETINGS**

**a) Location and time of last three Annual General Meetings:**

Financial Year	Date	Time	Venue
31.03.2020	30.12.2020	11.00 a.m.	The 22nd Annual General Meeting (AGM) was held through Video Conferencing/ Other Audio Visual Means ("VC"/"OAVM") in accordance with the guidelines stipulated by the Ministry of Corporate Affairs (MCA) and the Securities and Exchange Board of India (SEBI), in view of the prevailing COVID-19 pandemic.
31.03.2021	20.12.2021	11.30 a.m.	The 23rd Annual General Meeting (AGM) was held through Video Conferencing/ Other Audio Visual Means ("VC"/"OAVM") in accordance with the guidelines stipulated by the Ministry of Corporate Affairs (MCA) and the Securities and Exchange Board of India (SEBI), in view of the prevailing COVID-19 pandemic.
31.03.2022	30.09.2022	11.30 a.m.	The 24th Annual General Meeting (AGM) was held through Video Conferencing/ Other Audio Visual Means ("VC"/"OAVM") in accordance with the guidelines stipulated by the Ministry of Corporate Affairs (MCA) and the Securities and Exchange Board of India (SEBI).

**b) Special Resolutions passed in the previous three AGMs.**

AGM held on	Special Resolution Passed
30.12.2020	(1) Special Resolution for approval of remuneration payable to Mr. Aditya Khaitan (DIN:00023788) as the Managing Director of the Company for a period of three years commencing from 1st April 2020.  (2) Special Resolution for approval of re-appointment of Mr. Azam Monem (DIN:00023799) as a Wholetime Director of the Company for a period of three years commencing from 1st April 2020 and the remuneration payable to him.
20.12.2021	None
30.09.2022	None

**(c) & (d) Resolution passed through Postal Ballot during the year ended 31st March 2023 and the person who conducted the Postal Ballot Exercise.**

During the year under review, the Company had passed two Special Resolutions through Postal Ballot through e-voting. The details are as below:

Date of Postal Ballot Notice	Resolution Passed	Approval Date	Scrutinizer	Link for Postal Ballot Notice and results
18th December 2022	Appointment of Mr. Sanjay Ginodia (DIN: 07781746) as an Independent Director for a period of five years w.e.f. 14th November 2022	28th January 2023	Mr. Atul Kumar Labh (Membership No. 4848), Practising Company Secretary	<a href="https://www.mcleodrussel.com/investors/postal-ballot.aspx">https://www.mcleodrussel.com/investors/postal-ballot.aspx</a>
28th February 2023	Appointment of Ms. Rupanjana De (DIN: 01560140) as an Independent Director for a period of three years w.e.f. 30th December 2022	31st March 2023	Mr. Atul Kumar Labh (Membership No. 4848), Practising Company Secretary	<a href="https://www.mcleodrussel.com/investors/postal-ballot.aspx">https://www.mcleodrussel.com/investors/postal-ballot.aspx</a>

**(e) Details of Special Resolution proposed to be conducted through Postal Ballot :** None of the businesses proposed to be transacted at the ensuing AGM requires passing of a special resolution through postal ballot

**(f) Procedure for Postal Ballot :** The postal ballot was carried out as per the provisions of Sections 108 and 110 and other applicable provisions of the Act, read with the Rules framed thereunder and read with the General Circular nos. 14/2020, 17/2020, 22/2020, 33/2020, 39/2020, 10/2021, 20/2021, 3/2022, 10/2022 and 11/2022 dated April 8, 2020, April 13, 2020, June 15, 2020, September 28, 2020, December 31, 2020, June 23, 2021, December 8, 2021, May 5, 2022, December 28, 2022 respectively issued by the Ministry of Corporate Affairs.

## **(12) MEANS OF COMMUNICATION**

The Company regularly interacts with the Shareholders through multiple ways of communication such as Results announcement, Annual Report, and through Company's website and specific communications.

### **(a) & (b) Financial Results/Newspaper wherein Results normally published**

Quarterly, half-yearly and annual results in the forms prescribed under Regulation 33 and Regulation 47 of the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 are published in prominent dailies which inter alia, included Business Standard (English)/The Financial Express (English) and Aajkal (Bengali) and also displayed on the website of the Stock Exchanges where company shares are listed and on the Company's website at [www.mcleodrussel.com](http://www.mcleodrussel.com)

### **(c) & (d) Website**

The Financial Results are also made available on the website of the Company [www.mcleodrussel.com](http://www.mcleodrussel.com). Information relating to the Company and its performance, Unpaid Dividend, Press Releases and Information Updates as and when made are displayed on the Company's website and also sent to the Stock Exchanges to enable them to put the same on their own websites.

### **(e) Presentation**

No presentation was made to Institutional Investors or to the analysts during the year under review.

## **(13) GENERAL SHAREHOLDER INFORMATION**

### **(a) Annual General Meeting for FY 2023**

Date : Friday, 29th September 2023

Time: 11:30 a.m.

Venue : Meeting is being conducted through VC/OAVM pursuant to the MCA General Circulars dated May 5, 2020 read with general circulars dated April 8, 2020, April 13, 2020, January 13, 2021, December 8, 2021, December 14, 2021, May 5, 2022 and December 28, 2022. For details, please refer to the Notice of this AGM.

### **(b) Financial Calendar : 1st April to 31st March**

Financial Calendar (tentative) for the year 2023-24

Publication of Unaudited Results for the quarter ending June 2023	July / August 2023
Publication of Unaudited Results for the half year ending September 2023	October / November 2023
Publication of Unaudited Results for the quarter ending December 2023	January / February 2024
Publication of Audited Results for the year ending March 2023	April / May 2024
Annual General Meeting for the year ending 31st March 2024	September 2024

**(c) Dividend Payment Date/Dates of Book Closure:** No Dividend has been proposed to be paid for the year ended 31st March 2023.

**(d) Name and address of Stock Exchanges/Payment of annual Listing Fee**



Name and address of Stock Exchanges		
1.	BSE Limited [BSE]	P.J. Towers, 25th Floor, Dalal Street, Mumbai - 400 001
2.	National Stock Exchange of India Limited [NSE]	Exchange Plaza, 5th Floor, Plot No.C/1, G-Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051
3.	The Calcutta Stock Exchange Limited [CSE]	7 Lyons Range, Kolkata - 700001

All listing and custodial fees to the stock exchanges and depositories have been duly paid upto financial year 2023-24.

**(e) Stock Code**

Name of the Stock Exchanges [where the Company's Shares are listed]	Stock Code
<b>BSE</b>	532654
<b>NSE</b>	MCLEODRUSS
<b>CSE</b>	10023930

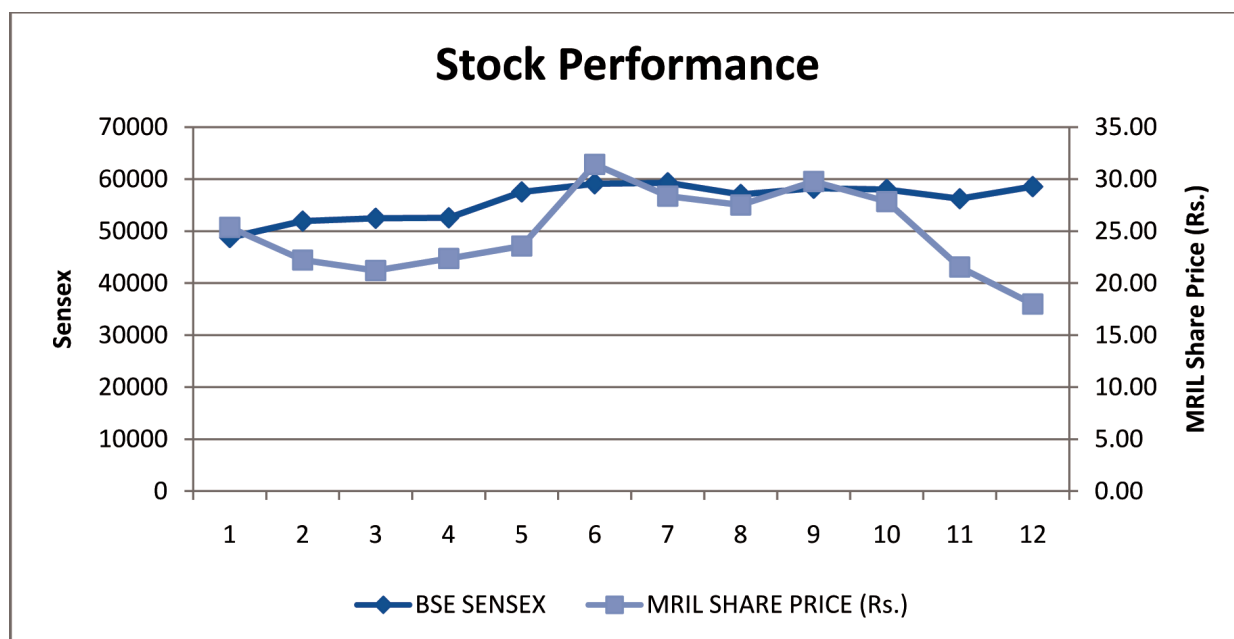
Demat **ISIN** for NSDL & CDSL: **INE 942G01012**

**(f) Market Price Data :**

Month	Bombay Stock Exchange(BSE)				National Stock Exchange (NSE)	
	High Price	Low Price	Closing Price	BSE Sensex (Closing)	High Price	Low Price
April 2022	28.00	22.75	24.50	57060.87	28.15	22.60
May 2022	25.00	19.45	21.05	55566.41	24.20	19.60
June 2022	24.45	18.00	22.60	53018.94	24.80	18.10
July 2022	24.95	19.80	23.60	57570.25	25.00	19.70
August 2022	25.30	21.85	24.55	59537.07	25.25	19.35
September 2022	41.10	21.75	28.85	57426.92	41.40	22.90
October 2022	30.40	26.35	27.60	60746.59	30.40	26.30
November 2022	29.75	25.30	27.60	63099.65	29.80	24.75
December 2022	32.75	26.80	29.6	60840.74	32.80	26.90
January 2023	30.50	25.20	26.00	59549.90	30.70	25.20
February 2023	26.25	16.85	19.00	58962.12	26.50	16.85
March 2023	19.48	16.52	16.97	58991.52	19.60	16.30

**(g) Performance in comparison to BSE Sensex :**

Share Price Performance (April 2022 to March 2023)



**(h) In case the Securities suspended from trading -** Refer Directors Report.

**(i) Registrar and Share Transfer Agents**

In accordance with the SEBI directive vide Circular Nos. D&CC/FITTC/CIR-15/2002 dated 27 December 2002 the Company appointed the following SEBI registered Agency as the Common Registrar and Share Transfer Agents of the Company for both the Physical and Dematerialized segments with effect from 14 March 2005:-

**Maheshwari Datamatics Pvt. Ltd.**

23 R. N. Mukherjee Road, 5th Floor, Kolkata - 700001.

TEL : (033) 2248-2248; 2243-5029; 2231-6839, FAX : (033) 2248-4787

E-MAIL :info@mdpl.in; mdpldc@yahoo.com

**(j) Share Transfer System**

In terms of Regulation 40(1) of SEBI Listing Regulations, as amended from time to time, transfer, transmission and transposition of securities shall be effected only in dematerialized form. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated January 25, 2022, has mandated Listed Companies to issue securities in demat form only while processing service requests viz., issue of duplicate share certificates, endorsement, transmission, transposition, etc. Accordingly, Shareholders are requested to make service requests by submitting a duly filled and signed Form ISR-4, the format of which is available on the Company's website under the weblink at <https://www.mcleodrusel.com/investors/kyc-updation.aspx> and on the website of the Company's RTA at <https://www.mdpl.in/> It may be noted that any service request can be processed only after the folio is KYC compliant. After processing the service request, a letter of confirmation will be issued to the shareholders and shall be valid for a period of 120 days, within which the shareholder shall make a request to the Depository Participant for dematerializing those shares. If the shareholders fail to submit the dematerialisation request within 120 days, then the Company shall credit those shares in the Suspense Escrow Demat account held by the Company. Shareholders can claim these shares transferred to Suspense Escrow Demat account on submission of necessary documents.

The Directors and certain Company officials (including Chief Financial Officer and Company Secretary) are authorized by the Board severally to approve transfers, which are noted at subsequent Board Meetings.

**Transfer of Unclaimed Shares to Unclaimed Suspense Account**

In terms of a Scheme of Arrangement with a Company and Scheme of Amalgamation of two Companies with the Company, the Company had allotted and dispatched share certificates to the eligible Shareholders of the said Companies. Some of the said share certificates were returned undelivered to the Company and were lying with Maheshwari Datamatics Private Limited, the Registrar and Share Transfer Agents of the Company as unclaimed. In terms of Regulation 39(4) and Schedule VI of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 three reminders were sent by the Company to the Shareholders whose shares were returned undelivered. In terms of the aforesaid Regulation, the 3,94,893 shares which remained unclaimed till 31st March 2017, had been transferred and credited in the demat

account of McLeod Russel India Limited - Unclaimed Suspense Account opened with a depository participant namely, Integrated Enterprise (India) Limited on 1st June 2017. The details of such shares had been uploaded on the website of the Company at <https://www.mcleodrussel.com/investors/iepf-suspense-account.aspx>

The Summary of shares which remained unclaimed lying in the demat account of McLeod Russel India Limited - Unclaimed Suspense Account as on 31st March 2023 is given below:

Particulars	Number of Shareholders	No. of Equity Shares
Aggregate number of Shareholders and the outstanding Shares in Unclaimed Suspense Account lying as on 01.04.2022	207	44738
No. of Shareholders who approached the Company for transfer of Shares from Unclaimed Suspense Account during the year	-	-
No. of Shareholders to whom Shares were transferred from the Unclaimed Suspense Account during the year	-	-
No. of Shareholders and number of Shares held by them which were transferred to IEPF Authority during the year as per Section 124 of the Companies Act, 2013	30	4365
Aggregate number of Shareholders and the outstanding Shares in Unclaimed Suspense Account lying as on 31.03.2023	177	40373

The voting rights on the Shares outstanding in the Unclaimed Suspense Account as on 31st March 2023 shall remain frozen till the rightful owner of such Shares claims the Shares.

#### **Transfer of unpaid and unclaimed dividend to Investor Education and Protection Fund**

The Company has transferred the unpaid and unclaimed dividends declared up to financial years 2014-15, from time to time, to the Investor Education and Protection Fund ("IEPF") established by the Central Government. Pursuant to the provisions of IEPF (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 30th September 2022 (date of last Annual General Meeting) on the website of the Company at the web link at <http://www.mcleodrussel.com/investors/unclaimed-dividend-transferred-iepf.aspx>

#### **Unclaimed shares transferred to IEPF Authority**

In line with the IEPF Rules, the Company sends reminder letter to all such shareholders, whose dividend has remained unpaid / unclaimed for a consecutive period of 7 years with a request to claim the dividends, failing which the shares would be transferred to the IEPF Authority on the due date, details of which is available at the Company's website at <http://www.mcleodrussel.com/pdf/investor/eq-iepf.pdf>

Accordingly, all such shares in respect of which dividend had remained unclaimed for a consecutive period of 7 years from the financial years 2014-15 to 2021-22 were transferred to the demat account of the IEPF authority. The details of such shares uploaded on the website of the Company [www.mcleodrussel.com](http://www.mcleodrussel.com)

The summary of shares lying in the demat account of IEPF Authority is given below:

Financial Year	No. of Shares transferred to IEPF authority
2010-11	72,753
2011-12	95,577
2012-13	46,000
2013-14	89,654
2014-15	80,623
<b>Total</b>	<b>3,84,607</b>

The procedure for claiming the unpaid dividend amount and shares transferred to the IEPF Authority is provided on the link: <http://www.iepf.gov.in/IEPF/refund.html>

**(k) (i) Shareholding Pattern as on 31st March 2023**

Sr. No.	Category	Number of Shareholders	No. of Shares held	% of holding
1	Promoters	25	6523450	6.25
2	Mutual Funds/UTI	2	811	0.001
3	Foreign Portfolio Investors	3	13561	0.01
4	Financial Institutions/Banks	46	40052	0.0384
5	Insurance Companies	2	1502753	1.44
6	Central Government/State Government(s)	1	112	0.0001
7	Resident Individuals	65442	71956141	68.88
8	NBFCs Registered with RBI	1	109000	0.10
9	Investor Education and Protection Fund Authority	1	1027526	0.98
10	Bodies Corporate	541	20680398	19.80
11	Clearing Member	57	1022544	0.98
12	Non Resident Individuals	841	1306522	1.25
13	Domestic Corporate Unclaimed Shares Account	2	40423	0.04
14	Trusts	8	6010	0.01
15	Foreign Company	2	136350	0.13
16	Foreign National	30	89516	0.09
17	Directors and their relatives	2	566	0.0005
	<b>Total:</b>	<b>67006</b>	<b>104455735</b>	<b>100.0000</b>

**(ii) Distribution of shareholding as on 31st March 2023**

Size of holding	No. of holders (holding PAN)	Percentage (%)	No. of Shares	Percentage (%)
1 to 500	52703	78.6647	7011969	6.7129
501 to 1000	6315	9.4258	5192757	4.9713
1001 to 2000	3452	5.1525	5368872	5.1399
2001 to 3000	1325	1.9777	3446240	3.2992
3001 to 4000	606	0.9045	2193655	2.1001
4001 to 5000	667	0.9956	3187202	3.0512
5001 to 10000	994	1.4836	7658807	7.3321
10001 and above	935	1.3956	70396233	67.3934
<b>Total</b>	<b>66997</b>	<b>100.0000</b>	<b>104455735</b>	<b>100.0000</b>

\* Without consolidating the folios on the basis of PAN.

**(l) Dematerialization of shares and liquidity**

The Company's Shares form part of the SEBI's Compulsory Demat segment for all Shareholders/investors. The Company has established connectivity with both the Depositories viz. National Securities Depository Limited [NSDL] and Central Depository Services (India) Limited [CDSL] through the Registrar, Maheshwari Datamatics Private Limited, 23 R. N. Mukherjee Road, 5th Floor, Kolkata 700001. Requests for dematerializations of shares are processed and confirmations are given to the respective Depositories within the prescribed time. 99.05% Shares of the Company are in dematerialized form.

**(m) Outstanding Global Depository Receipts (GDR) or American Depository Receipts (ADR) or Warrants or any Convertible Instruments, conversion date and likely impact on equity:**

The Company has not issued any GDRs or ADRs or Warrants or any convertible instruments.

**(n) Commodity price risk or foreign exchange risk and hedging activities**

The Company being a major exporter of Tea, is involved in forward sale of a part of the foreign exchange earned by it based on past performance following the Risk Management Policy on Foreign Exchange and Derivative Transactions framed by it. The Board monitors the foreign exchange exposures on a quarterly basis and necessary steps are taken to limit the risks of adverse exchange rate movement. Detailed information in this respect has been provided in the Management Discussion and Analysis Report.

**(o) Plant Locations:**

Tea manufacturing plants are located at the following Tea Estates -

LOCATIONS	TEA ESTATES
<b>ASSAM:-</b>	
BISHNAUTH	DEKORAI, MIJICAJAN, MONABARIE, PERTABGHUR, NILPUR
DHUNSERI	BEHORA, BUKHIAL
EAST BOROI	BEHALI, BOROI, DUFFLAGHUR, HALEM, NYA GOGRA
JORHAT	HUNWAL
MANGALDAI	ATTAREEKHAT, BHOOTEACHANG, BORENGAJULI, CORRAMORE, DIMAKUSI, PANEERY
MARGHERITA	BOGAPANI, DEHING, DIROK, MARGHERITA, NAMDANG
MORAN	RAJMAI
THAKURBARI	PHULBARI, RUPAJULI, TARAJULIE, TEZPORE & GOGRA
TINGRI	DIRIAL, ITAKHOOLI, KEYHUNG
<b>WEST BENGAL:-</b>	
DOOARS	CENTRAL DOOARS, MATHURA
	<b>BLENDING UNIT</b>
GUWAHATI, ASSAM	BLENDING UNIT - EPIP, AMINGAON, GUWHATI, ASSAM

**(p) Address for correspondence**

Any assistance regarding Share transfers and transmission, change of address, non-receipt of share certificate/duplicate share certificate, demat and other matters for redressal of all share-related complaints and grievances, the Members are requested to write to or contact the Registrar & Share Transfer Agents or the Share Department of the Company for all their queries or any other matter relating to their shareholding in the Company at the addresses given below:

**i) The Company's Registered Office at :**
**McLeod Russel India Limited**

Corporate Identity Number (CIN):L51109WB1998PLC087076

Four Mangoe Lane, Surendra Mohan Ghosh Sarani, Kolkata - 700001.

TEL : 033-2210-1221, 033-2243-5391, 033-2248-9434, 033-2248-9435

FAX : 91-33-2248-3683, 91-33-2248-8114, 91-33-2248-6265

E-Mail: administrator@mcleodrussel.com

**ii) Registrar and Share Transfer Agents' Offices at:**

Registered Office:	Corporate Office:
<b>Maheshwari Datamatics Pvt Ltd.</b> 6 Mangoe Lane, Surendra Mohan Ghosh Sarani, 2nd Floor, Kolkata - 700001 Tel. : (033) 2248-5809 E-mail: info@mdpl.in; mdpldc@yahoo.com	<b>Maheshwari Datamatics Pvt Ltd.</b> 23 R. N. Mukherjee Road, 5th Floor Kolkata - 700001. Tel. : (033) 2248-2248; 2243-5029; 2231-6839, Fax : (033) 2248-4787 E-mail: info@mdpl.in; mdpldc@yahoo.com

In case of any difficulty, the Compliance Officer at the Registered Office of the Company may be contacted.

Special E-mail Id.: investors@mcleodrussel.com.

**q) The list of credit ratings obtained by the Company along with revisions thereto during the financial year 2022-23 are as follows:-**

No Credit rating done during the Financial Year 2022-23.



**(14) OTHER DISCLOSURES**

**(a) Disclosures on materially significant related party transactions having potential conflict:** The Company did not have any significant related party transactions, which may have potential conflict with the interest of the Company. The Board has approved a policy on dealing with related party transactions and the same has been uploaded and available on the Company's website ([www.mcleodrussel.com](http://www.mcleodrussel.com)). Related party transactions have been disclosed under Note 44 to the Accounts for the year under review. A Statement in summary form of transactions with related parties in the ordinary course of business are placed periodically before the Audit Committee. The pricing of all the transactions with the related parties were on an arm's length basis.

**(b) Compliance of Laws & Regulations relating to Capital Markets**

The Company has complied with all the mandatory requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters related to capital markets during the financial year. No penalties or strictures were imposed on the Company by the Stock Exchanges, SEBI or any other statutory authority, on any matter relating to the capital markets during the financial years ended 31st March 2021, 31st March 2022 and 31st March 2023.

**(c) Whistle Blower Policy/Vigil Mechanism**

A Vigil Mechanism/Whistle Blower Policy has been established for Directors and employees to report genuine concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. The mechanism provides for adequate safeguard against victimization of director(s)/employee(s) who avail of the mechanism and provides for direct access to the Chairman of the Audit Committee in exceptional cases.

**(d) Compliance with Mandatory requirements and adoption of Non-mandatory requirements**

All the mandatory requirements of Listing Regulations have been appropriately complied with and the compliances of the non-mandatory are given below. The Company has executed the fresh Agreements with BSE, NSE and CSE as required under the newly enacted Listing Regulations.

**Compliance of Non-Mandatory Requirements**

**The Board**

As per Para A of Part E of Schedule II of the Listing Regulations, a Non-Executive Chairman of the Board may be entitled to maintain a Chairman's Office at the company's expense and allowed reimbursement of expenses incurred in performance of his duties. The Chairman of the Company is an Executive Director and hence this provision is not applicable to us.

**Shareholder Rights**

Financial Results are published in prominent dailies which inter alia, included Business Standard (English)/ Financial Express(English) and Aajkal (Bengali) in the form prescribed by the Stock Exchanges from time to time and the same are not sent to the Shareholders of the Company presently but hosted on the Company's website at the web link at <http://www.mcleodrussel.com/investors/financial-results.aspx>

**Modified Opinion in Audit Report**

The Auditors of the Company have furnished their Audit Report in respect of the Financial Results for the Financial Year ended 31st March 2023 with modified opinion.

**Reporting of Internal Auditors**

The Internal Auditors of the Company are Independent and their Reports are placed before the Audit Committee.

**(e) & (f) Web Links for Policies**

**Policy on Material Subsidiaries**

The Company has formulated a Policy for determining Material Subsidiaries to ensure governance of material subsidiary companies, which is available on Company's website at the web link at <https://www.mcleodrussel.com/investors/policies.aspx>

**Related Party Transaction Policy**

In terms of the requirements of the Companies Act, 2013 and Listing Regulations, your Company has formulated a Policy on Related Party Transactions which is available on Company's website at the web link at <https://www.mcleodrussel.com/investors/policies.aspx>

**Preservation of Documents and Archival Policy**

In terms of the requirement of Listing Regulations, your company has formulated a Policy on Preservation of documents which is available on Company's website at the web link at <https://www.mcleodrussel.com/investors/policies.aspx>

**Whistle Blower Policy**

The Policy is available at the Company's website at the web link at <https://www.mcleodrussel.com/investors/policies.aspx> and no personnel has been denied access to the Audit Committee.

**Corporate Social Responsibility Policy**

In terms of the requirement of Listing Regulations, your company has formulated a Corporate Social Responsibility Policy which is available on Company's website at the web link at <https://www.mcleodrussel.com/investors/policies.aspx>

**Remuneration Policy**

In terms of the requirement of Listing Regulations, your company has formulated a Remuneration Policy which is available on Company's website at the web link at <https://www.mcleodrussel.com/investors/policies.aspx>

**Policy for Disclosure of Event Information and Determination of Materiality**

In terms of the requirement of Listing Regulations, your company has formulated a Policy for Determination of Materiality which is available on Company's website at the web link at <https://www.mcleodrussel.com/investors/policies.aspx>

**(g) Commodity price risk and commodity hedging activities**

The Company is engaged in growing, manufacturing and selling of Tea. Green leaf is the principal raw material of the Company, a major part of which is grown in the Tea Estates owned by the Company. The Company also procures green leaves from the out growers at the prevailing market price. The management monitors the price and supply of green leaf and takes necessary steps to minimize the price risk. The Company sells the tea produced by it through Auction, by way of export and private sale.

**(h)** The Company has not raised any funds through preferential allotment or qualified institutions placement as specified under regulation 32(7A) during the year under review.

**(i)** The Company has received a Certificate from Mr. A. K. Labh of Messrs. A. K. Labh & Co., a Company Secretary in practice confirming that none of the Directors of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the SEBI/ Ministry of Corporate affairs or any such statutory authority is enclosed as a part of Annual Report.

**(j)** All the recommendations/ suggestions made by the Committees of Board of Directors which is mandatorily required during the financial year 2022-23 were accepted by the Board of Directors.

**(k)** The total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, for all the services to the statutory auditor for the financial year 2022-23 has been disclosed in note no. 38.2 of the Standalone Financial Statements. No fees has been paid by the Company and its subsidiaries for the financial year 2022-23 to the network firm / network entity of which the statutory auditor was a part.

**(l)** Disclosure in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013: Refer Directors Report.

**(m)** Disclosure by listed entity and its subsidiaries of Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount: N.A.

**(n)** Details of material subsidiaries of the Company, including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries: The Company does not have any material subsidiary and therefore, not applicable.

**(15) Non-Compliance of Corporate Governance Requirements**

The Company has duly complied with the Corporate Governance requirements and there is no Non-Compliance of any requirement of Corporate Governance Report covered under sub-para (2) to (10) of the Part C of Schedule V of the Listing Regulations.

**(16) Discretionary requirements:** Details given in Clause 14(d) above.

**(17) Disclosures of the compliance with Corporate Governance Requirements**

The Company has duly complied with the Corporate Governance requirements as specified in Regulation 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.

**(18)** Declaration from Chief Executive Officer/Managing Director stating that the members of board of directors and senior management personnel have affirmed compliance with the code of conduct of board of directors and senior management: Forms Part of Corporate Governance Report.

**(19)** Compliance Certificate from either the auditors or practising company secretary regarding compliance of conditions of corporate governance: Annexed to Directors Report.

**(20)** Disclosure of certain types of agreements as disclosed in Clause 5A of Paragraph A of Part A of Schedule III of the SEBI (LODR) Regulations 2015: Not Applicable as no such agreement has been entered into by the Company.

**For and on behalf of the Board of Directors**

**Date : 14th August, 2023**  
**Place : Kolkata**

**Aditya Khaitan**  
**Chairman and Managing Director**  
**DIN: 00023788**

## **DECLARATION REGARDING COMPLIANCE BY THE BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODES OF CONDUCT**

This is to confirm that the Company has adopted two separate Codes of Conduct to be followed by the Members of the Board and Senior Management Personnel of the Company respectively. Both these Codes are available on the Company's website. I confirm that the Company has in respect of the financial year ended 31st March 2023 received from the Members of the Board and Senior Management Personnel, a Declaration of Compliance with the Code of Conduct as applicable to them.

**McLeod Russel India Limited**

**Date : 14th August, 2023**  
**Place : Kolkata**

**Aditya Khaitan**  
**Chairman & Managing Director**  
**DIN: 00023788**

### **Chief Executive Officer (CEO)/ Chief Financial Officer (CFO) Certification**

The following certificate was placed at the Board Meeting held on 30th May 2023.

We, Aditya Khaitan, Chairman and Managing Director and Pradip Bhar, Chief Financial Officer certify that:

- a) We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
  - i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii) These statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best our knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal controls systems of the listed entity pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee
  - i) Significant changes in internal control over financial reporting during the year;
  - ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii) Instances of significant fraud, if any, of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

For and On behalf of the Board of Directors

Date: 30th May 2023  
Place: Kolkata

**Aditya Khaitan**  
**Chairman & Managing Director**

**Pradip Bhar**  
**Chief Financial Officer**

## **Independent Auditor's Report on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

### **The Members of**

#### **McLeod Russel India Limited**

#### **Introduction**

1. The Corporate Governance Report prepared by McLeod Russel India Limited (hereinafter the "Company"), contains details as specified in regulations 17 to 27, clauses (b) to (i) and (t) of sub - regulation (2) of regulation 46 and para C, D, and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') for the year ended March 31, 2023, and the said Report will be submitted by the Company to the Stock Exchanges as part of the Annual Report.

#### **Managements' Responsibility**

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

#### **Auditor's Responsibility**

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to provide a reasonable assurance in the form of an opinion whether, the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. The procedures selected depend on the auditors' judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of procedures performed include:
  - a) Read and understood the information prepared by the Company and included in its Corporate Governance Report;
  - b) Obtained and verified that the composition of the Board of Directors with respect to executive and non-executive directors has been met throughout the reporting period;
  - c) Obtained and read the Register of Directors as on March 31, 2023 and verified that at least one independent woman director was on the Board of Directors throughout the year;
  - d) Obtained and read the minutes of the following committee meetings / other meetings held from April 01, 2022 to March 31, 2023:
    - i. Board of Directors;
    - ii. Audit Committee;
    - iii. Annual General Meeting (AGM);
    - iv. Nomination and Remuneration Committee;
    - v. Stakeholders Relationship Committee;
  - e) Obtained necessary declarations from the directors of the Company
  - f) Obtained and read the policy adopted by the company for related party transactions.

- g) Obtained the schedule of related party transactions during the year and balances at the year-end. Obtained and read the minutes of the audit committee meeting wherein such related party transactions have been pre-approved by the audit committee.
- h) Performed necessary inquiries with the management and also obtained necessary specific representations from management.
- 8. The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

#### **Opinion**

- 9. Based on the procedures performed by us, as referred in paragraph 7 above, and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations, as applicable for the year ended March 31, 2023, referred to in paragraph 4 above.

#### **Other Matters and Restriction on use**

- 10. This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.
- 11. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

**For Lodha & Co,  
Chartered Accountants  
Firm ICAI Registration No.:301051E**

Place: Kolkata  
Date: August 14, 2023

**R. P. Singh  
Partner  
Membership No: 052438  
UDIN: 23052438BGXSD05496**

**REMUNERATION POLICY OF MCLEOD RUSSEL INDIA LIMITED****ANNEXURE IV****PREAMBLE**

Section 178 of the Companies Act, 2013 requires every Listed Company and certain other class of Companies to adopt a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees. The Nomination and Remuneration Committee set up, pursuant to above Section is to formulate the criteria for determining qualifications and positive attributes and independence of a Director and recommend to the Board the above Policy for adoption. SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 ('Listing Regulation') also contains a similar provision. Additionally it requires, a Policy on Board diversity. The Company is also required to disclose the Remuneration Policy in its Annual Report.

**2. POLICY**

In compliance of the above requirements the Board of Directors of McLeod Russel India Limited ('MRIL'), being a Listed Company, has adopted this Remuneration Policy which would be reviewed at regular intervals by the Nomination and Remuneration Committee of the Board.

**3. POLICY OBJECTIVES**

The aims and objectives of the Policy may be summarised as under:-

- 3.1 The Remuneration Policy aims to enable the company to attract, retain and motivate appropriately qualified Persons/Members for the Board and Executive level.
- 3.2 The Remuneration Policy seeks to enable the Company to provide a well-balanced and performance related compensation package, taking into account Shareholder interests, industry standards and relevant Indian corporate regulations.
- 3.3 The Remuneration Policy seeks to ensure that the interests of the Board Members and Executives are aligned with the business strategy and risk tolerance, objectives, values and long-term interests of the Company and will be consistent with the "pay-for-performance" principle.
- 3.4 The Remuneration Policy will ensure that the remuneration to Directors and Executives involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

**4 PRINCIPLES OF REMUNERATION**

- I. TRANSPARENCY:** The process of remuneration management shall be transparent, unbiased and impartial and conducted in good faith and in accordance with appropriate levels of confidentiality.
- II. PERFORMANCE DRIVEN REMUNERATION:** The Company should follow the culture of performance driven remuneration by way of implementation of performance incentive system and annual assessment.
- III. AFFORDABILITY AND SUSTAINABILITY:** The Company shall ensure that the remuneration at various levels is affordable and is capable of being sustained.
- IV. FLEXIBILITY:** While the remuneration packages at various levels should be standardized, there should be enough scope to make it flexible with a view to reward candidates with exceptional qualities and competence.
- V. INTERNAL EQUITY:** The Company shall strive to remunerate the Board Members and other Executives in terms of their roles and responsibilities undertaken within the Organisation. Their contribution and value addition for the growth of the Company shall be counted while fixing their remuneration and subsequent promotion. The same principle shall also be observed for other Executives.
- VI. EXTERNAL EQUITY:** With a view to retain the best talents, the Company shall on a continuous basis procure information relating to market trend of remuneration packages being offered by various Companies in the same sector and try to match the remuneration accordingly.
- VII. NON-MONETARY BENEFITS:** The Company may consider extending certain Non-monetary Benefits with a view to offer social security to the families of the present and the past employees of the Company.

**5 REMUNERATION FOR DIRECTORS IN WHOLETEIME EMPLOYMENT**

The Board of Directors subject to the approval of the Shareholders at a General Meeting approves the remuneration payable to the Wholetime Directors and Managing Director ('Executive Directors') based on the recommendation of the Nomination and Remuneration



Committee. Executive Directors' remuneration is reviewed annually against performance, keeping in view the size and complexity of business and challenges encountered during the period under review. In determining packages of remuneration, the Committee may consult the Chairman and/or external agencies. The remuneration package of the Executive Directors shall comprise of the following components.

- a) **Basic Salary:** The basic salary shall be fixed within a salary grade which allows the Board to grant increments within a time frame of three years.
- b) **Bonus:** The Executive Directors may be granted bonus not exceeding 6 months' salary in a year, as may be approved by the Board.
- c) **Allowance:** In addition to basic salary, the Board may subject to/pursuant to the approval of the shareholders at a general meeting, grant fixed and/or variable Allowance/Allowances to the Executive Directors as the Board may deem fit.
- d) **Perquisites:** The perquisites to be offered to the Executive Directors shall include housing, car, medical, leave travel concession, leave encashment, club fees and other perquisites in terms of the Rules framed by the Nomination and Remuneration Committee for the Directors and/or the Rules applicable to the Senior Executives of the Company.
- e) **Retiral benefits:** The Executive Directors will be entitled to retiral benefits in terms of the Company's Policy for the Senior Management which will be in accordance with the applicable laws.
- f) **Sitting Fees:** The Executive Directors will not be entitled to any fee for attending the Meetings of the Board of Directors and Committees thereof.

## **6 REMUNERATION OF NON- EXECUTIVE DIRECTORS**

- I. **Sitting Fees:** The Non-Executive Directors shall be paid Sitting Fees for attending the Board and Committee Meetings as may be approved by the Board based on the recommendation of the Nomination and Remuneration Committee subject to the ceiling fixed in the Articles of Association of the Company and the Companies Act, 2013. They will also be reimbursed travelling and out of pocket expenses on actual basis for attending the meetings.
- II. **Commission:** Subject to the approval of the Members at a General Meeting, the Board may decide to pay commission on net profits to the Non- Executive Directors subject to the ceiling stipulated in the Companies Act, 2013.

## **7 REMUNERATION OF KEY MANAGERIAL PERSONNEL AND OTHER EXECUTIVES**

The Human Resource Department of the Company shall follow the principles of remuneration stated hereinabove while deciding on the remuneration structure of the Key Managerial Personnel who are not Directors and for other Executives of the Company.

## **8 ROLE OF NOMINATION AND REMUNERATION COMMITTEE**

The role and responsibilities of the Nomination and Remuneration Committee shall be as prescribed in Section 178 of the Companies Act, 2013 and the Listing Regulation.

## **9 SELECTION OF BOARD MEMBERS**

- 9.1 Nomination of a suitable person for appointment as a Director is a major responsibility of the Nomination and Remuneration Committee. The objective is to ensure that the Company's Board is competent at all points of time to be able to take decisions commensurate with the size and scale of operations and complexities of business. The Committee is to promptly identify candidates in the event of a vacancy being created on the Board on account of retirement, resignation or demise of an existing Board member. Based on the recommendations of the Committee, the Board, after due consideration decides on the selection of the right candidate for appointment.
- 9.2 While considering nomination of candidates for appointment on the Board, the Nomination and Remuneration Committee will consider candidates not only from the field in which the Company operates but also from other professional areas like management, finance, accountancy, law, banking, merchant banking, etc., with the objective of maintenance of Board diversity. The Committee shall also consider the following qualifications like possessing basic academic qualification, requisite knowledge, experience and business skills that will benefit the Company and its business operations.
- 9.3 At the time of considering the candidates for appointment as Director the criteria for determining positive attributes shall inter alia include the following :-

Achiever, constructive, creative, decisive, deliberative, devoted, diligent, disciplined, dynamic, enterprising, focused, result oriented, self confident, sees the whole picture.

- 9.4 While considering candidates for appointment as an Independent Director, the Nomination and Remuneration Committee shall consider the criteria for determining independence of a candidate as provided in Section 149(6) of the Companies Act, 2013 and the Rules made thereunder as also in the Listing Regulation.

## **10 APPROVAL AND PUBLICATION**

This Remuneration Policy has been adopted by the Board of Directors based on the recommendation of the Nomination and Remuneration Committee. The particulars of the Policy shall be published in the Report of the Board of Directors in terms of the Companies Act, 2013.

## **11 OTHER PROVISIONS**

Any matter not provided for in this Policy shall be dealt with in accordance with the provisions in the Articles of Association of the Company, relevant state laws and other applicable laws and regulations. The right to interpret this Policy shall vest in the Board of Directors of the Company.

**SECRETARIAL AUDIT REPORT****ANNEXURE V**

FOR THE FINANCIAL YEAR ENDED 31.03.2023

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To  
The Members,  
McLeod Russel India Limited  
Four Mangoe Lane  
Surendra Mohan Ghosh Sarani  
Kolkata - 700 001, West Bengal

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **McLeod Russel India Limited** having its Registered Office at Four Mangoe Lane, Surendra Mohan Ghosh Sarani, Kolkata - 700 001, West Bengal (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended 31.03.2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

**Auditors' Responsibility**

Maintenance of Secretarial Records is the responsibility of the management of the Company. Our responsibility is to express an opinion on existence of adequate Board process and compliance management system, commensurate to the size of the Company, based on these secretarial records as shown to us during the said audit and also based on the information furnished to us by the officers' and the agents of the Company during the said audit.

We have followed the audit practices and processes as were appropriate to the best of our understanding to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.

We have not verified the correctness, appropriateness and bases of financial records, books of accounts and decisions taken by the Board and by various committees of the Company during the period under scrutiny. We have checked the Board process and compliance management system to understand and to form an opinion as to whether there is an adequate system of seeking approval of respective committees of the Board, of the Board, of the members of the Company and of other authorities as per the provisions of various statutes as mentioned hereinafter.

Wherever required we have obtained the management representation about the compliance of the laws, rules and regulations and happening of events, etc.

The Compliance of the provisions of Corporate and other applicable laws, rules, regulations and standards is the responsibility of the management. Our examination was limited to the verification of compliance procedures on test basis.

Our report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness or accuracy with which the management has conducted the affairs of the Company.

**We report that**, we have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31.03.2023 according to the provisions of (as amended) :

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) Secretarial Standards as issued by The Institute of Company Secretaries of India;
- (iii) The Securities Contracts (Regulation) Act, 1956 and the rules made there under;
- (iv) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (v) Foreign Exchange Management Act, 1999 and the rules and regulation made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

- (vi) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992:
- The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 2011;
  - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

**We further report that,** having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has specifically complied with the provisions of the following Acts:

- Food Safety and Standards Act, 2006
- Tea Act, 1953
- Tea Waste Control Order, 1959
- Tea (Marketing) Control Order, 2003
- Tea (Distribution & Export) Control Order, 2005
- Plant Protection Code (Formulated by Tea Board of India)
- Plantations Labour Act, 1951

to the extent of its applicability to the Company during the financial year ended 31.03.2023 and our examination and reporting is based on the documents, records and files as produced and shown to and the information and explanations as provided to us by the Company and its management and to the best of our judgment and understanding of the applicability of the different enactments upon the Company. Further, to the best of our knowledge and understanding there are adequate systems and processes in the Company commensurate with its size and operation to monitor and ensure compliances with applicable laws.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above.

During the period under review, provisions of the following regulations / guidelines / standards were not applicable to the Company:

- The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
- The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation, 2018; and
- The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021.

**We further report that:**

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place, if any, during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.
- There are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that:**

- The Company was under Corporate Insolvency Resolution Process ("CIRP") pursuant to order dated 10th February, 2023 passed by Hon'ble National Company Law Tribunal, Kolkata Bench, Court II, Kolkata. The power of the Board of Directors of the Company had been suspended and such powers were vested with the Interim Resolution Professional (IRP) who had since taken control of the management of the Company. However, the Hon'ble National Company Law Appellate Tribunal, Principal Bench, New Delhi ("NCLAT") vide its Order dated 15th May, 2023 has taken on record the Settlement Agreement between the parties and has closed the CIRP initiated by the aforesaid order. Subsequently, the suspension of the Board of Directors of the Company has been re-stored and IRP has been discharged from his functions.

- (b) During the financial year under review, the Company had paid remuneration to the Managing Director (MD) and Whole-time Director (WTD) as approved by the shareholders through special resolution at the Annual General Meeting (AGM) of the Company held on 30th December, 2020. The Company prior to the AGM had made applications to the Banks and Financial Institutions for their approval with regard to payment of the aforesaid remuneration in accordance with the provisions of Schedule V to the Act. Subsequently, majority of the lenders at their consortium meeting have granted an in-principle approval for the same and no objections were raised by any of the lenders. Based on a legal opinion obtained from an independent legal firm in the aforesaid matter, the Company had made necessary adjustments in the books of accounts for remuneration paid to MD and WTD for the period from 1st April, 2020 to 31st March, 2023.
- (c) The term of Managing Director expired on 31st March, 2023 and his re-appointment could not be made since the Company was under CIRP. However, post withdrawal of CIRP with effect from 15th May, 2023; he has been appointed as MD at the Board Meeting held on 17th May, 2023.
- (d) The Company being under CIRP, no separate meeting of Independent Directors could be held during the financial year under review.
- (e) All the banking lenders have signed/executed an Inter Creditor Agreement ('ICA') to provide for ground rules for finalization and implementation of Resolution Plan in respect of borrower/Company pursuant to the provisions of The Reserve Bank of India ("RBI") circular no. RBI/2018-19/203 DBR.No.BP.BC.45/21.04.048/2018-19 dated 07th June 2019 issued directions for 'Prudential Framework for Resolution of Stressed Assets'.
- (f) Certain transactions involving amounts given to group companies during the financial year ended 31st March, 2019 for which applicability of Section 185 could not be ascertained still stands outstanding as on 31st March, 2023. As reported by the management, the matter is under examination and pending before regulatory authorities.
- (g) During the financial year under review, the Company had entered into an exclusivity agreement with Carbon Resources Private Limited to exclusively discuss, negotiate and evaluate a mutually agreeable mechanism for monetization of identified assets of the Company ("Proposed Asset Sale") for one-time settlement of the debt owed by the Company to its identified lenders, pursuant to a debt resolution process to be undertaken by the Lenders as per the Reserve Bank of India's Prudential Framework for Resolution of Stressed Assets dated June 7, 2019.
- (h) The status of the Company is shown as 'Suspended' at the Calcutta Stock Exchange site. As informed by the management, the Company is in process of application for revocation of suspension.
- (i) The Company is in process of getting registered under TReDS (Trade Receivables Discounting System) platform set up as per the notification of the Reserve Bank of India.
- (j) The Company is in compliance with Regulations 3(5) and 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015 and has a Structured Digital Database in place.

**For A. K. LABH & Co.**  
**Company Secretaries**  
**( CS A. K. LABH )**

**Practicing Company Secretary**  
**FCS : 4848 / CP No. : 3238**  
**UIN : S1999WB026800**  
**PRCN : 1038/2020**  
**UDIN : F004848E000796067**

**Date : 14th August, 2023**  
**Place : Kolkata**

## Conservation of energy, technology absorption, foreign exchange earnings and outgo

[Pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of Companies (Accounts) Rules, 2014.

### (A) Conservation of energy

During the year, the Company has taken various initiatives towards upgradation and modernisation of equipments and machineries at different tea estates of the Company which have directly or indirectly resulted in conservation of energy. The Company has installed Colour sorters at different estates of the Company to encourage efficiency and conservation of energy.

During the year under review the Company has incurred capital expenditure of Rs.3.25 lakhs on various plant and machinery in its tea estates inter alia for conservation of energy. The Company makes persistent effort to explore ways to conserve energy and use alternative sources of energy. The Company is making steady development in this direction and the Company expects that further improvement towards conservation of energy could be seen in the future.

### (B) Technology absorption

#### (i) the efforts made towards technology absorption

Modernisation and upgradation of equipments and machines is a continuous process for the Company to enhance efficiency of operations, productivity and conservation of energy. Advanced technologies and improved machineries and equipments are installed at various tea estates for improving efficiency and productivity. The Company is also investing in plucking machines and plucking sheers to mitigate the problem of shortage of pruning and pluckers at various tea estates. During the year, advanced machines such as Colour Sorters had been installed at various tea estates as a part of the continuous endeavour of the Company to upgrade technology. Face recognition system for recording attendance was undertaken on thirteen estates to improve attendance at work. The Company conducts various workshops and interactive group discussions regularly duly complimented by efficient training of staff with specific approach towards improvement of efficiency. The Company in its own interest encourages and values innovative achievements of the operating people in the agriculture and manufacture of tea. The Company also uses Vermi-wash, Vermicompost, Bio Humic Spray (BHS) and Indigenous Technical Knowledge (ITK) for improving the organic status of the soil and plant nutrition.

#### (ii) the benefits derived like product improvement, cost reduction, product development or import substitution

The adoption of improved technology, regular upgradation, modernisation of equipments, conducting various workshops and implementation of organic technologies help in improving the yield and quality of tea. The Company is a major exporter of tea from India.

#### (iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)

The Company did not import any technology during the last three financial years.

#### (iv) the expenditure incurred on Research and Development.

Expenditure on Research & Development	2022-23	2021-22
Capital Expenditure	Nil	Nil
Revenue Expenditure*	164.76	173.20
<b>Total</b>	<b>164.76</b>	<b>173.20</b>

\* Revenue expenditure on Research & Development represents subscription to Tea Research Association.

### (C) Foreign exchange earnings and Outgo

The total foreign exchange earnings during the year in terms of actual inflows was about Rs. 29232.33 Lakhs and the foreign exchange outgo during the year in terms of imports was about Rs.139.15Lakhs.

**McLeod Russel India Limited**

**Date : 14th August, 2023**  
**Place : Kolkata**

**Aditya Khaitan**  
**Chairman & Managing Director**  
**DIN: 00023788**



## Remuneration and other specified Particulars of Employees

### Part A : Information pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

(i) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year;	Name	Ratio of Remuneration of each Director to Median Remuneration of the following categories for the financial year 2022-23	
		All Employees	Executive Grade Employees
	<b>Non-Executive Directors</b>		
	Mr. Amritanshu Khaitan	7.23	0.50
	Mrs. Arundhuti Dhar	5.30	0.37
	Mr. Raj Vardhan	6.26	0.44
	Mr. Suman Bhowmik	10.12	0.71
	Mr. Sanjay Ginodia	0.96	0.07
	Mrs. Rupanjana De	-	-
	<b>Executive Directors</b>		
	Mr. Aditya Khaitan - Managing Director	373.57	26.04
	Mr. Azam Monem - Whole Time Director	172.92	12.05
(ii) The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary in the financial year	<p>The Non - Executive Directors have only received the sitting fee for attending meetings during the Financial Year 2022-23. Three Meetings during the said Financial Year was conducted by the IRP as mentioned elsewhere in the report, due to which there has been a decrease in number of board meetings held by the Board of Directors of the Company.</p> <p>There has been no increase in the remuneration of Managing Director and Wholetime Director. However, during the financial year, the percentage increase in remuneration of Chief Financial Officer is 2.19% and Company Secretary is 5.42% which excludes some changes in reimbursable expenses.</p> <p>The Non-executive Directors have only received sitting fees for attending Meetings during 2022-23.</p>		
(iii) The percentage increase/decrease in the median remuneration of the employees in the financial year	During the said financial year, there was an increase of 30.78 % in the median remuneration of employees on the rolls as at 31st March 2023		
(iv) The number of permanent employees on the rolls of Company as on 31st March 2023	46,532		
(v) Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	During the said financial year, there was an increase of 12.40% in the median remuneration of employees on the rolls as at 31st March 2023.		
(vi) Affirmation that the remuneration is as per the Remuneration Policy of the Company.	It is hereby affirmed that the remuneration paid to the Directors, Key Managerial Personnel and other employees is as per the Remuneration Policy of the Company.		

**Part B: Statement of Disclosure pursuant to Section 197 of the Companies Act, 2013 (Read with Rule 5(2) and 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

(i) Names of top ten employees in terms of remuneration drawn during the financial year 2022-23:-

Name	Designation	Remuneration received (in Rs. lakhs)#	Nature of employment, whether contractual or otherwise	Qualifications and experience of the employee	Date of commencement of employment	Age (years)	The last employment held before joining the Company	The percentage of equity shares held	Whether any such employee is a relative of any Director or Manager of the Company and if so, name of such Director or Manager
Aditya Khaitan	Managing Director	310.20	In Whole time employment as per contract	B.Com (Hons); 30 years	01.04.2005	55	N.A.	0.0165	Late Mr. B.M. Khaitan - Father
Azam Monem	Whole Time Director	143.58	-do-	B.Com (Hons); 42 years	01.04.2005	63	Eveready Industries India Limited, Senior Vice-president	0.0005	No
Pradip Bhar	Chief Financial Officer	90.02	Permanent Employment	B.Com (Hons), FCA, AICWA; 43 years	01.01.2012	66	D1 Williamson Magor Bio Fuel Limited, Managing Director	0.0000	No
Subhra Giri Patnaik	Vice-President (Legal & Secretarial)	44.64	Permanent Employment	FCS, 25 years	01.11.2019	48	Electro steel Castings Ltd.	0.0000	No
Vijay Simha Jagannath	Vice-President (Marketing)	29.21	Permanent Employment	B. Com (Hons): 29 years	17.01.2006	52	J.Thomas & Co Pvt. Ltd	0.0000	No
Kavita Khaitan	General Manager (Operation and Administration)	27.64	Permanent Employment	Graduate (Hons), 18 years	15.11.2021	56	Director of Prana Lifestyle Private Limited	3.83	Wife of Aditya Khaitan (Managing Director)
Pallav Borgohain	Manager	23.20	Permanent Employment	MSc in Chemistry, 33 years	05.06.1990	56	N.A.	0.0000	No
Tridib Majumdar	Deputy General Manager (Taxation)	22.42	Permanent Employment	B. Com (Hons), 25 years	01.04.2008	52	B. Bagaria & Co.	0.0000	No
Alok Kumar Samant	Company Secretary	22.14	Permanent Employment	FCS and LLB, 19 years	16.03.2020	47	Duncan Tea Limited	0.0000	No
Shantanu Das	Deputy General Manager (Information Technology)	22.10	Permanent Employment	BSc, 26 years	02.05.1997	51	N.A.	0.0000	No

# Remuneration received includes salary, allowances and monetary value of other perquisites computed as per Income Tax Act, 1961 and Rules thereunder excluding Company's contribution to retirement funds, etc.

**Information pursuant to Rule 5(2) of Chapter XIII of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

- (II) Names of other employees who are in receipt of aggregate remuneration of not less than rupees One crore two lakhs per annum or not less than rupees eight lakh and fifty thousand per month (if employed for part of the FY 22-23):- Nil
- (III) There was no employee in the Company, whether employed throughout or part of the financial year 2022-23, who has drawn remuneration in excess of that drawn by the Managing Director or Whole Time Director and holds along with spouse and dependent children not less than two per cent of the equity share capital of the Company.

**For and on behalf of the Board of Directors**

**Aditya Khaitan**  
**Chairman and Managing Director**  
**DIN: 00023788**

**Date : 14th August, 2023**  
**Place : Kolkata**

**ANNUAL REPORT ON CSR ACTIVITIES**
**ANNEXURE VIII**

[Pursuant to Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended.]

**1. Brief outline on CSR Policy of the Company**

Your Company is conscious of its social responsibilities and the environment in which it operates. The Company continues its welfare activities in the field of education, health, creation of livelihood and other welfare activities to improve the general standard of living in and around the area where the Company operates with special emphasis on the environment which surround the units of the Company and thereby enriching the Society. The Policy was last amended by the Board on 12th November 2021 to be aligned with applicable regulatory changes.

**2. Composition of Corporate Social Responsibility Committee :**

Name of Directors	Category	No. of Meetings	
		Held during the year***	Attended
Mr. Azam Monem, Chairperson*	Whole time Director		
Mr. Aditya Khaitan	Managing Director		
Mrs. Arundhuti Dhar**	Non-Executive & Independent		

\*Ceased to be a Director w.e.f. 01st April 2023.

\*\* Ceased to be a Director w.e.f. 01st October 2022

\*\*\*As mentioned elsewhere in the report, due to initiation of CIRP, the meeting scheduled to be held in the month of February 2023 could not be held and post withdrawal of CIRP the meeting was held on 30th May 2023.

The Committee was reconstituted post withdrawal of CIRP and comprises of Mr. Aditya Khaitan, Executive Director, Mr. Sanjay Ginodia and Ms. Rupanjana De, Independent Directors. Mr. Aditya Khaitan is the Chairperson of the Committee.

**3. The web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company are provided below:**

Composition of CSR Committee	<a href="https://www.mcleodrussel.com/investors/board-committees.aspx">https://www.mcleodrussel.com/investors/board-committees.aspx</a>
CSR Policy	<a href="https://www.mcleodrussel.com/pdf/investor/policies/csr-policy.pdf">https://www.mcleodrussel.com/pdf/investor/policies/csr-policy.pdf</a>
CSR Projects/Activities	Not Applicable

**4. Details of impact assessment of CSR projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable: Not Applicable.**

5. (a) Average net profit of the company as per section 135(5) of the Companies Act, 2013: Rs. (9888.39) lakhs
- (b) Two percent of average net profit of the company as per section 135(5)- Nil
- (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.- NA
- (d) Amount required to be set off for the financial year, if any- NA
- (e) Total CSR obligation for the financial year (5b+5c- 5d). - NA

**6. (a) CSR amount spent or unspent for the financial year :**

		Amount Unspent			
Total Amount Spent for the Financial Year (Rs. in Lakhs)	Total Amount transferred to Unspent CSR Account as per section 135(6)	Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)			
	Amount (Rs. In Lakhs)	Date of transfer	Name of the Fund	Amount (Rs. In Lakhs)	Date of transfer
Not Applicable					

**(b) Details of CSR amount spent against ongoing projects for the financial year:**

Sl. No	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project	Project duration (in years)	Amount allocated for the project (Rs. in Lakhs)	Amount spent in the current financial year (Rs. in Lakhs)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (Rs. in Lakhs)	Mode of Implementation - Direct (Yes/ No)	Mode of Implementation - Through Implementing Agency	
				State	District					Name	CSR Registration Number
Not Applicable											

**(c) Details of CSR amount spent against other than ongoing projects for the financial year:**

Sl. No	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project	Amount spent for the project (Rs. in Lakhs)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
			State	District			Name	CSR Registration Number
Not Applicable								

- (d) Amount spent in Administrative Overheads- Not Applicable
- (e) Amount spent on Impact Assessment, if applicable- Not Applicable
- (f) Total amount spent for the Financial Year (6b+6c+6d+6e)- Not Applicable
- (g) Excess amount for set off, if any- Not Applicable

**7. (a) Details of unspent CSR amount for the preceding three financial years:**

Sl. No	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135(6)	Amount spent in the reporting financial year	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any			Amount remaining to be spent in succeeding financial years
				Name of the Fund	Amount	Date of transfer	
Not Applicable							

**(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):**

Sl. No	Project Id	Name of the Project	Financial Year in which the project was commenced	Project Duration	Total Amount allocated for the Project (In Rs.)	Amount spent on the Project in the reporting Financial Year (In Rs.)	Cumulative amount spent at the end of reporting financial year (in Rs.)	Status of the project - Completed / Ongoing
Not Applicable								



**8. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).**

- (a) Date of creation or acquisition of the capital asset(s)-NA
- (b) Amount of CSR spent for creation or acquisition of capital asset. - NA
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.-NA
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). -NA

**9. Specify the reason(s), if the Company has failed to spend two percent of the average net profit as per Section 135(5) :**

In terms of the requirements of Section 135 of the Companies Act, 2013 and Rules made thereunder, the Company was not required to spend on CSR activities during the financial year ended 31st March, 2023 since the Company had no average net profits during the three immediately preceding financial years.

**For and on behalf of the Board of Directors**

**Date : 14th August, 2023**  
**Place : Kolkata**

**Aditya Khaitan**  
**Managing Director and**  
**Chairman of CSR Committee**  
**DIN: 00023788**

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

**To,**  
**The Members of**  
**McLeod Russel India Limited**  
 Four Mangoe Lane  
 Surendra Mohan Ghosh Sarani  
 Kolkata – 700 001  
 West Bengal

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **McLeod Russel India Limited** having CIN : L51109WB1998PLC087076 and having registered office at Four Mangoe Lane, Surendra Mohan Ghosh Sarani, Kolkata - 700 001, West Bengal (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority:

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Aditya Khaitan	00023788	16.02.2005
2.	Azam Monem	00023799	16.02.2005
3.	Amritanshu Khaitan	00213413	31.03.2015
4.	Rupanjana De	01560140	30.12.2022
5.	Sanjay Ginodia	07781746	14.11.2022
6.	Raj Vardhan	08513917	19.07.2019
7.	Suman Bhowmik	08514585	19.07.2019

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This Certificate has been issued relying on the documents and information as mentioned herein above and as were made available to us or as came to our knowledge for verification without taking any cognizance of any legal dispute(s) or sub-judice matters which may have effect otherwise, if ordered so, by any concerned authority(ies). This certificate is also neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**Note:**

1. The Company was under Corporate Insolvency Resolution Process ("CIRP") pursuant to order dated 10th February, 2023 passed by Hon'ble National Company Law Tribunal, Kolkata Bench, Court II, Kolkata. The power of the Board of Directors of the Company had been suspended and such powers were vested with the Interim Resolution Professional (IRP) who had since taken control of the management of the Company. However, the Hon'ble National Company Law Appellate Tribunal, Principal Bench, New Delhi ("NCLAT") vide its Order dated 15th May, 2023 has taken on record the Settlement Agreement between the parties and has closed the CIRP initiated by the aforesaid order. Subsequently, the suspension of the Board of Directors of the Company has been re-stored and IRP has been discharged from his functions.

**Signature** :  
**Name** : **CS Atul Kumar Labh**  
**Membership No.** : **FCS 4848**  
**CP No.** : **3238**  
**PRCN** : **1038/2020**  
**UIN** : **S1999WB026800**  
**UDIN** : **F004848E000796089**

**Place : Kolkata**  
**Date : 14th August, 2023**

## **INDEPENDENT AUDITORS' REPORT**

### **To the Members of McLeod Russel India Limited Report on the Audit of the Standalone Financial Statements**

#### **Adverse Opinion**

We have audited the accompanying Standalone financial statements of McLeod Russel India Limited (hereinafter referred to as the "Company"), which comprise the balance sheet as at March 31, 2023, the statement of profit and Loss, statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (hereinafter referred to as the "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, due to the significance of the matters described in the Basis for Adverse Opinion section below, the aforesaid financial statements do not give the information required by the Companies Act, 2013 ("the Act") in the manner so required and also does not give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act ('Ind AS') and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its loss, other comprehensive Income, cash flow and the changes in equity for the year ended on that date.

#### **Basis for Adverse Opinion**

Attention is invited to the following notes of the financial statements :

- a) Note no. 58(a) dealing with Inter Corporate Deposits (ICDs) aggregating Rs. 2,86,115.45 lakhs (including Interest of Rs. 9,941.50 lakhs accrued till March 31, 2019) as on March 31, 2023 given to certain companies which are doubtful of recovery and considering recoverability etc. are prejudicial to the interest of the company. Provision of Rs. 1,01,039.50 lakhs (including Rs. 9,097.34 lakhs provided in earlier years) has been made against this till March 31, 2023. In absence of provision against the remaining amount, the loss for the year is understated to that extent. Impacts in this respect have not been ascertained by the management and recognised in the financial statements;
- b) Note No. 36.2 regarding non-recognition of Interest of Rs. 9,185.82 lakhs (Including Rs. 2,469.03 lakhs for the year) on Inter Corporate Deposits taken by the company and thereby the loss for the year is understated to that extent and non-determination of interest and other consequential adjustments/disclosures in absence of relevant terms and conditions and details in respect of certain outstanding advances being so claimed by customer included in said note. Further, as stated in Note no. 59(b), penal/compound interest and other adjustments in respect of borrowings from lenders/banks/financial institution have not been recognised and amount payable to lenders, banks and financial institutions as recognised in the financial statement are subject to confirmation from respective parties and consequential reconciliation. Pending final determination of amounts with respect to these, adjustments and impacts arising therefrom have not been ascertained and as such cannot be commented upon by us;
- c) Note no. 57 of the financial statements regarding non-determination/ recognition of amount payable in respect of claims made pursuant to shortfall undertaking executed between the company and debenture holders in respect of the debentures issued by certain group companies as dealt with in the said note and Note no. 18.2 dealing with company's obligation in respect of the settlement arrived at with a corporate lender in earlier year. Pending finalisation of terms and condition with respect to the company's obligations in respect of settlement arrived at with the parties, adjustments required in this respect are currently not ascertainable and as such cannot be commented upon by us; and
- d) Note no. 60 regarding non reconciliation/ disclosure of certain debit and credit balances with individual details and confirmations etc. including borrowings and interest thereupon dealt with in Note no. 59. Adjustments/ Impacts/disclosures with respect to these are currently not ascertainable and as such cannot be commented upon by us;
- e) As stated in Note no. 58(b) of the financial statements, the predecessor auditor pertaining to financial year ended March 31, 2019 in respect of loans included under paragraph (a) above have reported that it includes amount given to group companies whereby applicability of Section 185 could not be ascertained and commented upon by them. They were not able to ascertain if the aforesaid promoter companies could, in substance, be deemed to be related parties to the Company in accordance with paragraph 10 of Ind AS-24 "Related Party Disclosures". Further certain ICDs as reported were in nature of book entries and/or are prejudicial to the interest of the company. Moreover, in case of advance to a body corporate as stated in Note no. 18.3 which has now been fully provided, appropriate audit evidences were not made available to them. These amounts are outstanding as on this date and status thereof have remained unchanged and uncertainty and related concerns including utilization thereof and being prejudicial to the interest of the company are valid for periods subsequent to March 31, 2019 including current year also. The promoter companies have not been considered as related parties and therefore transactions and outstanding from them have not been disclosed separately in the financial statements. As represented by the management, the parties involved are not related parties requiring disclosure in terms of said accounting standard and provisions of Companies act 2013 and concerns expressed as above are not relevant and as such inconsequential to the company. The matter as reported is under examination and pending before regulatory authorities. Pending final outcome of the matter under examination we are unable to ascertain the impact of non-compliances and comment on the consequential impact thereof.

We conducted our audit in accordance with Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditors' 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 and provisions of the Companies Act, 2013 that are relevant to our audit of the financial statements in India under the Companies Act, 2013, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics and the requirements under the Companies act, 2013. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse opinion.

### Material Uncertainty Related to Going Concern

Attention is drawn to Note no. 59(a) of the financial statements dealing with going concern assumption for preparation of the accounts of the Company. The Company's current liabilities exceeded its current assets. The matters forming part of and dealt with under Basis for Adverse Opinion Section of our report may have significant impact on the net worth of the company. Loans given to promoter group and certain other companies have remained unpaid. Amount borrowed and interest thereupon could not be repaid as stipulated and other obligations could not be met as well due to insufficiency of resources. These conditions indicate the existence of a material uncertainty about the Company's ability to continue as a going concern. However, the financial statement of the Company due to the reasons stated in the said Note has been prepared by management on going concern basis, based on the management's assessment of the expected successful outcome of the steps and measures including those concerning restructuring/reduction of borrowings and interest thereon in terms of resolution process under considerations of lenders and other proposals under evaluation as on this date. The ability to continue as a going concern is dependent upon completion of resolution process and/or settlement and implementation of other measures so that to bring down the debt to a sustainable level and in the event of the management's expectation in this respect and estimation etc., not turning out to be true, validity of assumption for going concern and possible impact thereof including on carrying value of tangible and intangible assets even though expected to be material, as such presently cannot be commented upon by us. Our opinion is not modified in respect of this matter.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Adverse Opinion section of our report, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matters	Addressing the Key audit Matters
<b>Valuation of Biological Assets, Agricultural produce and Finished goods</b>	
<p>Biological assets of the Company comprising of unharvested green tea leaves on tea bushes and the agricultural produce comprising of harvested green leaves are valued at fair value less cost to sell at the point of harvest. Unharvested tea leaves on tea bushes at the year end are determined on the basis of normal cycle for plucking.</p> <p>In respect of harvested or unharvested green leaves, since there is no active market for own leaves, estimates are used by management in determining the valuation.</p> <p>Finished goods produced from agricultural produce i.e. Black Tea are valued at lower of cost arrived at by adding the cost of conversion to the fair value of agricultural produce and the net realisable value.</p> <p>The principal assumptions and estimates in the determination of the fair value include assumptions with respect to production cycle, yields, prices of green leaf purchased from third parties and the stage of transformation. These assumptions and estimates require careful evaluation by management.</p> <p>Given the nature of Industry these assets and valuation thereof are significant to the operation of the company.</p>	<p>Our Audit procedures based on which we arrived at the conclusion regarding reasonableness of valuation includes the following:</p> <ul style="list-style-type: none"> <li>● Obtaining an understanding of the production cycle, fair value measurement methodologies used and assessing the reasonableness and consistency of the significant assumptions used for determination and valuation thereof;</li> <li>● Evaluating the design and implementation of Company's controls concerning the valuation of biological assets and agricultural produce;</li> <li>● Assessing the basis, reasonableness and accuracy of adjustments made to prices of green leaves purchased from outside suppliers considering the quality differential of the Company's production.</li> <li>● Assessing the yields and cycle of production to analyse the stage of transformation considered for the determination and fair valuation of biological assets;</li> <li>● Due to multiple location of estates, it was not possible to participate in the physical verification of inventory and therefore, the following alternate procedures confirming the year end determination of Inventory were applied: <ul style="list-style-type: none"> <li>- In respect of the stock of Black Tea held at certain tea estates and warehouses services of Independent firm of Chartered Accountants were engaged for carrying out physical verification;</li> <li>- In respect of warehouses in Kolkata and Guwahati, we were present to overview the entire process being undertaken by Independent firm of Chartered Accountants;</li> <li>- In all other locations verifications were undertaken by the management;</li> <li>- We reviewed the reports submitted for the verification along with workings and supporting details and obtained reasons/explanation for variations observed with respect to book stock;</li> <li>- The stock at the year end were derived by rolling back the quantities of subsequent dispatches and production; and</li> </ul> </li> </ul>

Key Audit Matters	Addressing the Key Audit Matters
	<ul style="list-style-type: none"> <li>- Reliance has been placed on management's representation and evidences provided for subsequent production, dispatches and collections thereagainst.</li> <li>● We examined the valuation process/methodology and checks being performed at multiple levels with due recognition of principle of materiality to ensure that the valuation is consistent with and as per the policy followed in this respect.</li> </ul>
<b>Impairment of Property, Plant and Equipment (PPE), Capital Work in Progress (CWIP) and Intangible Assets (Note no. 4(a) of the Standalone financial statements)</b>	
<p>Evaluation of the impairment involves assessment of value in use of the Cash Generating Units (CGUs) and requires significant judgements and assumptions about the forecast for cash flows, production, volume of operations, prices and discount rate.</p> <p>The exercise requires assessment of fair valuation of tea estates and other items of property, plant and equipments</p> <p>This exercise has gained significance considering the available indicators under the current situation and circumstances amidst management's expected outcome of the resolution plan under consideration of the lenders and other conditions under which the company is operating.</p>	<p>Our Audit procedures based on which we arrived at the conclusion regarding reasonableness of Impairment includes the following:</p> <ul style="list-style-type: none"> <li>● Critical evaluation of internal and external factors impacting the entity and indicators of impairment (or reversal thereof) in line with Ind AS 38;</li> <li>● Reviewing the valuation report by independent technical consultants for arriving at value in use and fair value of various tea estates and other assets less cost to sale and necessary updation thereof by the management based on current indicators and prevailing situation and this being a technical matter, reliance has been placed on management's contention and representation in this respect;</li> <li>● Review of impairment valuation models used in relation to CGU to determine the recoverable amount and the key assumptions used by management in this respect including: <ul style="list-style-type: none"> <li>- Management's contention for restructuring the debt to make it sustainable and recoverability/restructuring of amount of loan given to various companies;</li> <li>- Consistency with respect to forecast for arriving at the valuation and assessing the potential impact of any variances;</li> <li>- Price assumptions used in the models; and</li> <li>- The assumptions/estimations for the weighted average cost of capital and rate of discount for arriving at the value in use.</li> </ul> </li> <li>● Reliance has been placed on management's assumptions for possible outcome vis-à-vis resolution plan under consideration of lenders.</li> </ul>
<b>Recognition of Deferred Tax Assets (Note no. 23.1 of the Standalone financial statements)</b>	
<p>Deferred tax Asset include MAT Credit Entitlement of Rs. 1,615.08 lakhs being carried forward in the Standalone financial statements as at March 31, 2023.</p> <p>Further, Deferred Tax Assets in respect of MAT Credit Entitlement amounting to Rs. 2,834.61 lakhs and on provision created against loans and advances including interest receivable pending determination of the amount thereof considering the principle of prudence has not been recognized in the Standalone financial statements. Deferred Tax estimated to be reversed during the tax holiday period has been ignored for the purpose computation.</p>	<p>Our Audit procedures based on which we arrived at the conclusion regarding reasonableness of the accounting effect and disclosures of the Deferred Tax Assets include the following:</p> <ul style="list-style-type: none"> <li>● Utilisation of Deferred tax assets have been tested on the basis of internal forecasts prepared by the Company and probability of future taxable income;</li> <li>● Critical review of the underlying assumptions for consistency for arriving at reasonable degree of probability on the matters;</li> <li>● Due consideration of principle of prudence especially amidst the Debt restructuring process and other group level restructuring and related uncertainties; and</li> <li>● Requirement of Ind AS 12 "Income Taxes" and application thereof and disclosures made in the financial statements for ensuring the compliances on the matter.</li> <li>● Reliance has been placed on management's assumptions for possible outcome vis-à-vis resolution plan under consideration of lenders.</li> </ul>

Key Audit Matters	Addressing the Key Audit Matters
<b>Going Concern Assumption (Note no. 59 of the Standalone financial statements)</b>	
<p>The Company's current liabilities have exceeded current assets by Rs. 2,61,718.83 lakhs as on March 31, 2023. Funds obtained by borrowing and utilized for providing funds to other companies have become unserviceable primarily due to non-repayment of outstanding amounts by those companies. Further, adjustments arising in respect of the matters dealt with under Basis for Adverse Opinion Section may have significant impact on the net worth of the company. The Company was unable to discharge its obligations for repayment of loans and settlement of financial and other liabilities.</p> <p>The availability of sufficient fund and the company's ability to continue meeting its financial, statutory and other obligations as and when falling due for payment are important for the going concern assumption and, as such, are significant aspects of our audit</p>	<p>Our audit procedures included testing management's assumptions on the appropriateness of the going concern assumptions and reasonableness of the assumptions used, focusing in particular the business projections of Company, restructuring of borrowings and ICD's given by the company and other sources of funding and among others, following procedures were applied in this respect:</p> <ul style="list-style-type: none"> <li>● Review of the Debt Restructuring process and steps so far taken by lenders in this respect which inter-alia includes approving Inter-Creditor Agreement, re-vetting of Techno Economic Viability (TEV) study, valuation of tea estates and other assets of the company. This includes review of: <ul style="list-style-type: none"> <li>- Core operations of the company and management expectation of sustainability thereof;</li> <li>- Minutes of the meetings of the Company with the consortium of lenders;</li> <li>- Compliances vis-a-vis debt covenants associated with loans obtained;</li> <li>- Consistency with respect to assumptions etc. for possible valuation of the business and tea estates, system and operating results and efficiencies and management's forecast and outlook; and</li> <li>- Management's report to gain an understanding of the various costs and realisations supporting the cash flow projections of the company and sustainability thereof.</li> </ul> </li> <li>● Placing reliance on management's assumptions and expectation of possible outcome of resolution plan under consideration of lenders; and</li> <li>● Review of disclosures made by the management in the financial statement to ensure compliances in this respect.</li> </ul>

#### Information Other than the Standalone Financial Statements and Auditors' Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Report of the Directors and the annexures thereto (namely Management Discussion and Analysis, Corporate Governance Report, Annual Report on CSR Activities, Form MGT - 9, Conservation of energy, technology absorption, foreign exchange earnings and outgo and remuneration and other specified particulars of employees) but does not include the Standalone financial statements and our auditors' report thereon. The other information as stated above is expected to be made available to us after the date of this Auditors' Report.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

#### Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs (financial position), Total Comprehensive Income (financial performance comprising of Profit/Loss and other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of



adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone 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.

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

### **Auditors' Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system with reference to financial statements in place and the operating effectiveness of such controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern; and
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

**Other Matters**

- We did not audit the financial statement/ information of one overseas office included in the financial results of the Company whose financial statement/financial information comprising of expenses to the extent of Rs. 2.48 lakhs has been incorporated therein based on Statement of Accounts audited by an Independent firm of Chartered Accountants. The impact in this respect is not material since this reflects total assets of Rs. 6.47 lakhs as at March 31, 2023 and the total revenue of Nil for the year ended on that date. Our opinion in so far as it relates to the amounts and disclosures included in respect of said office is based solely on the report of Chartered Accountant.
- As stated in Note no. 57, the company was under Corporate Insolvency and Resolution Process ('CIRP') from February 10, 2023 to May 17, 2023. There being possible obstructions in external movements at tea estate for non/ delay in payment etc. to workers our visits to garden and verification of primary records and details and exercise of obtaining assertions in respect of the transactions, balances of assets and liabilities at the garden by way of observation by physical presence as such could not be carried out. The related details have been verified on test basis with respect to garden returns, reconciliations and records available from system or otherwise at Head Office.
- Our opinion is not modified in respect of the above matters.

**Report on Other Legal and Regulatory Requirements**

- a) As regards to the matters to be inquired by the auditors in terms of Section 143(1) of the Act, we report that Inter corporate Deposits as stated in Para (a) of Basis for Our Adverse Opinion Section of this report due to reasons stated therein are prejudicial to the interest of the company. This includes ICDs aggregating to Rs. 77,575.00 Lakhs (included under Para (e) of Basis for Adverse Opinion) as reported by predecessor auditor which were initially given as capital advances in the earlier year and were subsequently converted to ICDs and had been considered by them to be in the nature of book entries and prejudicial to the interest of the company. These amounts are outstanding as on March 31, 2023. The matter as stated in Para (e) of Basis for Adverse Opinion Section of this report is under examination by relevant authorities and final outcome thereof is awaited as on this date
1. As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable that:
    - a) We have sought and except for the effects/ possible effects of the matters described in the Basis for Adverse Opinion section above obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid financial statements;
    - b) Except for the effects/ possible effects of the matters described in the Basis for Adverse Opinion section above, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, returns and the reports of the other auditors;
    - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the financial statements;
    - d) Due to the significance of the matters described in the Basis for Adverse Opinion section above, in our opinion, the aforesaid financial statements do not comply with the requirement and provisions of Ind AS specified under Section 133 of the Act;
    - e) The matters described in the Basis for Adverse Opinion section above especially those relating to non-provision of intercorporate deposits as stated in Para (a) and (e) of that section, provision/non-determination for interest and other terms and conditions in respect of the borrowings etc. as stated in Para (b) and (c) of Basis for Adverse Opinion section of this report pending confirmation of lenders and Material Uncertainty Related to Going Concern assumption pending completion of resolution process, in our opinion, may have an adverse effect on the functioning of the Company;
    - f) On the basis of the written representations received from the directors as on March 31, 2023 and taken on record by the Board of Directors of the Company, none of the directors of the Company are disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;
    - g) The adverse remarks relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Adverse Opinion section above; and
    - h) With respect to the adequacy of the internal financial controls with reference to financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses qualified opinion on the adequacy and operating effectiveness of internal financial controls with reference to financial statements of the Company's internal financial controls with reference to financial statements.

2. As required by the Companies (Auditors' Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable which is subject to the possible effect of the matters described in the Basis for Adverse Opinion paragraph of our Audit Report and the material weakness described in Basis for Qualified Opinion in our separate Report on the Internal Financial Controls with reference to financial statements.
3. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The financial statements has disclosed the impact of pending litigations on its financial position of the Company - Refer Note no. 43 to the financial statements;
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts;
  - iii. There has been no delay in transferring amounts, 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 (which are material either individually or in the aggregate) 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 or entity, including foreign entity ("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 on behalf of the Ultimate Beneficiaries;  
(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("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 the audit procedures and generally accepted auditing practices followed in terms of SAs 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 (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement. However, in respect of the earlier years transactions dealing with loans and advances, securities, guarantees, etc. as given in those years which are forming part of the Basis for Adverse Opinion as given above, we are unable to ascertain and/or comment as required under this para; and
  - v. The company has not declared any dividend during the year thereby reporting under Section 143(11)(f) is not applicable for the company.
  - 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.
4. With respect to the reporting under section 197(16) of the Act to be included in the Auditors' Report, In our opinion and according to the information and explanations given to us and based on the legal opinion received, the remuneration (including sitting fees) paid by the Company to its Directors during the current year is in accordance with the provisions of section 197 of the Act and is not in excess of the limit laid down therein.

For Lodha & Co,  
Chartered Accountants  
Firm's ICAI Registration No.:301051E

Place: Kolkata  
Date: May 30, 2023

R. P. Singh  
Partner  
Membership No: 52438  
UDIN:23052438BGXSCM2143

**ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MCLEOD RUSSEL INDIA LIMITED**

(Referred to in paragraph 2(h) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

**Report on the Internal Financial Controls with reference to Standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the Standalone financial statements of the Company as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to financial statements of McLeod Russel India Limited (hereinafter referred to as "the Company"), as of that date.

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

The Board of Directors of the Company 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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("the 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 the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 auditors' 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 with reference to financial statements

**Meaning of Internal Financial Controls with reference to financial statements**

A company's internal financial control with reference to financial statements 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 with reference to financial statements 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 with reference to financial statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Basis for Qualified Opinion**

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified in the Company's internal financial controls over financial reporting with reference to financial statements as at March 31, 2023:

- The Company did not have an appropriate internal control system in relation to the granting of loans and advances/ other advances to promoter group companies and/or other companies, including ascertaining economic substance and business rationale of the transactions, establishing segregation of duties and determining credentials of the counter parties;
- With respect to inter Corporate Deposits (ICDs), the Company did not have appropriate system to evaluate the credit worthiness of the parties and recoverability of monies given including interest thereon and also ensuring the compliances with respect to provisions of the Companies Act, 2013 so that these are not considered to be prejudicial to the interest of the Company;
- Certain individual details of debit and credit balances and reconciliation thereof with control balances of receivable/payable/stock including supporting evidence for movement thereof as given in Note no. 60 of the financial statement were not available. IT Control systems and procedures needs strengthening in terms of framework for Internal Control over financial reporting with reference to financial statements taking into account related controls and procedures as stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India so that to facilitate required reconciliations and provide details for documentation with respect to internal financial controls in the respective areas; and
- Supporting audit evidence/documentation and related terms and conditions including compliance with respect to the relevant provisions etc. with respect to certain unsecured loans and advances included in Note no. 25 and 28.2 are not available.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting with reference to financial statements, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

#### **Qualified Opinion**

In our opinion, to the best of our information and according to the explanations given to us, except for the effects/possible effects of the material weaknesses described in Basis for Qualified Opinion Section above on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, adequate and effective internal financial controls with reference to the financial statements as of 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.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the financial statements of the Company for the year ended March 31, 2023, and these material weaknesses have affected our opinion on the said financial statements of the Company and we have issued an adverse opinion on the financial statements of the Company.

For Lodha & Co,  
Chartered Accountants  
Firm's ICAI Registration No.:301051E

Place: Kolkata  
Date: May 30, 2023

R. P. Singh  
Partner  
Membership No: 52438  
UDIN:23052438BGXSCM2143

**ANNEXURE "B" TO THE AUDITORS' REPORT OF EVEN DATE TO MEMBERS OF MCLEOD RUSSEL INDIA LIMITED:**

(Referred to in paragraph 3 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date and except for the effects / possible effects of the matters described in the Basis for Adverse Opinion Section of our Audit Report and the material weaknesses described in the Basis for Qualified Opinion in our separate Report on the Internal financial Controls with reference to financial statement)

- i) a. The Company has maintained proper records showing full particulars, including quantitative details and situations in case of Property, Plant and Equipments and Intangible Assets.
- b. The Company has a program of verification of property, plant and equipment (other than bearer plants existence of which are ascertained through required yield and output therefrom) to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to this program, a comprehensive and detailed verification of Property, plant and Equipment and Capital Work in Progress was carried out by engaging the services of an Independent firm of professional for the purpose. According to the information and explanations given to us, no material discrepancies to the extent verified during the years were noticed on such verification.
- c. According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed / court orders approving schemes of arrangements / amalgamations and other documents provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.

In respect of immovable properties of land and buildings, bearer plant etc. attached thereto that have been taken on lease or on patta (other than the properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) including in respect of tea estates of the company, according to the information and explanations given to us and the records examined by us and based on the examination of the court orders approving schemes of arrangements/ amalgamations and other documents provided to us, having regard to the note 5.3 we report that, the agreements and/or other documents confirming such arrangement are in the name of the respective tea estates of the company and/or in the name of the Company.

In respect of Immovable properties of land and buildings (including leasehold properties) whose title deeds have been pledged as security for loans, guarantees, etc., the above verification has been based on the confirmations received by us from lenders.

- d. The company is not following revaluation model of accounting and has not revalued any of its Property, Plant and Equipment (including Right-of-Use Assets) and Intangible Assets during the year. Accordingly, the reporting under Clause 3 (i)(d) of the Order is not applicable to the Company.
- e. As per the information and explanation given to us and as represented by the management, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder. Accordingly, further reporting under Clause 3 (i)(e) of the Order is not applicable to the Company.
- ii) a. As informed, the physical verification of inventories were carried out at reasonable intervals during the year. The year-end verification of tea stock is carried out by the management in presence and supervision of Independent firms of chartered accountant, entrusted with such responsibility. The discrepancies noticed on physical verification between the physical stock and book stock of inventories to the extent verified during the year, were not 10% or more in aggregate for each class of inventory and the same have been properly dealt with in the books of account.
- b. Due to the reasons stated in note no. 59(a) pending completion of the resolution process as stated therein, no working capital limit in excess of Rs. 5 crores has been sanctioned or renewed at any point of time during the year. In respect of such limit sanctioned in earlier years, pending regularization thereof based on the resolution process under consideration by the lender as stated above, statement of stocks and debtors have been submitted to the banks which are in agreement with the then unaudited books and records of the company
- iii) a. The company has not made any investments in, provided any security or guarantee or granted any loan or advances in nature of loan (other than to employees in normal course of the business) and as such reporting under clause 3(iii)(a) and (b) are not applicable to the company.
- b. In respect of loans and advances in the nature of loan, Rs. 2,76,173.95 lakhs given in earlier year as stated in note no. 58(a) remained outstanding as on March 31, 2023. Certain amount as stated in note no. 58(b) which initially given as capital advances were converted to inter corporate deposits. The amount outstanding have either been given without specifying any terms and conditions or were stated to be repayable on demand and even in case of advances in the nature of loans given earlier no terms and conditions for repayment thereof have been specified. In respect of amounts repayable on demand even though approached, the timeline and terms of settlement/ repayment etc., with the respective parties have not yet been crystallised. Accordingly, it is not possible on our part to comment on the regularity of payment in respect of such amounts and also whether these have become overdue for payment. These loan and advances have neither been renewed nor extended or no fresh loan has been granted to settle these amounts. However, considering the period for which these amounts are outstanding and considering the possibility of recoverability etc., these as stated in para (a) of the Basis of Adverse Opinion Section have been considered doubtful of recovery and considering the recoverability thereagainst the management has provided for Rs. 1,01,039.50 lakhs (including Rs. 9,097.34 lakhs provided in earlier years). In absence of required terms and conditions such outstanding amounts to the extent of Rs. 2,86,115.45 lakhs including interest thereof; period of default and determination of amount ultimately recoverable thereagainst it is not possible for us to comment further with respect to reporting required under clause 3(iii)(c), (d) and (e).



- c. The loans or advances in the nature of loan granted in earlier year which were without specifying any term or period of repayment or repayable on demand and as stated above Rs. 2,76,173.95 lakhs are outstanding as on March 31, 2023. The details in respect of these loans are as follows:

Particulars	All Parties	Promoters
Aggregate amount of loans/ advances in nature of loans	Rs, 2,76,173.95	Rs. 1,46,961.64
<b>Total</b>	<b>Rs, 2,76,173.95</b>	<b>Rs. 1,46,961.64</b>
Percentage of loans/ advances in nature of loans to the total loans		53.21%

The above amount has been disclosed as provided to us by the management. The above promoter sand certain other companies as stated in Para (e) of the Basis of Adverse Opinion Section, the status of the parties whether related or otherwise as such are not ascertainable. Further, the above does not include advances of Rs. 1,400.00 lakhs given in earlier years in respect of which as stated in Note no. 18.3 necessary details are not available.

The comments as required to be reported under clause 3(iii)(f) with respect to above as such cannot be given.

- iv) In our opinion and according to the information and explanations given to us; the Company has complied with the provisions of section 186 of the Companies Act, 2013 in respect of loans, investments and guarantees and securities, as applicable given in earlier years. However, in view of the matter described in paragraph (e) of Basis for Adverse Opinion section, it is not possible to ascertain and comment on the compliance of Section 185 of the Companies Act, 2013. The company has however not given any such loans, guarantees or provided securities during the year.
- v) In the previous year, as stated in Note No. 25.5 certain individuals hadsettled directlythe loan of one of the financial creditorsof the company and the amount in turn payable by the company including the individuals had been recognized in the financial statement. During the year, on ratification and approval by the Board of Directors the said amounts have been shown as borrowings. The amount so recognized to the extent of Rs. 3,500.00 lakhs payable to the Individuals even though in the nature of deposit, as per the legal opinion received by the company since such deposits has not been directly received by the company the provisions of section 73 to 76 or any other provisions of Companies Act, 2013 or any other rules thereunder are not applicable . Further, nature of the amount and repayment, recipient thereof being dependent upon completion of the resolution process, as stated by the management are currently not determinable. These amounts which are in our opinion even though in the nature of deposits on prima facie basis, relevant non-compliances due to the reasons stated above as such cannot be commented upon by us. Other than this, the Company has not accepted any deposits during the year and does not have any unclaimed deposits as at March 31, 2023 from public covered under Sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder.
- vi) We have broadly reviewed the books of account maintained by the company pursuant to 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 to which the said rules are made applicable and are of the opinion that prima facie, the prescribed records have been maintained. We have however, not made a detailed examination of the said records with a view to determine whether they are accurate or complete.
- vii) a. According to the information and explanations given to us, there were certain delays during the year in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Income Tax, Goods and Service Tax as applicable to it. There were no such delays in respect of amount payable towards Investor Education Protection fund, Employees' State Insurance, Sales Tax, Wealth Tax, Service tax, Custom Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues as applicable to it.

There were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection fund, Employees' State Insurance, Income Tax, Sales Tax, Goods and Service Tax, Wealth Tax, Service tax, Custom Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrear as at March 31, 2023 for a period of more than six months from the date they become payable except as detailed below:

Name of the Statute	Nature of Dues	Amount (Rs. In Lakhs)	Period to which they relate
Income Tax Act' 1961	Corporate Dividend Tax (Refer Note no. 29.1 of the financial Statements)	1.40*	2005-2006 to 2007-2008
Assam Tea Plantations Provident Fund Scheme Act, 1955	Provident Fund	2,002.51	2021-2022
		1,798.23	2022-2023
Assam Tea Plantations Employees' Welfare Fund Act, 1959	Unclaimed Wages of labours	46.36	2010-11 to 2018-19
Assam Tea Employee Welfare Fund Act, 1959	Labour Welfare Fund	1.46	2012-13 to 2021-22
The Assam Tax on Professions, Trades, Callings and Employment Act, 1947	Professional Tax	0.19	2016-2017
		1.18	2020-2021
		0.84	2021-2022
		0.40	2022-2023
Assam Electricity Duty Act, 1964	Electricity Duty	5.43	2018-2019
		17.14	2019-2020
		17.00	2020-2021
		13.60	2021-2022
		3.30	2022-2023

\* Excluding Rs. 343.37 lakhs being adjusted by Income Tax Authorities against refund of Assessment Year 2007-2008

- b. According to the information and explanations given to us, the details of disputed statutory dues as given in sub-clause (a) above, as at March 31, 2023, are as follows :

Name of the Statute	Nature of Dues	Amount (Rs. in Lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act' 1961	Income Tax	1,844.46	2017-2018	Income Tax Appellate Tribunal
Income Tax Act' 1961	Income Tax	138.05	2015-2016	Commissioner (Appeals)
Finance Act' 1944	Service Tax	75.48	2004-2005 to 2007-2008	Commissioner (Appeals)
Finance Act' 1944	Service Tax	373.72	2008-2009 to 2012-2013	Principal Commissioner of Service Tax
Central Excise Act' 1944	Excise Duty	42.30	1999 to 2003	Commissioner (Appeals)

- viii) In our opinion and on the basis of information and explanations given to us and as represented by the management, we have neither come across nor have been informed of transactions which were previously not recorded in books of account and that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

- ix) a. In our opinion and on the basis of information and explanations given to us by the management, the Company has defaulted in repayment of dues to the following banks and financial institutions:

Name of the Bank/ Financial Institution	Principal	Interest	Period of Default
<b>Term Loans from Banks</b>			
ICICI Bank Limited	4,649.54	1,658.37	June 2019 to March 31, 2023
HDFC Bank Limited	6,800.00	2,636.82	June 2019 to March 31, 2023
RBL Bank Limited	4,752.33	1,984.69	July 2019 to March 31, 2023
Axis Bank Limited	25,000.00	10,052.22	July 2019 to March 31, 2023
RBL Bank Limited	23,500.00	9,605.50	July 2019 to March 31, 2023
HDFC Bank Limited	17,901.97	6,735.18	May 2019 to March 31, 2023
IndusInd Bank Limited	7,484.81	3,505.85	December 2019 to March 31, 2023
<b>Term Loan from Others</b>			
Housing Development Finance Corporation Limited	894.82	289.25	January 2020 to March 31, 2023
J. C. Flowers Asset Reconstruction Private Limited**	4,375.00	1,594.87	March 2019 to March 31, 2023
J. C. Flowers Asset Reconstruction Private Limited**	33,026.61	11,866.40	March 2019 to March 31, 2023
Ragini Finance Limited	950.00	-	October 2019 to March 31, 2023
Digvijay Finlease Limited	1,950.00	-	October 2019 to March 31, 2023
P D K Impex Private Limited	475.00	-	March 31, 2020 to March 31, 2023
<b>Cash Credit</b>			
Axis Bank Limited	144.07	150.68	October 2019 to March 31, 2023
HDFC Bank Limited	4,268.89	2,302.66	May 2019 to March 31, 2023
State Bank of India Limited	6,649.02	1,920.01	June 2019 to March 31, 2023
Punjab National Bank Limited	5,125.14	1,654.13	February 2020 to March 31, 2023
ICICI Bank Limited	5,773.04	2,828.00	June 2019 to March 31, 2023
Indian Bank Limited	2,846.79	970.74	February 29, 2020 to March 31, 2023
J. C. Flowers Asset Reconstruction Private Limited**	700.88	-	May 2019 to March 31, 2023
RBL Bank Limited	1,839.00	1,571.15	July 2019 to March 31, 2023
UCO Bank Limited	1,746.33	625.01	May 31, 2020 to March 31, 2023

\*\*During the Year, Yes Bank Limited has assigned all the facilities to J. C. Flowers Asset Reconstruction Private Limited. The above amounts have been disclosed on the basis as described in Note no. 59(b) of the financial statement. The above defaults and amount due are however subject to confirmation and reconciliation with respective parties and completion of the resolution process under consideration by lenders (Refer Note no. 59(a)).

- b. According to the information, explanations and representation given to us by the management, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- c. In our opinion and on the basis of information and explanations given to us by the management, the Company has not taken any term loan during the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable to the company.
- d. According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the company, we report that short term funds to the extent of Rs. 24,02,47.14 lakhs have been used by the company for long-term purposes.
- e. According to the information and explanations given to us and as per the audit procedure performed by us, we report that the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or associates.
- f. According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. However, details of the pledge of securities held in it's subsidiaries against borrowings made in earlier years where the company has defaulted in repayment thereof are as follows:

Nature of loan taken	Name of lender	Name of the subsidiary	Details of security pledged
Term Loan	J. C. Flowers Asset Reconstruction Private Limited	Borelli Tea Holdings Limited	Pledge of Investment in Phuben Tea Company Limited

- x) a. The Company has not raised any amount by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, reporting under Clause 3(x)(a) of the Order is not applicable to the Company.
- b. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3 (x)(b) of the Order is not applicable to the Company.
- xi) a. During the course of our examination of books of account carried out in accordance with generally accepted auditing practices in India, we have neither come across incidence of any material fraud by the company or on the company nor have we been informed of any such case by the management.
- In respect of matters involving fraud suspected by predecessor auditor in the earlier years and reported upon by them, final outcome of inspection or other course of action by regulatory authorities as stated in Para (e) of Basis for Adverse Opinion Section is awaited and as such cannot be commented upon by us.
- b. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us and representation received from the management, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 has not been filed with the Central Government. Such report was however filed in the earlier years by the predecessor auditor for which as stated in Para (e) of the Basis for Adverse Opinion section above final outcome is awaited.
- c. As represented to us by the management, there were no whistle blower complaints received by the company during the year.
- xii) The Company is not a Nidhi company and hence reporting under paragraph 3(xii) of the Order is not applicable to the Company.
- xiii) Due to the effects/ possible effects of the matters described in paragraph (e) of the Basis for Adverse Opinion Section of our report whereby transactions and outstanding from certain promoter companies have not been considered as related party transaction, we are unable to state whether the Company is in compliance with respect to Sections 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the completeness / correctness of the disclosures / details of related party transactions in the standalone financial statements as required by the applicable Indian Accounting Standards, as such cannot be ascertained and commented upon by us.
- xiv) a. The Internal audit of the Company has been carried out by firms of Chartered Accountants. The system followed, in our opinion, is generally commensurate with the size and nature of its business.
- b. We have considered, during the course of our audit, the reports of the internal auditor for the period under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures in accordance with the guidance provided in SA 610 "Using the work of Internal Auditors".
- 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, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
- xvi) a. In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a) of the Order is not applicable to the company.
- b. The Company has not conducted any Non-Banking Financial or Housing Finance Activities without a valid certificate of registration as required under Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(b) of the Order is not applicable to the company
- c. The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Hence, reporting under clause 3(xvi)(c) of the Order is not applicable to the company.
- d. In our opinion and based on the representation received by us from the management, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable to the company.
- xvii) On the basis of overall examination of the financial statement and after taking the impact of basis for adverse opinion to the extent quantifiable, the Company has incurred cash losses to the extent of Rs. 1,08,872.76 lakhs (including Rs. 93,342.16 lakhs relating to provision against loans, advances and interest given in earlier years) during the financial year covered by our audit and Rs. 14,705.45 lakhs in the immediately preceding financial year.
- xviii) There has been no resignation of the statutory auditors of the Company during the year and accordingly reporting under clause 3(xviii) of the Order is not applicable to the company.

- xix) As stated in Note no. 59(a), there is a material uncertainty with respect to going concern pending completion of the resolution process. The ability to continue as a going concern is dependent upon sustainability of the overall debt and availability of the required fund in the system on completion of the resolution process and in the event of the management's expectation in this respect and estimation etc., not turning out to be true, validity of assumption for going concern and possible impact thereof including on carrying value of tangible and intangible assets even though expected to be material, as such presently cannot be ascertained. Having regard to this and other information accompanying the financial statements and our knowledge of the Board of Directors and in absence of any Management plans pending completion of the resolution process and required evidence supporting the assumptions, there is material uncertainty as on the date of the Audit Report with respect to company's capability 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 and as such were unable to comment on the matter required to be reported under this clause.
- xx) The provisions relating to Corporate Social Responsibility under Section 135 of the Act are not applicable to the Company. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.
- xxi) The reporting under Clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said clause has been included in this report.

For Lodha & Co,  
Chartered Accountants  
Firm's ICAI Registration No.:301051E

Place : Kolkata  
Date: May 30, 2023

R. P. Singh  
Partner  
Membership No: 52438  
UDIN: 23052438BGXSCM2143

**BALANCE SHEET AS AT 31st MARCH 2023**

Particulars	Note	As at 31st March, 2023 (₹ in Lakhs)	As at 31st March, 2022 (₹ in Lakhs)
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
a) Property, Plant and Equipment	5	95,369.96	95,952.10
b) Capital Work-in-Progress	55	3,985.16	4,251.28
c) Other Intangible Assets	6	440.60	692.01
d) Investment in Subsidiary and Associate	7	15,967.18	15,967.18
e) Financial Assets			
(i) Investments	8	5,213.62	6,189.90
(ii) Loans	9	1,85,075.95	2,75,160.95
(iii) Other Financial Assets	10	4,407.15	6,384.15
f) Other Non-Current Assets	11	2,692.59	2,577.94
<b>Total Non-Current Assets</b>		<b>3,13,152.21</b>	<b>4,07,175.51</b>
<b>Current Assets</b>			
a) Inventories	12	7,523.55	9,002.20
b) Biological Assets other than bearer plants	13	244.56	526.79
c) Financial Assets			
(i) Trade Receivables	14	2,776.17	3,347.73
(ii) Cash and Cash Equivalents	15	1,152.28	1,834.46
(iii) Bank Balances other than (ii) above	16	60.83	155.92
(iv) Loans	9	37.50	1,272.32
(v) Other Financial Assets	10	1,385.42	1,011.15
d) Current Tax Assets (Net)	17	889.47	889.47
e) Other Current Assets	18	5,252.90	7,682.92
<b>Total Current Assets</b>		<b>19,322.68</b>	<b>25,722.96</b>
<b>TOTAL ASSETS</b>		<b>3,32,474.89</b>	<b>4,32,898.47</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
a) Equity Share Capital	19	5,222.79	5,222.79
b) Other Equity	20	35,664.48	1,43,122.45
<b>Total Equity</b>		<b>40,887.27</b>	<b>1,48,345.24</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
a) Financial Liabilities			
(i) Borrowings	21	-	-
(ii) Lease Liabilities	53	8.60	11.19
b) Provisions			
Employee Benefit Obligations	22	6,593.45	5,192.16
c) Deferred Tax Liabilities (Net)	23	3,520.90	8,727.08
d) Other Non-Current Liabilities	24	423.16	454.72
<b>Total Non-Current Liabilities</b>		<b>10,546.11</b>	<b>14,385.15</b>
<b>Current Liabilities</b>			
a) Financial Liabilities			
(i) Borrowings	25	1,78,853.43	1,88,048.06
(ii) Lease Liabilities	53	10.92	191.42
(iii) Trade Payables	26		
(a) Total outstanding dues of Micro and Small Enterprises		416.45	403.98
(b) Total outstanding dues of creditors other than Micro and Small Enterprises		8,138.32	9,242.13
(iv) Other Financial Liabilities	27	67,357.88	51,224.42
b) Other Current Liabilities	28	15,298.69	10,496.96
c) Provisions			
(i) Employee Benefit Obligations	22	7,266.11	5,094.15
(ii) Other Provisions	29	2,268.75	2,684.11
d) Current Tax Liabilities (Net)	30	1,430.96	2,782.85
<b>Total Current Liabilities</b>		<b>2,81,041.51</b>	<b>2,70,168.08</b>
<b>Total Liabilities</b>		<b>2,91,587.62</b>	<b>2,84,553.23</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3,32,474.89</b>	<b>4,32,898.47</b>

Significant accounting policies and other accompanying notes (1 to 63) form an integral part of the financial statements.

As per our report of even date

**For Lodha & Co,**  
Chartered Accountants

**R.P. Singh**  
Partner

Place : Kolkata

Dated : 30th May 2023

**For and on behalf of the Board of Directors**

**Aditya Khaitan** - Chairman and Managing Director  
(DIN No: 00023788)

**Pradip Bhar** - Chief Financial Officer

**Alok Kumar Samant** - Company Secretary



**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2023**

Particulars	Note	Year ended 31st March, 2023 (₹ in Lakhs)	Year ended 31st March, 2022 (₹ in Lakhs)
Revenue from Operations	31	1,09,669.66	1,10,853.44
Other Income	32	1,366.15	554.08
<b>Total Income</b>		<b>1,11,035.81</b>	<b>1,11,407.52</b>
<b>Expenses:</b>			
Cost of Materials Consumed	33	3,765.95	12,411.36
Changes in Inventories of Finished Goods	34	(12.66)	142.50
Employee Benefits Expense	35	66,229.24	57,548.10
Finance Costs	36	18,391.83	15,207.62
Depreciation and Amortisation Expense	37	5,255.33	5,628.48
Other Expenses	38	33,485.26	31,881.24
<b>Total Expenses</b>		<b>1,27,114.95</b>	<b>1,22,819.30</b>
<b>Profit/(Loss) before Exceptional Items and Tax</b>		<b>(16,079.14)</b>	<b>(11,411.78)</b>
Exceptional items	39	(93,342.16)	-
<b>Profit/(Loss) before Tax</b>		<b>(1,09,421.30)</b>	<b>(11,411.78)</b>
Tax expense:	51		
Current Tax		-	-
Income tax relating to earlier years		3.39	43.49
Deferred Tax		(4,482.42)	2,161.87
<b>Total Tax Expense</b>		<b>(4,479.03)</b>	<b>2,205.36</b>
<b>Profit/(Loss) for the year</b>		<b>(1,04,942.27)</b>	<b>(13,617.14)</b>
<b>Other Comprehensive Income</b>			
a) Items that will not be reclassified to profit or loss			
- Remeasurements of post employment defined benefit plans	41	(2,263.17)	(1,216.91)
- Change in fair value of Equity instruments through other comprehensive income		(976.29)	887.19
b) Income Tax relating to items that will not be reclassified to profit or loss	51	723.76	389.17
<b>Other Comprehensive Income (Net of taxes)</b>		<b>(2,515.70)</b>	<b>59.45</b>
<b>Total Comprehensive Income for the year comprising of Profit/(Loss) and Other Comprehensive Income for the year</b>		<b>(1,07,457.97)</b>	<b>(13,557.69)</b>
Earnings per Equity Share: [Face Value per share : Rs. 5/-]	4 5		
- Basic		<b>(100.47)</b>	<b>(13.04)</b>
- Diluted		<b>(100.47)</b>	<b>(13.04)</b>

Significant accounting policies and other accompanying notes (1 to 63) form an integral part of the financial statements.

As per our report of even date

**For Lodha & Co,**  
Chartered Accountants

**R.P. Singh**  
Partner  
Place : Kolkata  
Dated : 30th May 2023

**For and on behalf of the Board of Directors**

**Aditya Khaitan** - Chairman and Managing Director  
(DIN No: 00023788)

**Pradip Bhar** - Chief Financial Officer

**Alok Kumar Samant** - Company Secretary

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2023**
**A Equity Share Capital**

(₹ in Lakhs)

Particulars	Refer Note No.	Amount
As at 1st April 2021		5,222.79
Changes in Equity Share Capital during the year		-
As at 31st March 2022	19	5,222.79
Changes in Equity Share Capital during the year		-
As at 31st March 2023	19	5,222.79

**B Other Equity**

(₹ in Lakhs)

Particulars	Reserves and Surplus						Other Comprehensive Income		Total
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	Other Reserve	Revaluation Surplus	Equity Investments at FVTOCI	Re-measurement of defined benefit plan	
<b>As at 1st April 2021</b>	<b>201.68</b>	<b>4,402.30</b>	<b>1,03,969.20</b>	<b>(4,404.42)</b>	<b>19,209.20</b>	<b>28,544.64</b>	<b>4,757.54</b>	<b>-</b>	<b>1,56,680.14</b>
Profit/(Loss) for the year	-	-	-	(13,617.14)	-	-	-	-	(13,617.14)
Other Comprehensive Income	-	-	-	-	-	-	887.19	(827.74)	59.45
<b>Total Comprehensive Income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(13,617.14)</b>	<b>-</b>	<b>-</b>	<b>887.19</b>	<b>(827.74)</b>	<b>(13,557.69)</b>
Transfer on account of depreciation on amount added on Revaluation of Property, Plant and Equipment	-	-	1,165.07	-	-	(1,165.07)	-	-	-
Transfer to Retained Earnings	-	-	-	(827.74)	-	-	-	827.74	-
<b>As at 31st March 2022</b>	<b>201.68</b>	<b>4,402.30</b>	<b>1,05,134.27</b>	<b>(18,849.30)</b>	<b>19,209.20</b>	<b>27,379.57</b>	<b>5,644.73</b>	<b>-</b>	<b>1,43,122.45</b>
Profit/(Loss) for the year	-	-	-	(1,04,942.27)	-	-	-	-	(1,04,942.27)
Other Comprehensive Income	-	-	-	-	-	-	(976.29)	(1,539.41)	(2,515.70)
<b>Total Comprehensive Income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,04,942.27)</b>	<b>-</b>	<b>-</b>	<b>(976.29)</b>	<b>(1,539.41)</b>	<b>(1,07,457.97)</b>
Transfer on account of depreciation on amount added on Revaluation of Property, Plant and Equipment	-	-	1,148.38	-	-	(1,148.38)	-	-	-
Transfer to Retained Earnings	-	-	-	(1,539.41)	-	-	-	1,539.41	-
<b>As at 31st March 2023</b>	<b>201.68</b>	<b>4,402.30</b>	<b>1,06,282.65</b>	<b>(1,25,330.98)</b>	<b>19,209.20</b>	<b>26,231.19</b>	<b>4,668.44</b>	<b>-</b>	<b>35,664.48</b>

Refer Note no. 20 for nature of Reserves

Significant accounting policies and other accompanying notes (1 to 63) form an integral part of the financial statements.

As per our report of even date

**For Lodha & Co,**  
 Chartered Accountants

**R.P. Singh**

Partner

Place : Kolkata

Dated : 30th May 2023

**For and on behalf of the Board of Directors**
**Aditya Khaitan**

(DIN No: 00023788)

**Pradip Bhar**
**Alok Kumar Samant**

- Chairman and Managing Director

- Chief Financial Officer

- Company Secretary

**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2023**

Particulars	Year ended 31st March, 2023 (₹ in Lakhs)		Year ended 31st March, 2022 (₹ in Lakhs)	
<b>A. Cash Flow from Operating Activities</b>				
<b>Net Profit/(Loss) Before Tax</b>		<b>(1,09,421.30)</b>		<b>(11,411.78)</b>
<b>Adjustments to reconcile profit/(loss) for the year to net cash generated from operating activities:-</b>				
Finance Cost	18,391.83		15,207.62	
Depreciation and Amortisation Expense	5,255.33		5,628.48	
Loss/(Profit) on Sale of Property, Plant and Equipment	5.53		(32.70)	
Deferred Income	(31.46)		(31.37)	
Interest Income on fixed deposits with banks, security deposits, refund of Income tax etc.	(181.00)		(219.18)	
Provision/ Liabilities no longer required written back	(3,205.91)		(1,730.85)	
Profit on Compulsory acquisition of Land by Government	(612.73)		(341.93)	
Changes in fair value of Biological Assets	282.23		(118.28)	
Sundry Debtors and other balances written off	16.37		297.88	
Provision for Doubtful Debts /Advances/Interest receivable	93,342.16		-	
Net Unrealised (Gain)/Loss on Foreign Currency Translation and Derivative at Fair Value through Profit and Loss	-	1,13,262.35	(19.18)	18,640.49
<b>Operating Profit Before Working Capital Changes</b>		<b>3,841.05</b>		<b>7,228.71</b>
<b>Adjustment for:</b>				
(Increase) / Decrease in Loans, Other Financial Assets	956.93		175.03	
(Increase) / Decrease in Trade Receivables	1,285.31		(2,095.38)	
(Increase) / Decrease in Inventories	1,478.65		(729.65)	
Increase / (Decrease) in Other non-financial Liabilities and provisions	4,898.46		3,084.79	
(Increase) / Decrease in Other current and Non-Financial Assets	1,505.09		(2,240.43)	
Increase / (Decrease) in Trade Payables and other financial Liabilities	1,930.91	12,055.35	2,120.33	314.69
<b>Cash Generated/(Used) from Operations</b>		<b>15,896.40</b>		<b>7,543.40</b>
Income taxes (paid)/ Refund (Net)		(1,355.29)		(462.33)
<b>Net cash Generated/(Used) from Operating Activities (A)</b>		<b>14,541.11</b>		<b>7,081.07</b>
<b>B. Cash Flow from Investing Activities</b>				
Payment for Property, Plant and Equipment	(4,212.29)		(4,567.86)	
Proceeds from Sale of Property, Plant and Equipment	695.22		493.50	
Receipt/(Payments) against Sale of Specified Assets of Tea Estates	156.37		(586.51)	
Interest Received	69.43		219.18	
(Increase) / Decrease in Bank Balances other than Cash and cash equivalents	(1.29)		(20.32)	
(Increase) / Decrease in Inter-Corporate Deposits	-		-	
<b>Net cash generated/(used) in Investing Activities (B)</b>		<b>(3,292.56)</b>		<b>(4,462.01)</b>
<b>C. Cash Flow from Financing Activities</b>				
Repayment of Long Term Borrowings	-		-	
Short Term Borrowings-Receipts/(Repayments)[Net]	(9,122.63)		(8,731.39)	
Interest Paid	(2,625.01)		(603.77)	
Payment of Lease Liability	(183.09)		(390.44)	
<b>Net Cash from/(used) in Financing Activities (C)</b>		<b>(11,930.73)</b>		<b>(9,725.60)</b>
Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)		(682.18)		(7,106.54)
Opening Cash and Cash Equivalents		1,834.46		8,941.00
<b>Closing Cash and Cash Equivalents</b>		<b>1,152.28</b>		<b>1,834.46</b>

**Notes:**

1. The above Cash Flow Statement has been prepared under the "indirect method" as set out in the Ind AS 7 on Statement of Cash Flows.

**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2023**
**2. Components of Cash and Cash Equivalents**

Particulars	As at 31st March, 2023 (₹ in Lakhs)	As at 31st March, 2022 (₹ in Lakhs)
Cash On Hand	408.03	374.40
Balances with Banks		
In Current Account	744.25	1,460.06
<b>Cash and Cash Equivalents (Refer Note-15)</b>	<b>1,152.28</b>	<b>1,834.46</b>

**3. Change in Company's liabilities arising from financing activities:**

Particulars	As at 31st March, 2022	Cash flows*	Non-Cash Flows	As at 31st March, 2023
Non-current borrowings [Refer Note no. 21]	-	-	-	-
Current maturities of long term debt [Refer Note no. 25]	21,471.69	-	-	21,471.69
Short Term borrowings [Refer Note no. 25]	1,66,576.37	(9,122.63)	(72.00)	1,57,381.74
Lease Liabilities [Refer Note no. 53]	202.61	(183.09)	-	19.52
Interest accrued on borrowings [Refer Note no. 27]	43,883.29	(332.04)	15,174.61	58,725.86

\* Includes cash flow on account of both principal and interest

Significant accounting policies and other accompanying notes (1 to 63) form an integral part of the financial statements.

As per our report of even date

**For Lodha & Co,**  
Chartered Accountants

**R.P. Singh**  
Partner  
Place : Kolkata  
Dated : 30th May 2023

**For and on behalf of the Board of Directors**

**Aditya Khaitan** - Chairman and Managing Director

(DIN No: 00023788)

**Pradip Bhar** - Chief Financial Officer

**Alok Kumar Samant** - Company Secretary

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023****1 CORPORATE INFORMATION**

McLeod Russel India Limited ('MRIL' or 'the Company') is a public Company limited by shares incorporated in India with its registered office at 4, Mangoe Lane in the State of West Bengal and engaged in cultivation and manufacturing of tea. The Company is one of the largest plantation presently consisting of 33 tea estates located in Assam and West Bengal. The tea produced is sold in domestic as well as international market including United Kingdom and Europe. Its facility also includes two bulk blending unit that can blend both 'Orthodox' and Crushed, torn and curled (CTC) tea varieties. The shares of the Company are listed in National Stock Exchange (NSE), BSE Limited (BSE) and Calcutta Stock Exchange Limited.

**2 BASIS OF PREPARATION OF FINANCIAL STATEMENTS****i. Statement of Compliance**

The financial statement have been prepared in accordance with Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) read with Section 133 of the Companies Act, 2013 ("the Act") and the Company has complied with Ind As issued, notified and made effective till the date of authorisation of the financial statements.

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

**Application of new and revised standards:**

Effective 1st April 2022, the company has adopted the amendments vide Companies (Indian Accounting Standard) Amendment Rules, 2022 notifying amendment to existing Ind AS. These amendments to the extent relevant to the company's operation were relating to Ind AS 16 "Property, Plant and Equipment" which clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment and Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets" which specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

There were other amendments in various standards including Ind AS 101 "First-time Adoption of Indian Accounting Standards", Ind AS 103 "Business Combinations", Ind AS 109 "Financial Instruments", and Ind AS 41 "Agriculture" which have not been listed herein above since these are not relevant to the company.

Revision in these standards did not have any material impact on the profit/loss and earning per share for the year.

**ii. Recent accounting pronouncements**

On 31st March 2023, Ministry of Corporate Affairs (MCA) has made certain amendments to existing Ind AS vide Companies (Indian Accounting Standard) Amendment Rules, 2023. These amendments to the extent relevant to the company's operation include amendment to Ind AS 1 "Presentation of Financial Statements" which requires the entities to disclose their material accounting policies rather than their significant accounting policies, Ind AS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" which has introduced a definition of 'accounting estimates' and include amendments to help entities distinguish changes in accounting policies from changes in accounting estimates. Further consequential amendments with respect to the concept of material accounting policies have also been made in Ind AS 107 "Financial Instruments: Disclosures" and Ind AS 34 "Interim Financial Reporting".

There are other amendments in various standards including Ind AS 101 "First-time Adoption of Indian Accounting Standards", Ind AS 103 "Business Combinations", Ind AS 109 "Financial Instruments", Ind AS 115 "Revenue from Contracts with Customers", Ind AS 12 "Income Taxes" which has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences and Ind AS 102 "Share-based Payment" which have not been listed herein above since these are not relevant to the company.

Even though the company will evaluate the impact of above, none of these amendments as such are vital in nature and are not likely to have material impact on the financial statements of the company.

**3 SIGNIFICANT ACCOUNTING POLICIES****A. Basis of Preparation**

The Financial Statements have been prepared under the historical cost convention on accrual basis except for:

- i) Certain financial instruments that are measured in terms of relevant Ind AS at fair value/amortised cost at the end of each reporting period;
- ii) Certain Class of Property, Plant and Equipment carried at deemed cost based on Previous GAAP carrying value (including revaluation surplus) as on 1st April 2015;
- iii) Defined benefit plans – plan assets measured at fair value;
- iv) Biological assets (including un plucked green leaves) – measured at fair value less cost to sell.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

Historical cost convention is generally based on the fair value of the consideration given in exchange for goods and services.

All the 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 Ind AS-1 'Presentation of Financial Statements' and Schedule III to the Companies Act, 2013 (as amended). Having regard to the nature of business being carried out by the Company, the Company has determined its operating cycle as twelve months for the purpose of current and non-current classification.

The functional currency of the Company is determined as the currency of the primary economic environment in which it operates. The Financial Statements are presented in Indian Rupees and all values are rounded off to the nearest two decimal lakhs except otherwise stated.

### **Fair value measurement**

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 under current market conditions.

The Company categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed for such measurements:

- a) Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- b) Level 2: Inputs other than quoted prices that are observable, either directly or indirectly for the asset or liability.
- c) Level 3: Inputs for the asset or liability which are not based on observable market data.

The Company has an established control framework with respect to the measurement of fair value. This includes a finance team headed by Chief Financial Officer who has overall responsibility for overseeing all significant fair value measurements who regularly reviews significant unobservable inputs, valuation adjustments and fair value hierarchy under which the valuation should be classified.

### **B. PROPERTY, PLANT AND EQUIPMENT (PPE)**

Property, plant and equipment are stated at cost of acquisition, construction and subsequent improvements thereto less accumulated depreciation and impairment losses, if any. For this purpose cost includes deemed cost which represents the carrying value of PPE (including Revaluation thereon) recognised as at 1st April 2015 measured as per previous generally accepted accounting principles (Previous GAAP) and comprises purchase price of assets or its construction cost including inward freight, duties and taxes (net of input credit availed) and other expenses related to acquisition or installation and any cost directly attributable to bringing the assets into the location and condition necessary for it to be capable of operating in the manner intended for its use.

Parts of an item of PPE having different useful lives and material value and subsequent expenditure on PPE arising on account of capital improvement or other factors are accounted for as separate components.

The cost of replacing part of an item of PPE is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of the day-to-day servicing of PPE are recognised in the statement of profit and loss when incurred. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

Bearer plants comprising of mature tea bushes are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Immature bearer plants, including the cost incurred for procurement of new seeds and maintenance of nurseries, are carried at cost less any recognized impairment losses under capital work-in-progress. 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. Bearer Plants are depreciated from the date when they are ready for commercial harvest.

The Company's leased assets comprises of land, building and plant and machinery and these have been separately shown/disclosed under PPE as Right of Use (ROU) Assets.

Costs incurred for infilling are generally recognized in the Statement of Profit and Loss.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other income/expenses.

Capital work in progress also includes Nurseries, young tea under plantation, Equipments to be installed, construction and erection costs and other costs incurred in relation thereto or attributable to the same. Such cost are added to the related items of PPE and are classified to the appropriate categories when completed and ready for its intended use.



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**
**C. LEASES**

The Company's lease asset classes primarily consist of leases for land, warehouse, office space, factory etc. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability where applicable for all lease arrangements, except for short-term leases and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities include these options considered for arriving at ROU and lease liability when it is reasonably certain that they will be exercised.

The lease liability is initially measured at amortized cost at the present value of the future lease payments where applicable. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment, whether it will exercise an extension or a termination option. ROU asset are separately presented/disclosed under PPE. Lease liability obligations is presented separately under "Financial Liabilities" and lease payments are classified as financing cash flows.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

**D. DEPRECIATION**

Depreciation on PPE except otherwise stated, is provided as per Schedule II of the Companies Act, 2013 on straight line method over the estimated useful lives. Depreciation on upgradation of Property, Plant and Equipment is provided over the remaining useful life of the related component/ PPE.

Depreciation on PPE commences when the assets are ready for their intended use. Based on above, the estimated useful lives of assets for the current period are as follows :

Category	Useful life
Buildings	Upto 70 years
Roads	Upto 10 years
Drain Improvement/ Extension	Upto 5 years
Plant and machinery	Upto 30 years
Bearer Plant	77 years
Computer equipment	3 to 6 years
Furniture and fixtures, Electrical Installation and Laboratory Equipments	10 Years
Office equipment	5 Years
Vehicles	
- Motor cycles, scooters and other mopeds	10 Years
- Others	8 Years

The useful life has been determined based on internal assessment and supported by an independent evaluation carried out by technical experts. The company believes that the useful life as given above represents the period over which the company expects to use the assets.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

## **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**

Machinery Spares which can be used in connection with an item of PPE and whose use are expected to be irregular, are amortised over the useful life of the respective PPE.

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date.

### **E. INTANGIBLE ASSETS**

#### **E.1 Trademark**

Separately acquired Trademark is shown at cost. It is amortised over expected useful life and is subsequently carried at cost less accumulated amortisation and impairment losses, if any. For this purpose, cost includes deemed cost which represents the carrying value of intangible assets recognised as at 1st April, 2015 measured as per the previous generally accepted accounting principles.

#### **E.2 Computer software**

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

Accordingly, the Company amortises intangible assets with a finite useful life using the straight-line method over a period of 20 years in case of Trademark and 5 years in case of Computer Software.

Amortisation methods and useful lives are reviewed and adjusted as appropriate at each reporting date.

### **F. DERECOGNITION OF TANGIBLE AND INTANGIBLE ASSETS**

An item of PPE/ROU/Intangible assets is de-recognised upon disposal or when no future economic benefits are expected to arise from its use or disposal. Gain or loss arising on the disposal or retirement of an item of PPE/Intangible Assets is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

### **G. IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS**

Tangible, Intangible and ROU assets are reviewed at each balance sheet date for impairment. In case events and circumstances indicate any impairment, recoverable amount of assets is determined. An impairment loss is recognized in the statement of profit and loss, whenever the carrying amount of assets either belonging to Cash Generating Unit (CGU) or otherwise exceeds recoverable amount. The recoverable amount is the higher of assets' fair value less cost to disposal and its value in use. In assessing value in use, the estimated future cash flows from the use of the assets are discounted to their present value at appropriate rate that reflects current market assessments of the time value of money and the risk specific to the asset.

Impairment losses recognized earlier may no longer exist or may have come down. Based on such assessment at each reporting period the impairment loss is reversed and recognized in the Statement of Profit and Loss. In such cases the carrying amount of the asset is increased to the lower of its recoverable amount and the carrying amount that have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

### **H. NON-CURRENT ASSETS HELD FOR SALE**

Non-current assets held for sale are presented separately in the balance sheet when the following criteria are met:

- the Company is committed to selling the asset;
- the assets are available for sale immediately;
- an active plan of sale has commenced; and
- Sale is expected to be completed within 12 months.

Assets held for sale and disposal groups are measured at the lower of their carrying amount and fair value less cost to sell. Assets held for sale are no longer amortised or depreciated.

Non-current asset classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a Non-current asset classified as held for sale are presented separately from other liabilities in the balance sheet.

### **I. FINANCIAL INSTRUMENTS**

Financial assets and financial liabilities (financial instruments) are recognised when the company becomes a party to the contractual provisions of the instruments. The company determines the classification of its financial assets and financial liabilities at initial recognition based on its nature and characteristics.

The company categorizes financial assets and financial liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed for such measurement:

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

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

Level 2: Inputs other than quoted prices included within level 1 that are observable, either directly or indirectly for the asset or liability.

Level 3: Inputs for the asset or liability which are not based on observable market data (unobservable inputs).

The financial assets and financial liabilities are classified as current if they are expected to be realised or settled within operating cycle of the company or otherwise these are classified as non-current.

The classification of financial instruments whether to be measured at Amortized Cost, at Fair Value Through Profit and Loss (FVTPL) or at Fair Value through Other Comprehensive Income (FVTOCI) depends on the objective and contractual terms to which they relate. Classification of financial instruments are determined on initial recognition.

### I. Financial Assets

#### i. Initial Recognition and measurement

The financial assets include investments, trade receivable, loans and advances, cash and cash equivalents, bank balances other than cash and cash equivalents, derivative financial instruments and other financial assets.

Financial assets are initially measured at fair value. Transaction costs directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through profit or loss) are added to or are deducted from the fair value of the financial assets as appropriate in initial recognition. However, trade receivable that do not contain a significant financing component are measured at transaction price.

#### ii. Subsequent measurement

For the purpose of subsequent measurement, financial assets are classified in the following categories:

(i) at amortised cost,

(ii) at fair value through other comprehensive income (FVTOCI), and

(iii) at fair value through profit or loss (FVTPL).

#### Financial Assets at amortised cost

"A 'financial Asset' is measured at the amortised cost if the following two conditions are met:

(i) The asset is held within a business whose objective is to hold these assets in order to collect contractual cash flows and

(ii) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Amortised Cost is determined using the Effective Interest Rate ("EIR") method. Discount or premium on acquisition and other fees or costs forms an integral part of the EIR.

#### Financial Asset at Fair Value through Other Comprehensive Income (FVTOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held both for collection of contractual cash flows and for selling the financial assets, and contractual terms of the financial asset give rise to cash flows representing solely payments of principal and interest.

#### Financial Assets at Fair value through profit or loss (FVTPL)

Financial Assets which does not meet the criteria of amortised cost or fair value through other comprehensive income are classified as Fair Value through Profit or loss. These are recognised at fair value and changes therein are recognized in the Statement of profit and loss.

#### Equity Instruments

Equity instruments in the Scope of Ind AS 109 are measured at FVTPL except for investments in Subsidiaries and Joint Ventures.

The company makes an election to present changes in fair value through other comprehensive income or through profit or loss on instrument-by instrument basis. The classification is made on initial recognition and is irrevocable.

In case the company decides to classify an equity instrument at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. In addition, profit or loss arising on sale is taken to other comprehensive income. The amount accumulated in this respect is transferred within the Equity on derecognition.

#### iii. Derecognition

The company derecognizes a financial asset or a group of financial assets 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 party.

## **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**

### **II. Financial Liabilities**

#### **i. Initial Recognition and measurement**

The financial liabilities include trade and other payables, loan and borrowings including book overdraft, derivative financial instruments and other financial liabilities.

Financial liabilities are initially measured at fair value. Transaction costs directly attributable to the acquisition or issue of financial liabilities (other than financial liabilities at fair value through profit or loss) are added to or are deducted from the fair value of the financial liabilities as appropriate in initial recognition.

#### **ii. Subsequent measurement**

For the purpose of subsequent measurement, financial liabilities are classified in the following categories:

(i) at amortised cost, and

(ii) at fair value through profit or loss (FVTPL).

##### **Financial Liabilities at amortised cost**

After initial recognition, financial liabilities are measured at amortized cost using Effective Interest Rate (EIR) method. When the financial liabilities are derecognised, gain or losses are recognised in profit or loss. Discount or premium on acquisition and other fees or costs forms an integral part of the EIR.

##### **Financial Liabilities at Fair value through profit or loss (FVTPL)**

Financial Liabilities which does not meet the criteria of amortised cost are classified as Fair Value through Profit or loss. These are recognised at fair value and changes therein are recognized in the Consolidated Statement of profit and loss.

### **iii. Derecognition**

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

### **III. Derivative and Hedge Accounting**

#### **Initial Recognition and Subsequent measurement**

The company enters into derivative financial instruments such as foreign exchange forward, swap and option contracts to mitigate the risk of changes in foreign exchange rates in respect of financial instruments and forecasted cash flows denominated in certain foreign currencies. The company uses hedging instruments which provide principles on the use of such financial derivatives consistent with the risk management strategy of the company. The hedge instruments are designated and documented as hedges and effectiveness of hedge instruments to reduce the risk associated with the exposure being hedged is assessed and measured at inception and on an ongoing basis.

Any derivative that is either not designated as a hedge, or is so designated but is ineffective as per Ind AS 109 "Financial Instruments", is categorized as a financial asset/ financial liability, at fair value through profit or loss. Transaction costs attributable are also recognized in Statement of profit and loss. Changes in the fair value of the derivative hedging instrument designated as a fair value hedge are recognized in the Statement of profit and loss.

Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognized in other comprehensive income and presented within equity as cash flow hedging reserve to the extent that the hedge is effective.

Hedging instrument which no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then hedge accounting is discontinued prospectively. Any gain or loss recognised in other comprehensive income and accumulated in equity remains therein till that time and thereafter to the extent hedge accounting being discontinued is recognised in Statement of profit and loss. When a forecasted transaction is no longer expected to occur, the cumulative gain or loss accumulated in equity is transferred to the Statement of profit and loss.

### **IV. Offsetting financial instruments**

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

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023****V. Cash and cash equivalents**

All highly liquid financial instruments, which are readily convertible into determinable amounts of cash and which are subject to an insignificant risk of change in value and are having original maturities of three months or less from the date of purchase, are considered as cash equivalents. Cash and cash equivalents includes balances with banks which are unrestricted for withdrawal and usage.

**VI. Financial guarantee contracts**

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

**VII. Impairment of financial assets**

A financial asset is assessed for impairment at each balance sheet date. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. The company recognises loss allowances using the Expected Credit Loss ("ECL") model for financial assets measured at amortised cost.

The company recognises lifetime expected credit losses for trade receivables. Loss allowance equal to the lifetime expected credit losses are recognised if the credit risk on that financial asset has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

**J. INVENTORIES**

Inventories are valued at lower of cost or net realisable value. Inventories comprises of Raw materials i.e. purchased and harvested tea leaves, stores and spare parts and finished goods. Cost in case of harvested tea leaves represents fair value less cost to sell.

Cost of Finished Goods comprise of direct material including purchased tea leaves, direct labour and appropriate portion of variable and fixed overhead expenditure. Cost of inventories also includes all costs incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory on the basis of weighted average method. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

By-Products are valued at net realisable value.

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

**K. BIOLOGICAL ASSETS**

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

**L. FOREIGN CURRENCY TRANSACTIONS**

Transactions in foreign currencies are translated into the functional currency at the exchange rates prevailing on the date of the transactions. Foreign currency monetary assets and liabilities at the year-end are translated at the year-end exchange rates. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of transaction. The loss or gain thereon and also on the exchange differences on settlement of the foreign currency transactions during the year are recognized as income or expense in the statement of Profit and Loss account.

**M. EQUITY SHARE CAPITAL**

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Par value of the equity shares is recorded as share capital and the amount received in excess of par value is classified as Securities Premium.

Costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

**N. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

Provisions involving substantial degree of estimation in measurement are recognized when there is a legal or constructive obligation as a result of past events and it is probable that there will be an outflow of resources and a reliable estimate can be made of the amount of obligation. Provisions are not recognised for future operating losses. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

## **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**

Contingent liabilities are not recognised and disclosed by way of notes to the financial statements when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or when there is a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the same or a reliable estimate of the amount in this respect cannot be made.

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

Contingent Assets are not recognized but disclosed in the financial statement by way of notes when inflow of economic benefit is probable.

### **O. EMPLOYEE BENEFITS**

Employee benefits are accrued in the year in which services are rendered by the employee.

#### **Short-term Employee Benefits**

Short term Employee benefits are recognised as an expense in the statement of profit and loss in the year in which services are rendered.

#### **Bonus**

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

#### **Other Long-term Employee Benefits (Unfunded)**

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

#### **Post-employment Benefit Plans**

Contributions to Gratuity, Super annuation fund etc., under Defined Contribution Plans payable in keeping with the related schemes are recognised as expenditure for the year.

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

### **P. OPERATING AND OTHER INCOME**

#### **i. REVENUE FROM SALE OF PRODUCT**

Revenue from contracts with customers is accounted for only when it has commercial substance, and all the following criteria are met:

- (i) parties to the contract have approved the contract and are committed to perform their respective obligations;
- (ii) each party's rights regarding the goods or services to be transferred and payment terms there against can be identified;
- (iii) consideration in exchange for the goods or service to be transferred is collectible and determinable.

Revenue from contract with customers is recognized on satisfaction of performance obligation, when control over the goods or services has been transferred and/or goods/ services are delivered/ provided to the customer. Delivery occurs when the goods have been sold or shipped or delivered to a specific location, and the customer has either accepted the goods under the contract or the company has sufficient evidence that all the criteria for acceptance have been satisfied.

Revenue is measured at the amount of transaction price (consideration specified with the customers) allocated to that performance obligation. The transaction price of goods sold is net of variable consideration on account of rebates, claims and discounts, returns and value added tax. Goods and Service Tax (GST) and such other taxes collected on behalf of third party not being economic benefits flowing to the company are excluded from revenue. Accumulated experience is used to estimate and provide for the discounts/ right of return, using the expected value method.



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023****ii. INTEREST, DIVIDEND AND CLAIMS**

Dividend income is recognized when the right to receive payment is established. Interest has been accounted using effective interest rate method. Insurance claims/ other claims are accounted as and when admitted / settled.

**iii. EXPORT BENEFITS**

Export incentives are accounted for in the year of export if the entitlements and realisability thereof can be estimated with reasonable accuracy and conditions precedent to claim is fulfilled.

**Q. BORROWING COST**

Borrowing cost comprises of interest and other costs incurred in connection with the borrowing of the funds. All borrowing costs are recognized in the Statement of Profit and Loss using the effective interest method except to the extent attributable to qualifying Property Plant Equipment (PPE) which are capitalized to the cost of the related assets. A qualifying PPE is an asset, that necessarily takes a substantial period of time to get ready for its intended use or sale. Borrowing cost also includes exchange differences to the extent considered as an adjustment to the borrowing costs.

**R. RESEARCH AND DEVELOPMENT**

Research and development cost (other than cost of PPE acquired) are charged as an expense in the year in which they are incurred.

**S. GOVERNMENT GRANTS**

Government grants are recognized on systematic basis when there is reasonable certainty of realization of the same. Revenue grants including subsidy/rebates are credited to Statement of Profit and Loss Account under "Other Operating Income" or deducted from the related expenses for the period to which these are related. Grants which are meant for purchase, construction or otherwise to acquire non current assets are recognized as Deferred Income and disclosed under Non Current Liabilities and transferred to Statement of Profit and Loss on a systematic basis over the useful life of the respective asset. Grants relating to non-depreciable assets is transferred to Statement of Profit and Loss over the periods that bear the cost of meeting the obligations related to such grants.

**T. TAXES ON INCOME**

Income tax expense representing the sum of current tax expenses and the net charge of the deferred taxes is recognized in the income statement except to the extent that it relates to items recognized directly in equity or other comprehensive income.

Current income tax is provided on the taxable income and recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted pertaining to the reporting period.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences with respect to carry forward of unused tax credits and any unused tax losses/depreciation to the extent that it is probable that taxable profits will be available against which these can be utilized.

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

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets include Minimum Alternative Tax (MAT) measured in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability and such benefits can be measured reliably and it is probable that such benefit will be realized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and adjusted to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized.

**U. EARNINGS PER SHARE**

Basic earnings per share are computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit attributable to the equity shareholders of the company by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

## **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**

### **V. SEGMENT REPORTING**

Operating segments are identified and reported taking into account the different risk and return, organisation structure and the internal reporting provided to the chief-operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Segment manager who allocates resources and assess the operating activities, financial results, forecasts, or plans for the segment.

### **4 CRITICAL ACCOUNTING JUDGMENTS, ASSUMPTIONS AND KEY SOURCES OF ESTIMATION AND UNCERTAINTY**

The preparation of the financial statements in conformity with the measurement principle of Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Differences between the actual results and estimates are recognized in the year in which the results are known / materialized and, if material, their effects are disclosed in the notes to the financial statements.

Application of accounting policies that require significant areas of estimation, uncertainty and critical judgments and the use of assumptions in the financial statements have been disclosed below. The notes provide an overview of the areas that involved a high degree of judgement or complexity and of items which are likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant note together with information about basis of calculation of each affected line item in the financial statements. The key assumptions concerning the future and other key sources of estimation/assumptions at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities and related revenue impact within the next financial year are discussed below:

#### **a) Depreciation / amortisation of and impairment loss on Property, Plant and Equipment / ROU/ Intangible assets.**

Property, plant and equipment, ROU and intangible assets are depreciated/amortized on straight-line basis over the estimated useful lives in accordance with Internal assessment and Independent evaluation carried out by technical expert/ Schedule II of the Companies Act, 2013, taking into account the estimated residual value, wherever applicable.

The company reviews its carrying value of its Tangible and Intangible Assets whenever there is objective evidence that the assets are impaired. The required level of impairment losses to be made is estimated by reference to the estimated value in use or recoverable amount. In such situation Assets' recoverable amount is estimated which is higher of asset's or cash generating units (CGU) fair value less cost of disposal and its value in use. In assessing value in use the estimated future cash flows are discounted using pre-tax discount rate which reflect the current assessment of time value of money. In determining fair value less cost of disposal, recent market realisations are considered or otherwise in absence of such transactions appropriate valuations are adopted.

The assumptions for cash flows and fair valuation as required in this respect are based on the successful outcome of resolution process which as dealt in Note no. 4(c) below are under consideration of lenders and otherwise may have significant impact.

#### **b) Arrangement containing leases and classification of leases**

Ind AS 116 requires lessee to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any option to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the company's operations taking into account among other things, the location of the underlying asset and the availability of suitable alternatives. The lease terms and impact thereof are reassessed in each year to ensure that the lease term reflects the current economic circumstances.

#### **c) Going Concern assumption**

As stated in Note no. 59, the financial statements of the company have been prepared on going concern assumption based on managements assessment of the expected successful outcome of steps and measures taken by the company and completion of the resolution process and other proposals currently under evaluation and consideration. In the event of these measures and plan not being approved impact thereof, even though presently not determinable are expected to be material.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023****d) Fair valuation and Impairment of Loans**

All financial instruments are required to be fair valued as at the balance sheet date, as provided in Ind AS 109- Financial Instruments and Ind AS 113- Fair Value Measurement. In this respect, judgement is exercised to determine the value at which such assets are to be recognised. This requires critical evaluation of the realisable value of assets based on estimation and judgements which may not turn out to be true and may lead to significant adjustments in value.

The above includes various loans and advances to companies which have been considered good and recoverable. Recoverability of these and interest thereagainst and/or adjustments required as stated in Note no. 58 will be determinable on outcome of the recovery proceedings pursuant to CIRP or otherwise on completion of the resolution process of the company.

**e) Impairment of Investments in Subsidiaries and Associates**

The company reviews its carrying value of investments in Subsidiaries and Associates carried at cost/ deemed cost (net of impairment if any) annually or more frequently when there is an indication for impairment. If the recoverable amount is less than its carrying amount the impairment loss is accounted for in the standalone statement of profit and loss. As stated in Note no. 7.4, BTHL has fully impaired its investment in one of the step down subsidiary but it does not have impact in the carrying value of BTHL based on the valuation carried out by an Independent valuer.

**f) Fair Value of Biological Assets**

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

Estimates and 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.

**g) Impairment loss on trade receivables**

The Company evaluates whether there is any objective evidence that trade receivables are impaired and determines the amount of impairment loss as a result of the inability of the debtors to make required payments. The Company bases the estimates on the ageing of the customers balance, their credit-worthiness and historical write-off experience.

**h) Taxes on Income**

Significant judgment is required in determination of taxability of certain income and deductibility of certain expenses for estimation of the provision for taxes on income including agricultural income. These are based on assumption and inferences and are subject to final assessment by the taxation authorities. Further judgement is involved in determining the deferred tax position on the balance sheet date.

The Company has unused tax credits, unrecognised deferred tax assets and entitled to tax holiday in Assam for which management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profit together with future tax planning strategies. The management has reviewed the rationale for recognition of Deferred Tax Assets and based on the likely timing and level of profitability in future and expected utilisation of deferred tax thereagainst such recognition of deferred tax assets has been carried out. The amount of deferred tax is dependent upon the outcome of resolution process as referred to in Note no. 59(a) and therefore assumption for reversal/adjustment of deferred tax is expected to be materially different upon completion of resolution process for which required steps are being taken and effect will then be given on determination of amount thereof.

**i) Provisions and Contingencies**

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which are subject to change in future.

Management also uses in-house and external legal professional to make judgments for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations/ against the Company.

**j) Defined benefit obligation (DBO)**

The present value of the defined benefit obligations and long term employee benefits depends on a number of factors that are determined on an actuarial basis using a number of assumptions. An actuarial valuation involves making various assumptions that may differ based on actual developments in future. These include the determination of the discount rate, inflation, future salary increases and mortality rates. Due to the complexities involved in the valuation and being long-term in nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at every financial year end.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**
**5. PROPERTY, PLANT AND EQUIPMENT**

As at 31st March 2022

(₹ in Lakhs)

Particulars	GROSS AMOUNT				ACCUMULATED DEPRECIATION				NET CARRYING AMOUNT
	As at 1st April 2021	Additions during the year	Disposals during the year	As at 31st March 2022	As at 1st April 2021	Depreciation for the year	Disposals during the year	As at 31st March 2022	As at 31st March 2022
Freehold Land	285.64	-	-	285.64	-	-	-	-	285.64
ROU Leasehold Land	41.18	-	-	41.18	4.82	2.41	-	7.23	33.95
Buildings	35,959.81	555.69	-	36,515.50	12,883.78	1,575.30	-	14,459.08	22,056.42
ROU Building	1,531.90	-	-	1,531.90	724.48	397.73	-	1,122.21	409.69
Plant and Equipment	24,896.37	534.76	5.80	25,425.33	9,346.72	1,573.74	4.48	10,915.98	14,509.35
Furniture and Fixtures	676.09	26.55	1.35	701.29	442.44	58.93	1.31	500.06	201.23
Vehicles	2,629.56	62.15	4.70	2,687.01	2,003.76	210.72	4.61	2,209.87	477.14
Office Equipment	81.49	2.11	-	83.60	75.02	3.57	-	78.59	5.01
Computer	297.18	19.17	4.99	311.36	238.31	25.74	4.98	259.07	52.29
Bearer Plants	62,322.17	4,926.51	134.68	67,114.00	7,707.98	1,527.07	42.43	9,192.62	57,921.38
<b>Total</b>	<b>1,28,721.39</b>	<b>6,126.94</b>	<b>151.52</b>	<b>1,34,696.81</b>	<b>33,427.31</b>	<b>5,375.21</b>	<b>57.81</b>	<b>38,744.71</b>	<b>95,952.10</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**
**5. PROPERTY, PLANT AND EQUIPMENT**

As at 31st March 2023

(₹ in Lakhs)

Particulars	GROSS AMOUNT				ACCUMULATED DEPRECIATION				NET CARRYING AMOUNT
	As at 1st April 2022	Additions during the year	Disposals during the year	As at 31st March 2023	As at 1st April 2022	Depreciation for the year	Disposals during the year	As at 31st March 2023	As at 31st March 2023
Freehold Land	285.64	-	-	285.64	-	-	-	-	285.64
ROU Leasehold Land	41.18	-	-	41.18	7.23	2.40	-	9.63	31.55
Buildings	36,515.50	64.52	108.06	36,471.96	14,459.08	1,235.46	108.05	15,586.49	20,885.47
ROU Building	1,531.90	-	-	1,531.90	1,122.21	195.41	-	1,317.62	214.28
Plant and Equipment	25,425.33	205.34	247.71	25,382.96	10,915.98	1,510.13	230.38	12,195.73	13,187.23
Furniture and Fixtures	701.29	3.11	15.49	688.91	500.06	54.07	15.36	538.77	150.14
Vehicles	2,687.01	-	14.41	2,672.60	2,209.87	152.23	14.41	2,347.69	324.91
Office Equipment	83.60	0.23	8.43	75.40	78.59	3.06	8.43	73.22	2.18
Computer	311.36	11.99	76.43	246.92	259.07	22.57	73.40	208.24	38.68
Bearer Plants	67,114.00	4,193.21	44.02	71,263.19	9,192.62	1,828.59	7.90	11,013.31	60,249.88
<b>Total</b>	<b>1,34,696.81</b>	<b>4,478.40</b>	<b>514.55</b>	<b>1,38,660.66</b>	<b>38,744.71</b>	<b>5,003.92</b>	<b>457.93</b>	<b>43,290.70</b>	<b>95,369.96</b>

5.1 "ROU Buildings" relates to building premises taken on lease and recognised as "Right of Use" in terms of Ind AS 116 on implementation with effect from 1st April 2019 (Refer Note no. 53).

5.2 "ROU Building" includes Tea Factory taken on lease. In absence of break-up value of lease rental against different items of Property, Plant and Equipment, so acquired on lease, the rental capitalised in terms of Ind AS 116 had been categorised and depreciated over the tenure of lease. The cost of upgradation of the said Tea Factory including installation of new Plant and Equipment had been classified under respective items of PPE and has been transferred to lessor during the year at the residual value as agreed in terms of the agreement on expiry of lease term.

5.3 The Company has 31 tea estate land in State of Assam for which lease(patta) has been granted for carrying out the plantation activity against payment of Land Revenue. The company has 2 tea estates land taken on lease for 30 years on renewal basis from Government of West Bengal which have been recognised and disclosed as ROU leasehold land. The Company's right for plantation in the State of Assam is not for a specified lease term against lease payments (other than land revenue) and not expected to be withdrawn or discontinued in foreseeable future and as such perpetual in nature. Capitalisation of costs thereof as required in terms of Ind AS 116 and amortisation over the lease terms had therefore not been considered in this respect.

5.4 The Company doesn't hold any Benami Property and there is no proceedings initiated or pending against the Company for holding any Benami Property under the Benami Transaction (Prohibition) Act, 1988 and rules made there under.

5.5 Refer note. no. 21 and 25 in respect of charge created against borrowings and note no. 54 referring restriction imposed by Hon'ble High Court of Delhi relating to disposal of assets.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**
**6. OTHER INTANGIBLE ASSETS**
**As at 31st March, 2022**
**(₹ in Lakhs)**

Particulars	GROSS AMOUNT				ACCUMULATED AMORTISATION				NET CARRYING AMOUNT
	As at 1st April 2021	Additions during the year	Disposals during the year	As at 31st March 2022	As at 1st April 2021	Amortisation for the year	Disposals during the year	As at 31st March 2022	As at 31st March 2022
Trade Mark [Brand]	2,437.50	-	-	<b>2,437.50</b>	1,500.00	250.00	-	<b>1,750.00</b>	<b>687.50</b>
Computer Software	532.50	1.68	-	<b>534.18</b>	526.40	3.27	-	<b>529.67</b>	<b>4.51</b>
<b>Total</b>	<b>2,970.00</b>	<b>1.68</b>	<b>-</b>	<b>2,971.68</b>	<b>2,026.40</b>	<b>253.27</b>	<b>-</b>	<b>2,279.67</b>	<b>692.01</b>

**As at 31st March, 2023**
**(₹ in Lakhs)**

Particulars	GROSS AMOUNT				ACCUMULATED AMORTISATION				NET CARRYING AMOUNT
	As at 1st April 2022	Additions during the year	Disposals during the year	As at 31st March 2023	As at 1st April 2022	Amortisation for the year	Disposals during the year	As at 31st March 2023	As at 31st March 2023
Trade Mark [Brand]	2,437.50	-	-	<b>2,437.50</b>	1,750.00	250.00	-	<b>2,000.00</b>	<b>437.50</b>
Computer Software	534.18	-	-	<b>534.18</b>	529.67	1.41	-	<b>531.08</b>	<b>3.10</b>
<b>Total</b>	<b>2,971.68</b>	<b>-</b>	<b>-</b>	<b>2,971.68</b>	<b>2,279.67</b>	<b>251.41</b>	<b>-</b>	<b>2,531.08</b>	<b>440.60</b>

6.1 Trade mark (Brand - WM logo), acquired in January 2005, is being amortised under straight line method over 20 years based on valuation by Independent Valuer.

6.2 Computer Software is being amortised under straight line method over 5 years.

**7. INVESTMENT IN SUBSIDIARY AND ASSOCIATE**
**(₹ in Lakhs)**

Particulars	Refer Note no.	As at 31st March 2023	As at 31st March 2022
<b>Investment in Equity Instruments</b>			
<b>(Investment measured At Cost )</b>			
<b>(Face Value of Rs 10 each fully paid, except otherwise stated)</b>			
<b>In Subsidiary</b>			
<b>Unquoted</b>			
Borelli Tea Holdings Limited -BTHL, (U.K.)			
2,52,000 (31st March 2022: 2,52,000) Shares of GBP 1/- each	7.4	15,967.18	15,967.18
<b>In Associate</b>			
<b>Unquoted</b>			
D1 Williamson Magor Bio Fuel Limited			
72,81,201 (31st March 2022: 72,81,201) Shares , fully impaired		-	-
		<b>15,967.18</b>	<b>15,967.18</b>

7.1 Aggregate amount of unquoted investments 15,967.18 15,967.18

7.2 Aggregate amount of impairment in the value of investments 2,184.35 2,184.35

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**
**7.3** Details of Subsidiaries and Associates in accordance with Ind AS 112 "Disclosure of interests in other entities:

Name of the Company	Country of Incorporation	Proportion of ownership interest/ voting rights held by the Company	
		As at 31st March 2023	As at 31st March 2022
<b>Subsidiary</b>			
Borelli Tea Holdings Limited -BTHL	United Kingdom	100.00%	100.00%
<b>Associate</b>			
D1 Williamson Magor Bio Fuel Limited	India	34.30%	34.30%

7.4 During the year, BTHL has fully impaired its investment in Step down subsidiary i.e. Phu Ben Tea Company Limited (Vietnam) considering the operating losses incurred during the current and previous reporting years resulting in erosion of its entire net worth. Keeping in view the same, an exercise to assess the impairment in respect of Investment in BTHL has been undertaken by the management and no adjustment in carrying value of investments in BTHL has been considered necessary. The said valuation has been carried out by an Independent valuer appointed in this respect and as per the report received no provision for impairment is required against the carrying value of Investment in BTHL.

**8. INVESTMENTS**
**(₹ in Lakhs)**

Particulars	Refer Note no.	As at 31st March 2023	As at 31st March 2022
<b>Investment in Equity Instruments</b>			
<b>(Face Value of Rs 10 each fully paid, except otherwise stated)</b>			
<b>(At Fair Value through Other Comprehensive Income )</b>			
<b>Quoted</b>			
McNally Bharat Engineering Company Limited, fully impaired - MBECL	8.5 and 8.10		
30,52,295 (31st March 2022: 30,52,295) Shares		-	155.49
Williamson Financial Services Limited			
16,66,953 (31st March 2022: 16,66,953) Shares		97.40	86.08
Eveready Industries India Limited	8.7		
16,63,289 (31st March 2022: 16,63,289) Shares of Rs. 5/- each		4,853.71	5,565.60
The Standard Batteries Limited	8.8		
10,03,820 (31st March 2022: 10,03,820) Shares of Re. 1/- each		261.80	382.02
Kilburn Office Automation Limited	8.9		
31,340 (31st March 2022: 31,340) Shares		-	-
<b>Unquoted</b>			
ABC Tea Workers Welfare Services Limited			
11,067 (31st March 2022: 11,067) Shares		0.71	0.71
Murablack India Limited			
5,00,000 (31st March 2022: 5,00,000) Shares , fully impaired		-	-
Arunodaya Green Fuels Limited	8.11		
1,33,333 (31st March 2022: 1,33,333) Shares, fully impaired		-	-
		<b>5,213.62</b>	<b>6,189.90</b>

8.1 Aggregate amount of Unquoted Investments		0.71	0.71
8.2 Aggregate amount of Quoted Investments		5,212.91	6,189.19
8.3 Aggregate market value of Quoted Investments		5,212.91	6,189.19
8.4 Aggregate amount of Impairment in the value of Investments	8.6	-	-



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**

- 8.5 In connection with a Term Loan from ICICI Bank Limited of Rs. 5,000.00 lakhs (31st March, 2022: Rs. 5,000.00 lakhs) taken by McNally Bharat Engineering Company Limited (MBECL), the Company has furnished a Non-Disposal Undertaking of its present and future holding of shares in MBECL, which will remain valid as long as the said amount remains due and unpaid by MBECL (Also Refer Note no. 8.10).
- 8.6 Amount is below the rounding off norm adopted by the Company.
- 8.7 Shares of Eveready Industries India Limited were pledged to Housing Development Finance Corporation Limited against short-term loan of Rs. 7,500.00 lakhs (Balance Outstanding as on 31st March 2023: Nil) pending release of security by the lenders.
- 8.8 Shares of The Standard Batteries Limited are pledged to Aditya Birla Finance Limited against short-term loan of Rs. 1,000.00 lakhs (Balance Outstanding as on 31st March 2023: Nil) pending release of security by the lenders.
- 8.9 Trading of Kilburn Office Automation Limited Shares have been suspended on the stock exchange. Accordingly, for the purpose of fair valuation of these shares have been derived based on the latest audited financial statement.
- 8.10 Consequent to the initiation of Corporate Insolvency and Resolution Process (CIRP) and appointment of Resolution Professional in case of MBECL, the company has fair valued its investment to nominal value of Re. 1 pending finalisation and approval of resolution plan of MBECL by the committee of creditors.
- 8.11 In respect of Company's investment in Suryachakra Seafood limited (SSL), pursuant to the Scheme of Arrangement approved by Hon'ble High Court in earlier years, the said company was transferred to Arunodaya Green Fuels Limited (AGFL) and Shareholders of SSL were allotted 1 equity share of AGFL against 3 equity shares of SSL.

**9. LOANS**
**(₹ in Lakhs)**

Particulars	Refer Note No.	As at 31st March 2023		As at 31st March 2022	
		Current	Non-Current	Current	Non-Current
Loans to Bodies Corporate	58				
Considered Good		-	1,85,075.95	-	2,75,147.95
Credit Impaired		-	91,085.00	-	1,098.00
Less: Allowance for Doubtful Loans	9.2	-	(91,085.00)	-	(1,098.00)
Loans to Others	58				
Considered Good			-		13.00
Credit Impaired			13.00		-
Less: Allowance for Doubtful Loans	9.2	-	(13.00)	-	-
Loans and Advances to Employees					
Considered Good	9.1	37.50	-	1,272.32	-
Credit Impaired		-	7.38	-	9.56
Less: Allowance for Doubtful Loans	9.2	-	(7.38)	-	(9.56)
		<b>37.50</b>	<b>1,85,075.95</b>	<b>1,272.32</b>	<b>2,75,160.95</b>

- 9.1 Loans to employees included remuneration to the extent of Rs. 900.40 lakhs as on 31st March 2022 paid to Managing Director and Wholetime Director as decided by the Shareholders vide their special resolution in the Annual General Meeting (AGM) dated 30th December 2020. Pursuant to the company's application for obtaining approval of such payments from banks and financial institutions, as stated by the management in principle approval had since been granted by majority of the lenders in the previous year. These amounts were approved by the lender in the meeting dated 10th May 2022 of the banks and financial institutions received by the management in the month of June 2022 supported by legal advice in this respect have been charged to the Statement of Profit and Loss during the year ended 31st March, 2023.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**

9.2 Movement of Impairment Allowances for doubtful balances:

(₹ in Lakhs)

Particulars	Loans to Bodies Corporate and others		Loans and Advances to Employees	
	Year ended 31st March 2023	Year ended 31st March 2022	Year ended 31st March 2023	Year ended 31st March 2022
Balance at the beginning of the year	1,098.00	1,098.00	9.56	9.56
Recognised during the year	90,000.00	-	-	-
Reversal during the year	-	-	(2.18)	-
<b>Balance at the end of the year</b>	<b>91,098.00</b>	<b>1,098.00</b>	<b>7.38</b>	<b>9.56</b>

9.3 Loans or Advances in the nature of loans granted to Promoters, Directors, KMPs and the related parties in accordance with Schedule III (as amended) are as follows:

(₹ in Lakhs)

Particulars	As at 31st March 2023		As at 31st March 2022	
	Amount	%ge of Total	Amount	%ge of Total
<b>Repayable on Demand</b>				
<b>Promoters</b>				
Williamson Magor & Co. Limited	19,221.42	6.96%	19,221.42	6.95%
Babcock Borsig Limited	14,500.00	5.25%	14,500.00	5.25%
Williamson Financial Services Limited	22,200.00	8.04%	22,200.00	8.03%
Woodside Parks Limited	91,040.22	32.96%	91,040.22	32.93%
<b>Directors</b>				
Aditya Khaitan	-	0.00%	620.00	0.22%
Azam Monem	-	0.00%	280.40	0.10%

9.4 Refer Note no. 25 to the financial statements in respect of charge created against borrowings.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**
**10. OTHER FINANCIAL ASSETS**

(₹ in Lakhs)

Particulars	Refer Note No.	As at 31st March 2023		As at 31st March 2022	
		Current	Non-Current	Current	Non-Current
Security Deposits		-	1,268.72	-	1,256.89
Margin Money Deposit with banks	10.1 and 60	-	24.29	-	24.29
Fixed Deposit with Banks	10.1	-	74.28	-	17.34
Receivable against Sale of specified assets of Tea Estates	10.2 and 60	-	2,460.51	-	2,564.12
Interest Accrued on Loans and Deposits	58				
Considered good		111.57	-		1,942.16
Credit Impaired	10.4	-	9,941.50	-	7,999.34
Less: Allowance for Doubtful Interest Receivable	10.5	-	(9,941.50)	-	(7,999.34)
Interest Subsidies receivable from Government	10.3	-	579.35	-	579.35
Receivable on account of Claims and Other receivable	60				
Considered good		256.19	-	162.53	-
Credit Impaired		26.00	-	26.00	-
Less: Allowance for Doubtful Claims	10.5	(26.00)	-	(26.00)	-
Accrued duty draw back benefits pertaining to exports		57.33	-	142.19	-
Subsidies receivable from Government		908.70	-	610.97	-
Compensation receivable from Government	60	51.63	-	95.46	-
		<b>1,385.42</b>	<b>4,407.15</b>	<b>1,011.15</b>	<b>6,384.15</b>

10.1 Margin money and Fixed deposits with banks represents the amount lying against bank guarantee issued by them under Non-Fund based facilities granted.

10.2 Receivable against Sale of specified assets of Tea Estates represents the amount receivable from buyers subject to fulfilment of conditions in terms of Sales Agreement.

10.3 Interest subsidy receivable represent the amount receivable under Interest Subsidy 1997 Scheme for the period from 2007-08 to 2008-10 against which the claims has been recommended by DIC district to DIC Guwahati but the subsidy has not released due to letter dated 18th June 2014 from DIPP, New Delhi stating that the said Scheme is available for incremental borrowing. The company had preferred an appeal before Hon'ble High Court at Delhi and the judgement has been delivered in favour of the company and therefore the amount has been considered good and recoverable. Pending finalisation of the matter and determination of the amount thereof, claim for interest thereagainst for the subsequent period has not been recognised.

10.4 Includes Rs.1,051.99 lakhs, being the amount of tax deducted by the Bodies Corporate to whom Loans were granted and were not deposited by them. Such amounts remain provided for in the financial statement.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**

10.5 Movement of Impairment Allowances for doubtful balances:

(₹ in Lakhs)

Particulars	Receivable on account of Claims and Other receivable		Interest Accrued on Loans and Deposits	
	Year ended 31st March 2023	Year ended 31st March 2022	Year ended 31st March 2023	Year ended 31st March 2022
Balance at the beginning of the year	26.00	26.00	7,999.34	7,999.34
Recognised during the year	-	-	1,942.16	-
Reversal during the year	-	-	-	-
<b>Balance at the end of the year</b>	<b>26.00</b>	<b>26.00</b>	<b>9,941.50</b>	<b>7,999.34</b>

10.6 Refer Note no. 25 to the financial statements in respect of charge created against borrowings.

**11. OTHER NON-CURRENT ASSETS**

(₹ in Lakhs)

Particulars	Refer Note no.	As at 31st March 2023	As at 31st March 2022
Capital Advances		113.21	-
Advances Other than Capital Advances :			
Credit Impaired		1,161.51	1,161.51
Less : Allowance for Doubtful Advances	11.2	(1,161.51)	(1,161.51)
Advance for Employee Benefit	41		
- Superannuation Fund		1,492.23	1,490.79
Tax Payment under Protest	11.1	700.00	700.00
Deposits with National Bank for Agriculture and Rural Development		387.15	387.15
		<b>2,692.59</b>	<b>2,577.94</b>

11.1 In connection with an overseas acquisition of a subsidiary in 2005, the Income Tax authority had raised a demand of Rs. 5,278.00 lakhs during the year 2009-10 on the Company on account of alleged non-deduction of tax at source and interest thereon pertaining to the transaction. The Company challenged the said demand before the appropriate authorities and has obtained a stay against the same from the Hon'ble High Court of Calcutta. The Company deposited Rs. 700.00 lakhs during the year 2011-12 with Income Tax Authority under protest. In terms of the Share Purchase Agreement, Capital Gain or other taxes, if any, relating to sale of shares etc. is to be borne by the seller and not the Company. Under the Taxation Laws (Amendment) Act 2021 and the notification issued under Income – tax (31st Amendment) Rules 2021, the Company as directed by Income Tax authorities has withdrawn the appeal and the writ petition filed as mentioned above. Consequent to this, the Commissioner of Income Tax (IT & TP) has issued an order on 14th February 2022 granting the relief in terms of the said amendment enabling the Company to claim the said amount of Rs. 700.00 lakhs deposited by it.

11.2 Movement of Impairment Allowances for doubtful balances:

(₹ in Lakhs)

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Balance at the beginning of the year	1,161.51	1,161.51
Recognised during the year	-	-
Reversal during the year	-	-
<b>Balance at the end of the year</b>	<b>1,161.51</b>	<b>1,161.51</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**
**12. INVENTORIES**
**(₹ in Lakhs)**

Particulars	Refer Note no.	As at 31st March 2023	As at 31st March 2022
At lower of cost and net realisable value			
Raw Materials (Green Leaf)		141.92	288.31
Finished Goods (Stock of Tea)		3,876.17	3,863.51
[Including in transit Rs. 1,881.23 Lakhs (31st March 2022: Rs. 838.36 Lakhs)]			
Stores and Spares	12.1	3,505.46	4,850.38
		<b>7,523.55</b>	<b>9,002.20</b>

12.1 Stores and Spares is net of allowance for slow moving/obsolete inventory amounting to Rs. 126.49 lakhs (31st March 2022: Rs. 99.44 lakhs).

12.2 Disclosure as per Ind AS 2 "Inventories"

**(₹ in Lakhs)**

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
a) Cost of Inventories recognised as Expense during the year	1,08,804.94	1,20,596.77
b) (Increase)/Decrease in value of inventory due to variation in realisable value	411.05	450.67

12.3 Refer Note no. 25 to the financial statements in respect of charge created against borrowings.

**13. BIOLOGICAL ASSETS OTHER THAN BEARER PLANTS**
**(₹ in Lakhs)**

Particulars	Refer Note no.	As at 31st March 2023	As at 31st March 2022
Fair Value of Biological Assets other than Bearer Plants (Unharvested Tea Leaves)		244.56	526.79
		<b>244.56</b>	<b>526.79</b>

13.1 Changes in Fair Value of Biological Assets Other Than Bearer Plants

**(₹ in Lakhs)**

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
<b>Opening</b>	<b>526.79</b>	<b>408.52</b>
Increase due to harvest/physical changes	244.56	526.79
Decrease due to harvest/physical changes	(526.79)	(408.52)
<b>Closing</b>	<b>244.56</b>	<b>526.79</b>

13.2 Unharvested tea leaves on bushes as on 31st March 2023 was 10.72 Lakh Kgs (31st March 2022: 19.00 Lakh Kgs).

13.3 Refer Note no. 25 to the financial statements in respect of charge of tea estate against borrowings.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**
**14. TRADE RECEIVABLES**

(₹ in Lakhs)

Particulars	Refer Note no.	As at 31st March 2023	As at 31st March 2022
Secured	60		
- Considered Good	14.3	350.00	350.00
- Credit Impaired		195.26	195.26
Less : Allowance for Doubtful Debts	14.2	(195.26)	(195.26)
Unsecured	60		
- Considered Good		2,426.17	2,997.73
- Credit Impaired		176.23	176.23
Less : Allowance for Doubtful Debts	14.2	(176.23)	(176.23)
		<b>2,776.17</b>	<b>3,347.73</b>

**14.1 Trade Receivables ageing schedule based on the due date for payment thereagainst are as follows:**

(₹ in Lakhs)

Particulars	Refer Note no.	As at 31st March 2023	As at 31st March 2022
<b>Undisputed Trade Receivables- Considered Good</b>			
Within the credit period		1,086.34	832.93
Less than 6 Months		1,097.71	1,948.24
6 months - 1 Year		46.33	73.73
1-2 Years		58.33	14.87
2-3 Years		8.95	98.48
3 Years and above		128.51	29.48
<b>Undisputed Trade Receivables- Credit impaired</b>			
3 Years and above		176.23	176.23
<b>Disputed Trade Receivables- Considered Good</b>			
Within the credit period		-	-
Less than 6 Months		-	-
6 months - 1 Year		-	-
1-2 Years		-	-
2-3 Years		-	-
3 Years and above		350.00	350.00
<b>Disputed Trade Receivables- Credit impaired</b>			
3 Years and above		195.26	195.26

**14.2 Movement of Impairment Allowances for doubtful debts**

(₹ in Lakhs)

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
<b>Opening</b>	371.49	371.49
Recognised during the year	-	-
Reversal during the year	-	-
<b>Closing</b>	<b>371.49</b>	<b>371.49</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**

14.3 Trade Receivable secured represents amount secured against value of building available as security from a customer. Such building had been disposed off by the Liquidator of the said customer in earlier years. The sale proceeds thereof had been withheld by the liquidator and is expected to be realised on resolution of various cases concerning legal ownership of said building.

14.4 Refer Note no. 25 to the financial statements in respect of charge created against borrowings.

**15. CASH AND CASH EQUIVALENTS**
**(₹ in Lakhs)**

Particulars	Refer Note no.	As at 31st March 2023	As at 31st March 2022
Balance with banks in Current Accounts	15.1	744.25	1,460.06
Cash on hand		408.03	374.40
		<b>1,152.28</b>	<b>1,834.46</b>

15.1 Includes Rs. 1.91 lakhs (31st March 2022: Nil) being remittance in transit relating to fund transfer from Head Office.

15.2 Refer Note no. 25 to the financial statements in respect of charge created against borrowings.

**16. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS**
**(₹ in Lakhs)**

Particulars	Refer Note no.	As at 31st March 2023	As at 31st March 2022
<b>Earmarked Balance with banks:</b>			
- In Dividend Accounts	16.1	37.69	77.12
- In Escrow Accounts	16.2	0.07	3.26
- In Fixed Deposits	10.1	22.91	75.38
- In Escrow Accounts/Fractional Share Sale Proceeds Account	16.1	0.16	0.16
		<b>60.83</b>	<b>155.92</b>

16.1 Amount is not due for transfer to Investor Education and Protection Fund.

16.2 The Company has entered into a Memorandum of Understanding with certain Tea Auction Brokers whereby the company receives advance against future sales which is repaid from the said bank account on realisation of sale proceed of Tea directly credited to the said account.

16.3 Refer Note no. 25 to the financial statements in respect of charge created against borrowings.

**17. CURRENT TAX ASSETS (NET)**
**(₹ in Lakhs)**

Particulars	Refer Note no.	As at 31st March 2023	As at 31st March 2022
Advance Tax - Agricultural Income Tax	30.1	810.50	810.50
[Net of Provision Rs. 17,140.38 lakhs (31st March 2022: Rs. 17,127.44 lakhs)]			
Advance Tax - Fringe Benefit Tax		78.97	78.97
[Net of Provision Rs. 274.07 lakhs (31st March 2022: Rs 274.07 lakhs )]			
		<b>889.47</b>	<b>889.47</b>



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**
**18. OTHER CURRENT ASSETS**
**(₹ in Lakhs)**

Particulars	Refer Note no.	As at 31st March 2023	As at 31st March 2022
Balance with Government Authorities- GST, etc.		1,956.58	1,723.18
Advances to Suppliers, Service Providers etc.	60		
Considered Good		2,625.43	3,435.68
Considered Doubtful	18.3	1,656.00	256.00
Less: Allowance for Doubtful Advances	18.1	(1,656.00)	(256.00)
Advance for Employee Benefits	41		
- Superannuation Fund		144.33	35.57
Advance to Employees			
Considered Good		182.89	108.64
Considered Doubtful		108.85	113.51
Less: Allowance for Doubtful Advances	18.1	(108.85)	(113.51)
Prepaid Expenses		343.67	379.85
Other	18.2	-	2,000.00
		<b>5,252.90</b>	<b>7,682.92</b>

**18.1 Movement of Impairment Allowances for doubtful advances**
**(₹ in Lakhs)**

Particulars	Advances to Suppliers, Service Providers etc.		Loans and Advances to Employees	
	Year ended 31st March 2023	Year ended 31st March 2022	Year ended 31st March 2023	Year ended 31st March 2022
Opening	256.00	265.00	113.51	113.51
Recognised during the year (Refer Note no. 18.3)	1,400.00	-	-	-
Reversal during the year	-	9.00	4.66	-
<b>Closing</b>	<b>1,656.00</b>	<b>256.00</b>	<b>108.85</b>	<b>113.51</b>

18.2 The proceedings initiated in the earlier year under "Insolvency and Bankruptcy Code, 2016" (IBC) pursuant to a petition filed by a corporate lender having an outstanding balance of Rs. 10,000.00 lakhs had been closed following a settlement arrived at towards the amount payable in this respect. Rs. 12,000.00 lakhs had been paid to said corporate lender by certain parties on behalf of the company and differential of Rs. 2,000.00 lakhs pending payment of entire amount and finalisation of necessary terms etc. and non-recognition of interest as stated in Note no. 36.2 had been carried forward in the financial statement. During the year, as stated in Note no 36.3, consequent to the ratification of such payment by the Board of Directors, the amount paid over and above has been recognised as finance cost, pending discharge of the balance obligations and finalisation of the related terms and conditions of such settlement.

18.3 Includes Rs. 1,400.00 lakhs outstanding from a party against advance given in earlier years and lying outstanding for a considerable period of time, recoverability whereof in absence of required details and confirmations etc., being considered remote, has been fully provided for and shown as exceptional item in these financial statement.

18.4 Refer Note no. 25 to the financial statements in respect of charge created against borrowings.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**
**19. EQUITY SHARE CAPITAL**
**(₹ in Lakhs)**

Particulars	Refer Note no.	As at 31st March 2023	As at 31st March 2022
<b>Authorised</b>			
12,00,00,000 (31st March 2022: 12,00,00,000) Equity Shares of Rs. 5/- each		6,000.00	6,000.00
<b>Issued, subscribed and paid-up</b>			
10,44,55,735 (31st March 2022: 10,44,55,735) Equity Shares of Rs. 5/- each fully paid up		5,222.79	5,222.79
		<b>5,222.79</b>	<b>5,222.79</b>

**19.1 Reconciliation of number of Equity Shares outstanding**

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
As at beginning of the year	10,44,55,735	10,44,55,735
Changes in Equity Share Capital during the year	-	-
At the end of the year	10,44,55,735	10,44,55,735

**19.2 Rights, preferences and restrictions attached to Shares**

The Company has one class of shares referred to as Equity Shares having a par value of Rs. 5.00 each. Each Holder of Equity Shares is entitled to one vote per share. In the event of liquidation of the Company, the equity shareholders will be entitled to receive assets of the Company remaining after distribution of all preferential amounts, in proportion of their shareholding.

**19.3 Buy Back of Shares**

During the year ended 31st March, 2019, pursuant to the approval of the Board of Directors the Company had bought back 5,000,000 equity shares at an aggregate consideration of Rs. 6,901.28 Lakhs.

**19.4 Shareholders holding more than 5% of the Equity Shares in the Company**

Particulars	Year ended 31st March 2023		Year ended 31st March 2022	
	(No. of Shares)	%	(No. of Shares)	%
Carbon Resources (P) Limited	52,50,000	5.03	-	-

**19.5 Changes in Shareholding of Promoter :**
**For the year ended 31st March 2023**
**(No. of Shares)**

Particulars	As at 31st March 2023		As at 31st March 2022		%ge Change
	(No. of Shares)	%	(No. of Shares)	%	
LATE BRIJ MOHAN KHAITAN	36,588	0.04	36,588	0.04	0.00
ADITYA KHAITAN	17,272	0.02	17,272	0.02	0.00
AMRITANSHU KHAITAN	15,000	0.01	15,000	0.01	0.00

**For the year ended 31st March 2022**
**(No. of Shares)**

Particulars	As at 31st March 2022		As at 31st March 2021		%ge Change
	(No. of Shares)	%	(No. of Shares)	%	
LATE BRIJ MOHAN KHAITAN	36,588	0.04	36,588	0.04	0.00
ADITYA KHAITAN	17,272	0.02	17,272	0.02	0.00
AMRITANSHU KHAITAN	15,000	0.01	15,000	0.01	0.00

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**
**20. OTHER EQUITY**

(₹ in Lakhs)

Particulars	Reserves and Surplus						Other Comprehensive Income		Total
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	Other Reserve	Revaluation Surplus	Equity Investments through FVTOCI	Remeasurement of Defined Benefit Plan	
<b>As at 1st April 2021</b>	<b>201.68</b>	<b>4,402.30</b>	<b>1,03,969.20</b>	<b>(4,404.42)</b>	<b>19,209.20</b>	<b>28,544.64</b>	<b>4,757.54</b>	-	<b>1,56,680.14</b>
Profit/(Loss) for the year	-	-	-	(13,617.14)	-	-	-	-	(13,617.14)
Other Comprehensive Income	-	-	-	-	-	-	887.19	(827.74)	59.45
<b>Total Comprehensive Income for the year</b>	-	-	-	<b>(13,617.14)</b>	-	-	<b>887.19</b>	<b>(827.74)</b>	<b>(13,557.69)</b>
Transfer on account of depreciation on amount added on Revaluation of Property, Plant and Equipment	-	-	1,165.07	-	-	(1,165.07)	-	-	-
Transfer to Retained Earnings	-	-	-	(827.74)	-	-	-	827.74	-
<b>As at 31st March 2022</b>	<b>201.68</b>	<b>4,402.30</b>	<b>1,05,134.27</b>	<b>(18,849.30)</b>	<b>19,209.20</b>	<b>27,379.57</b>	<b>5,644.73</b>	-	<b>1,43,122.45</b>
Profit/(Loss) for the year	-	-	-	(1,04,942.27)	-	-	-	-	(1,04,942.27)
Other Comprehensive Income	-	-	-	-	-	-	(976.29)	(1,539.41)	(2,515.70)
<b>Total Comprehensive Income for the year</b>	-	-	-	<b>(1,04,942.27)</b>	-	-	<b>(976.29)</b>	<b>(1,539.41)</b>	<b>(1,07,457.97)</b>
Transfer on account of depreciation on amount added on Revaluation of Property, Plant and Equipment	-	-	1,148.38	-	-	(1,148.38)	-	-	-
Transfer to Retained Earnings	-	-	-	(1,539.41)	-	-	-	1,539.41	-
<b>As at 31st March 2022</b>	<b>201.68</b>	<b>4,402.30</b>	<b>1,06,282.65</b>	<b>(1,25,330.98)</b>	<b>19,209.20</b>	<b>26,231.19</b>	<b>4,668.44</b>	-	<b>35,664.48</b>

**Nature and Purpose of Reserves**
**20.1 Capital Reserve**

Represents the amount transferred from the transferor company pursuant to Scheme of Arrangement effected in earlier years.

**20.2 Securities Premium Reserve**

Securities Premium represents the amount received in excess of par value of securities and is available for utilisation as specified under Section 52 of Companies Act, 2013.

**20.3 General Reserve**

General reserve is a free reserve which is created by transfer of profits from retained earnings. As the general reserve is created by a transfer from one component to another and is not an item of Other Comprehensive Income, items included in the general reserve is generally not reclassified subsequently to Statement of Profit and Loss.

**20.4 Other Reserves**

Represents the balance amount of reserve which had arisen on transfer of Bulk Tea Division of Eveready Industries India Limited pursuant to Scheme of Arrangement.

**20.5 Retained Earnings**

Retained earnings generally represents amount of accumulated surplus/deficit of the company. This includes Other Comprehensive Income of (Rs. 7,136.01 lakhs) (31st March 2022: (Rs. 5,596.60 lakhs)) relating to remeasurement of defined benefit plans (net of tax) which cannot be reclassified to Statement of Profit and Loss.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**
**20.6 Revaluation Surplus**

Represents differential arising on revaluation of Property, Plant and Equipment by the erstwhile Bulk Tea Division of Everready Industries Limited demerged to the company with effect from 1st April 2004 pursuant to the Scheme of Arrangement. The said reserve has been carried over being part of PPE, recognised at carrying value as per previous GAAP as deemed cost on the date of transition to Ind AS. The amount of depreciation attributable to the said revaluation is transferred from the said reserve to general reserve as per the practice followed in this respect.

**20.7 Other Comprehensive Income**

The company has elected to recognise changes in the fair value of non-current investments in Equity Instruments (other than Subsidiary and Associates) through OCI. This reserve represents the cumulative gains and losses arising on equity instruments measured at fair value. The company transfers amounts from this reserve to retained earnings when the relevant equity securities are disposed. This also includes gain/losses on defined benefit obligations which is transferred to retained earnings as stated in Note 20.5 above.

**21. NON CURRENT BORROWINGS**

(₹ in Lakhs)

Particulars	Refer Note No.	As at 31st March 2023		As at 31st March 2022	
		Current	Non-Current	Current	Non-Current
<b>SECURED</b>					
<b>Term Loans from Banks</b>					
<b>ICICI Bank Limited</b>		656.54	-	656.54	-
a) Nature of Security					
Secured by first pari passu charge of certain tea estates by way of mortgage over immovable fixed assets and hypothecation of movable fixed assets.					
b) Rate of Interest					
Interest is payable on monthly basis at base rate plus 0.40% p.a.					
<b>ICICI Bank Limited</b>		3,993.00	-	3,993.00	
a) Nature of Security					
Secured by first pari passu charge of certain tea estates by way of mortgage over immovable fixed assets and hypothecation of movable fixed assets.					
b) Rate of Interest					
Interest is payable on monthly basis at 1 year MCLR plus 1.70% p.a.					
<b>HDFC Bank Limited</b>		2,300.00	-	2,300.00	-
a) Nature of Security					
Secured by extension of exclusive charge over certain tea estates.					
b) Rate of Interest					
Interest is payable on monthly basis at HDFC bank 1 year MCLR plus 1.40% p.a.					
<b>HDFC Bank Limited</b>	21.3	4,500.00	-	4,500.00	-
a) Nature of Security					
Subservient charge on the entire present and future moveable fixed assets of the company.					
b) Rate of Interest					
Interest is payable on monthly basis at 3-month MCLR plus 3.00% p.a.					

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**

(₹ in Lakhs)

Particulars	Refer Note No.	As at 31st March 2023		As at 31st March 2022	
		Current	Non-Current	Current	Non-Current
<b>RBL Bank Limited</b>		4,752.33	-	4,752.33	-
a) Nature of Security					
Subservient charge by way of hypothecation/mortgage over moveable fixed assets of the Company both present and future.					
b) Rate of Interest					
Interest is payable on monthly basis at RBL Bank's 1 year MCLR plus 1.10%.					
<b>Term Loan from Others</b>					
<b>Housing Development Finance Corporation Limited</b>		894.82	-	894.82	-
a) Rate of Interest					
Interest is payable on monthly basis at HDFC CORP-PLR plus 2.10% p.a.					
<b>J. C. Flowers Asset Reconstruction Private Limited</b>	21.3 and 21.2	4,375.00	-	4,375.00	-
a) Nature of Security					
(i) Subservient charge on all the Moveable Fixed assets of certain tea estates- both present and future.					
b) Rate of Interest					
Interest is payable on monthly basis at 1 year MCLR plus 1.15% per annum.					
		<b>21,471.69</b>	<b>-</b>	<b>21,471.69</b>	<b>-</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**

21.1 The company in terms of the sanction letter has been in default for the repayment of principal and interest thereof to the lenders (banks & others). The period and amount of such defaults as on balance sheet date read with Note no. 59 are as follows:

(₹ in Lakhs)

Particulars	Period of Default	Principal		Interest	
		As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2023	As at 31st March, 2022
<b>Term Loans from Banks</b>					
ICICI Bank Limited	June 2019 to 31st March, 2023	4,649.54	4,649.54	1,658.37	1,227.54
HDFC Bank Limited	June 2019 to 31st March, 2023	6,800.00	6,800.00	2,636.82	1,922.04
RBL Bank Limited	July 2019 to 31st March, 2023	4,752.33	4,752.33	1,984.69	1,485.97
<b>Term Loan from Others</b>					
Housing Development Finance Corporation Limited	1st January, 2020 to 31st March, 2023	894.82	894.82	289.25	201.95
J. C. Flowers Asset Reconstruction Private Limited	March 2019 to 31st March, 2023	4,375.00	4,375.00	1,594.87	1,186.80
<b>Short Term Loan from Banks</b>					
Axis Bank Limited	July 2019 to 31st March, 2023	25,000.00	25,000.00	10,052.22	7,480.17
RBL Bank Limited	July 2019 to 31st March, 2023	23,500.00	23,500.00	9,605.50	7,088.37
HDFC Bank Limited	May 2019 to 31st March, 2023	17,901.97	17,901.97	6,735.18	4,904.25
IndusInd Bank Limited	December 2019 to 31st March, 2023	7,484.81	7,484.81	3,505.85	2,835.96
<b>Short Term Loan from Others</b>					
J. C. Flowers Asset Reconstruction Private Limited	May 2019 to 31st March, 2023	33,026.61	33,026.61	11,866.40	9,056.39
Ragini Finance Limited	October 2019 to 31st March, 2023	950.00	950.00	-	-
Digvijay Finlease Limited	October 2019 to 31st March, 2023	1,950.00	1,950.00	-	-
P D K Impex Private Limited	March, 2020 to 31st March, 2023	475.00	975.00	-	-
<b>Cash Credit</b>					
Axis Bank Limited	October 2019 to 31st March, 2023	144.07	480.53	150.68	128.14
HDFC Bank Limited	May 2019 to 31st March, 2023	4,268.89	5,579.49	2,302.66	1,114.97
State Bank of India Limited	June 2019 to 31st March, 2023	6,649.02	8,987.41	1,920.01	1,897.29
Punjab National Bank Limited	February 2020 to 31st March, 2023	5,125.14	6,842.02	1,654.09	1,224.73
Indian Bank Limited	29th February 2020 to 31st March 2023	2,846.79	3,784.61	970.74	697.10
J. C. Flowers Asset Reconstruction Private Limited	May 2019 to 31st March, 2023	700.88	900.00	-	-
RBL Bank Limited	July 2019 to 31st March 2023	1,839.00	1,839.00	1,571.15	1,180.17
UCO Bank Limited	31st May 2020 to 31st March 2023	1,746.33	2,426.53	625.01	480.21
ICICI Bank Limited	June 2019 to 31st March, 2023	5,773.04	7,763.34	2,828.00	2,178.37
		<b>1,60,853.25</b>	<b>1,70,863.01</b>	<b>61,951.49</b>	<b>46,290.42</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**

- 21.2 During the year ended 31st March, 2020, Yes Bank Limited had recalled its entire loan outstanding including interest thereon. Accordingly, such loans had been considered as due for payment. Further during the year, Yes Bank Limited as informed to the company has assigned the entire loan facilities granted by them to the company in favor of J C Flowers Asset Reconstruction Private Limited and accordingly the same has been taken on the record by the company. Though the loans have been assigned, the charges/ security, amount, terms and conditions etc. are yet to be confirmed/ modified pending completion of the Resolution Process as stated in Note no. 59(a).
- 21.3 In terms of agreement with lenders the above mentioned loans in certain cases were also required to be secured as stated in Note 25.2.
- 21.4 The Security as disclosed above have been based on the charge documents filed with ROC. Further certain security has been disposed off by the lenders for recovering their dues and accordingly such securities have not been disclosed herein above. As stated in Note no. 59, Resolution process is under consideration of lender and thereby terms and conditions including the period and amount of repayment etc. thereof and the security as given herein above will accordingly be modified on completion of the Resolution Process.
- 21.5 The disclosure given herein above has been made on the basis mentioned in note no. 59(b). The default and amount due are therefore subject to confirmation and reconciliation with respective parties and completion of resolution process under consideration by lenders as stated in Note no. 59(a).
- 21.6 Pending completion of resolution process as stated in Note no. 59(a) any further charge or satisfaction as such could not be filed with Registrar of Companies (ROC) and details of charges herein above are based on filings done earlier.
- 21.7 Also Refer Note no. 59 and 36.

**22. EMPLOYEE BENEFIT OBLIGATIONS**

(₹ in Lakhs)

Particulars	Refer Note No.	As at 31st March 2023		As at 31st March 2022	
		Current	Non-Current	Current	Non-Current
Provision for Employee Benefits	41				
- Staff Pension		3,701.63	3,076.20	1,744.29	3,701.62
- Gratuity Fund		3,169.45	3,250.53	2,932.93	1,294.36
- Medical Benefit		235.31	257.65	253.90	183.82
- Expatriate Pension		20.34	9.07	23.65	12.36
- Leave		139.38	-	139.38	-
		<b>7,266.11</b>	<b>6,593.45</b>	<b>5,094.15</b>	<b>5,192.16</b>

**23. DEFERRED TAX LIABILITIES (NET)**

(₹ in Lakhs)

Particulars	Refer Note no.	As at 31st March 2023	As at 31st March 2022
Deferred Tax Liabilities		20,369.46	22,001.21
Deferred Tax Assets		16,848.56	13,274.13
		<b>3,520.90</b>	<b>8,727.08</b>

**Components of Deferred tax (Assets)/ Liabilities as at 31st March 2023 are given below:**

(₹ in Lakhs)

Particulars	As at 1st April, 2022	Charge/ (Credit) recognised in Statement of profit and loss	Charge/ (Credit) recognised in OCI	As at 31st March 2023
<b>Deferred Tax Assets:</b>				
Expenses allowable on payment basis	9,876.63	(3,316.61)	(723.76)	13,917.00
Allowances for Doubtful Debts, Advances etc.	1,108.96	(72.20)	-	1,181.16
MAT Credit Entitlement	2,110.37	495.29	-	1,615.08
Others	178.17	42.85	-	135.32
<b>Total Deferred Tax Assets</b>	<b>13,274.13</b>	<b>(2,850.67)</b>	<b>(723.76)</b>	<b>16,848.56</b>
<b>Deferred Tax Liabilities:</b>				
Timing difference with respect to Property, Plant and Equipment and other intangible assets	22,001.21	(1,631.75)	-	20,369.46
<b>Total Deferred Tax Liabilities</b>	<b>22,001.21</b>	<b>(1,631.75)</b>	<b>-</b>	<b>20,369.46</b>
<b>NET DEFERRED TAX (ASSETS)/ LIABILITIES</b>	<b>8,727.08</b>	<b>(4,482.42)</b>	<b>(723.76)</b>	<b>3,520.90</b>



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**
**Components of Deferred tax (Assets)/ Liabilities as at 31st March 2022 are given below:**
**(₹ in Lakhs)**

Particulars	As at 1st April, 2021	Charge/ (Credit) recognised in Statement of profit and loss	Charge/ (Credit) recognised in OCI	As at 31st March 2022
<b>Deferred Tax Assets:</b>				
Expenses allowable on payment basis	10,282.95	795.49	(389.17)	9,876.63
Allowances for Doubtful Debts, Advances etc.	1,127.31	18.35	-	1,108.96
MAT Credit Entitlement	3,105.64	995.27	-	2,110.37
Others	402.03	223.86	-	178.17
<b>Total Deferred Tax Assets</b>	<b>14,917.93</b>	<b>2,032.97</b>	<b>(389.17)</b>	<b>13,274.13</b>
<b>Deferred Tax Liabilities:</b>				
Timing difference with respect to Property, Plant and Equipment and other intangible assets	21,872.31	128.90	-	22,001.21
<b>Total Deferred Tax Liabilities</b>	<b>21,872.31</b>	<b>128.90</b>	<b>-</b>	<b>22,001.21</b>
<b>NET DEFERRED TAX (ASSETS)/ LIABILITIES</b>	<b>6,954.38</b>	<b>2,161.87</b>	<b>(389.17)</b>	<b>8,727.08</b>

23.1 The ultimate realisation of deferred tax assets, unused tax credit is dependent upon the future taxable income of the company. Deferred Tax Assets including MAT Credit entitlement has been recognised on management's assessment of reasonable certainty for reversal/utilisation thereof against future taxable income.

Deferred tax assets in respect of MAT Credit Entitlement amounting to Rs. 2,834.61 lakhs and on provision of Rs. 13,046.99 lakhs created during the year against inter corporate deposits and other as detailed in Note no. 39 pending determination of the amount thereof considering the principle of prudence has not been recognised.

**23.2 The Expiry date for accumulated capital loss unrecognised are as follows:**
**(₹ in Lakhs)**

Particulars	Year of Expiry	Amount
Long Term Capital Loss	AY 2026-27	5,526.84
Short Term Capital Loss	AY 2028-29	135.13

**24. OTHER NON - CURRENT LIABILITIES**
**(₹ in Lakhs)**

Particulars	Refer Note no.	As at 31st March 2023	As at 31st March 2022
Deferred Revenue arising from Government Grants	24.1	423.16	454.72
		<b>423.16</b>	<b>454.72</b>

24.1 Deferred Income Comprises of Government Grants/Assistance in form of:

**(₹ in Lakhs)**

Particulars	Opening (Including Non-Current Portion)	Recognised during the year	Transferred to Statement of Profit and Loss	Closing (Including Non-Current Portion)
Financial Assistance under Tea Board Quality Upgradation and Product Diversification Scheme towards Capital expenditure incurred for Tea Plantation. The assistance received/receivable and credited to deferred income has been transferred to Statement of Profit and Loss proportionately based on useful lives of respective property, plant and equipment.	486.09	-	31.46	454.63

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**
**25. CURRENT BORROWINGS**

(₹ in Lakhs)

Particulars	Refer Note no.	As at 31st March 2023	As at 31st March 2022
<b>Secured Loans from Banks</b>			
Cash Credit, Packing Credit and Demand Loans		29,093.16	38,602.93
(a) Nature of Security			
Secured by equitable first mortgage by way of deposit of title deeds of immovable properties of certain tea estates ranking pari passu and hypothecation of tea crop, movable properties and book-debts, present and future of the Company.			
Secured by second charge on certain tea-estates by way of mortgage over immovable fixed assets and hypothecation of movable fixed assets.			
<b>Secured Loans - Short Term</b>			
<b>From Banks</b>			
<b>Axis Bank Limited</b>		7,500.00	7,500.00
(a) Nature of security:			
Secured by first charge on certain tea-estates by way of mortgage over immovable fixed assets and hypothecation of movable fixed assets. Personal guarantee of Mr. Aditya Khaitan, Director.			
<b>Axis Bank Limited</b>		7,500.00	7,500.00
(a) Nature of security:			
Secured by second charge on certain tea-estates by way of mortgage over immovable fixed assets and hypothecation of movable fixed assets.			
<b>RBL Bank Limited</b>		23,500.00	23,500.00
(a) Nature of security:			
Subservient charge by way of hypothecation/mortgage over moveable fixed assets of the Company - both present and future.			
Subservient charge over the current assets of the company both present and future.			
<b>IndusInd Bank Limited</b>		7,484.81	7,484.81
(a) Nature of security:			
Subservient charge on all the Moveable Fixed assets, book debts and stock of certain tea estates- both present and future.			
<b>HDFC Bank Limited</b>	25.2	17,901.97	17,901.97
(a) Nature of security:			
Secured by equitable first mortgage by way of deposit of title deeds of immovable properties of certain tea estates ranking pari passu and hypothecation of tea crop, movable properties and book-debts, present and future of the Company.			
<b>Secured Loans from Others</b>			
<b>J C Flowers Asset Reconstruction Private Limited</b>	21.2	9,636.61	9,636.61
(a) Nature of Security			
Subservient charge on all the Moveable Fixed assets of certain tea estates both present and future.			

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**
**25. CURRENT BORROWINGS**

(₹ in Lakhs)

Particulars	Refer Note no.	As at 31st March 2023	As at 31st March 2022
<b>Unsecured Loans - Short Term</b>			
<b>Unsecured Loans from Banks</b>	25.2		
Axis Bank Limited		10,000.00	10,000.00
<b>Unsecured Loans from Others</b>			
- From Individual	25.5	3,500.00	3,500.00
- J C Flowers Asset Reconstruction Private Limited	21.2	23,390.00	23,390.00
- From Body Corporates	25.4, 25.5 and 25.2	7,000.00	6,939.86
- From Related Party	25.4 and 25.5	10,875.19	10,620.19
<b>Current Maturities of Long Term Debts</b>			
<b>Secured Loans from Banks</b>	21		
ICICI Bank Limited		4,649.54	4,649.54
HDFC Bank Limited		6,800.00	6,800.00
RBL Bank Limited		4,752.33	4,752.33
<b>Secured Loans from Others</b>	21		
J C Flowers Asset Reconstruction Private Limited		4,375.00	4,375.00
Housing Development Finance Corporation Limited		894.82	894.82
		<b>1,78,853.43</b>	<b>1,88,048.06</b>

25.1 Refer Note no. 21.1 in respect of default in borrowings

25.2 In terms of agreement with lenders the above mentioned loans in certain cases were also required to be secured against equitable mortgage of specific tea estates of the company along with other lenders and pledge of entire equity shares of McLeod Russel Uganda Limited (MRUL). However, in view of pending resolution process, such loan could not be fully securitised as required in term of agreement with lenders.

25.3 The Security as disclosed above has been based on the charge documents filed with ROC. Further certain security has been disposed off by the lenders against repayments of their dues and accordingly such securities have not been disclosed herein above. Further, in certain cases Personal guarantee of Mr. Aditya Khaitan, Managing Director was pending execution. As stated in Note no. 59, Resolution process for restructuring the borrowing are under consideration of lenders and thereby terms and conditions thereof including the security as given herein above will accordingly be modified on sanction of the said plan.

25.4 Certain payments made by body corporates on behalf of the company amounting to Rs. 1,105.00 lakhs against settlements directly made by them for repayment of ICDs taken by the company in earlier year have been disclosed as short term borrowings. Pending finalisation of terms and conditions with respect to these loans, necessary disclosures in this respect have not been made in these financial statements.

25.5 During the year, the Board of Directors have ratified the payment made by Individuals amounting to Rs. 3,500.00 lakhs, from body corporates amounting to Rs. 2,000.00 lakhs and from related parties amounting to Rs. 10,520.19 lakhs against settlements directly made by them for repayment of ICDs taken by the company in earlier years and invocation of third party securities provided to one of the lender against borrowing made by the company. Accordingly, disclosures in this respect have been made based on the terms and conditions as ratified and approved by the Board of Directors. This however does not include the payments made as per Note no. 25.4 above.

25.6 In respect of unsecured loans as mentioned in Note no. 25.5, the company had requested to extend the date of payment/ settlement of outstanding amount to 31st December 2023 which has been accepted by the parties and approved by the Board of Directors of the company and therefore there are no default as on 31st March 2023.

25.7 Pending completion of resolution process as stated in Note no. 59(a) any further charge or satisfaction as such could not be filed with Registrar of Companies (ROC) and details of charges herein above are based on filings done earlier.

25.8 Also refer Note no. 59 and 36.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**
**26. TRADE PAYABLES**

(₹ in Lakhs)

Particulars	Refer Note no.	As at 31st March 2023	As at 31st March 2022
Payable for Goods and Services	60		
a) Total outstanding dues of micro enterprises and small enterprises	26.1	416.45	403.98
b) Total outstanding dues other than micro enterprises and small enterprises		8,138.32	9,242.13
		<b>8,554.77</b>	<b>9,646.11</b>

26.1 Disclosure of Trade payables as required under section 22 of Micro, Small and Medium Enterprises Development (MSMED) Act, 2006, are based on the confirmation and information available with the company regarding the status of suppliers (Also Refer Note no. 60).

(₹ in Lakhs)

Particulars	Refer Note no.	As at 31st March 2023	As at 31st March 2022
a) Principal amount remaining unpaid but not due as at year end		416.45	403.98
b) Interest amount remaining unpaid but not due as at year end			
c) Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year		-	-
d) 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 Micro, Small and Medium Enterprises Development Act, 2006		-	-
e) Interest accrued and remaining unpaid as at year end			
f) 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		-	-

**26.2 Trade Payable ageing schedule to the extent possible based on the outstanding balance as computed from date of transaction are as follows: (Also Refer Note no. 60).**

(₹ in Lakhs)

Particulars	Refer Note no.	As at 31st March 2023	As at 31st March 2022
<b>Undisputed - Non MSME</b>			
Less than 1 year		2,017.58	4,460.41
1-2 years		2,537.72	1,227.48
2-3 years		481.43	436.67
More than 3 years		3,101.59	3,117.57
		<b>8,138.32</b>	<b>9,242.13</b>
<b>Undisputed - MSME</b>			
Less than 1 year		288.69	299.51
1-2 years		110.60	45.53
2-3 years		6.70	24.77
More than 3 years		10.46	34.17
		<b>416.45</b>	<b>403.98</b>
<b>Disputed - MSME</b>			
Less than 1 year		-	-
1-2 years		-	-
2-3 years		-	-
More than 3 years		-	-
		-	-
<b>Disputed - Non-MSME</b>			
Less than 1 year		-	-
1-2 years		-	-
2-3 years		-	-
More than 3 years		-	-
		-	-

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**
**26.3 Unbilled amount included above being less than 1 year are as follows:**
**(₹ in Lakhs)**

Particulars	Refer Note no.	As at 31st March 2023	As at 31st March 2022
Undisputed - Non MSME		292.02	81.97
Undisputed - MSME		-	-
		<b>292.02</b>	<b>81.97</b>

**27. OTHER FINANCIAL LIABILITIES**
**(₹ in Lakhs)**

Particulars	Refer Note no.	As at 31st March 2023	As at 31st March 2022
Interest accrued and due on borrowings	21.1, 27.2 and 27.3	58,725.86	43,883.29
Unpaid Dividends	27.1	37.69	77.12
Unclaimed Fractional Share Sale Proceeds	27.1	0.16	0.16
Deposits Received from Agents/ Customers	60	107.96	106.59
Employee Benefits Payable		8,054.25	6,921.44
Payable against Fair Trade Premium		138.40	235.82
Book Overdraft		293.56	-
		<b>67,357.88</b>	<b>51,224.42</b>

27.1 There are no amounts due for payment to the Investor Education and Protection Fund as at the year end.

27.2 The liability in relation to borrowings have been stated based on the provisions and appropriations stated in Note no. 36.1 and 36.2, pending completion of resolution process and confirmation/reconciliation of balances etc. by the lenders (Refer Note no. 59(b)).

27.3 Interest accrued and due is net of Rs. 3,225.63 lakhs (31st March 2022: Rs. 2,893.59 lakhs) pertaining to certain debit balances lying with banks which had been appropriated against their outstanding dues pending confirmation and reconciliation as detailed in Note no. 59(b)

**28. OTHER CURRENT LIABILITIES**
**(₹ in Lakhs)**

Particulars	Refer Note no.	As at 31st March 2023	As at 31st March 2022
Advances- from Customers, Selling Agents and others	60 and 28.2	5,924.34	5,210.58
Statutory Payables (including Provident Fund and Tax deducted at Source)		7,810.87	3,775.76
Advances against Sale of Fixed Assets	28.1 and 60	1,532.01	1,479.25
Deferred Revenue arising from Government Grants	24.1	31.47	31.37
		<b>15,298.69</b>	<b>10,496.96</b>

28.1 The company had received advance of Rs. 1,413.87 lakhs related to Sale of Specified Assets of Boroi Tea Estates and Assam Valley School (Net book Value: Rs. 3,236.96 lakhs). However pursuant to the injunction imposed vide the order of Hon'ble High Court of Delhi as stated in Note no. 54(b), such transaction could not materialise and as such have been disclosed under Advance against Sale of Fixed Assets. Pending this, the related assets remain included and have been disclosed under respective heads of Property, Plant and Equipment. The possibilities of sale etc, in this respect will be reviewed and considered based on completion of resolution process and consequential withdrawal of injunction.

28.2 Includes advance of Rs. 5,000.00 lakhs (31st March 2022: Rs. 5,000.00 lakhs) received in earlier years against sale of tea, pending finalisation of terms and conditions thereof (Also Refer Note no. 36.2).

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**
**29. PROVISIONS**
**(₹ in Lakhs)**

Particulars	Refer Note no.	As at 31st March 2023	As at 31st March 2022
Provision for Tax on Proposed Dividend (Net of Payment of Rs. 343.37 lakhs (31st March 2022: Rs. 343.37 lakhs))	29.1	1.40	1.40
Provision for Other Retirement Benefits	29.2	662.35	662.35
Provision for Others	29.3	1,605.00	2,020.36
		<b>2,268.75</b>	<b>2,684.11</b>

29.1 The Hon'ble Supreme Court vide its judgement dated 20th September 2017 held that the provisions of Rule 8 of Income Tax Act, 1961 is not applicable while making payment of dividend distribution tax as per section 115-O of the Income Tax Act, 1961. No fresh proceedings/ demands has been made by the tax authorities in response to the aforesaid judgement passed by the Hon'ble Court. However, the Company has made full provision for tax in the financial statements in earlier years. In earlier years, the tax authorities had appropriated the amount demanded against the refund order for Assessment year 2007-2008 against which the company has preferred an appeal. In the event of the said demand being quashed by taxation authorities following the order of Supreme court, Rs. 343.37 lakhs adjusted in this respect will be refunded to the company.

29.2 Shortfall in value of investments held by Employee Provident Fund Trust covered under defined benefit plan, as estimated by the management has been provided for in the financial statements.

29.3 Provision for others include Rs. 105.00 lakhs (31st March 2022: Rs. 105.00 lakhs) which relates to various demands raised by the buyer's of Specified Assets of Tea Estates in respect of expenditure incurred by them in relation to period prior to hand over of such tea estates, pending reconciliation and finalisation of the same with the books of accounts. Further, provision of Rs. 1,500.00 lakhs (31st March 2022: Rs. 1,915.36 lakhs ) made in earlier year, being the estimated cost to be incurred in relation to Sale of Specified Assets of Tea Estates as reviewed during the year has been carried forward in these financial statements.

29.4 Movement in the Provisions are as follows :

**(₹ in Lakhs)**

Particulars	Provision for Tax on Proposed Dividend	Provision for Other Retiral Benefits	Provision for Other
As on 1st April 2021	1.40	662.35	2,020.36
Provided during the Year	-	-	-
Reversal during the Year	-	-	-
<b>As on 31st March 2022</b>	<b>1.40</b>	<b>662.35</b>	<b>2,020.36</b>
Provided during the Year	-	-	-
Reversal during the Year	-	-	415.36
<b>As on 31st March 2023</b>	<b>1.40</b>	<b>662.35</b>	<b>1,605.00</b>

**30. CURRENT TAX LIABILITIES (NET)**
**(₹ in Lakhs)**

Particulars	Refer Note no.	As at 31st March 2023	As at 31st March 2022
Provision for Income Tax		1,430.96	2,782.85
[Net of Advance Tax Rs. 19,254.04 lakhs (31st March 2022: Rs. 17,127.44 lakhs)]			
		<b>1,430.96</b>	<b>2,782.85</b>

30.1 Provision for taxation and advance payment thereagainst are reviewed and adjusted on assessment by the tax authorities. Unresolved matters contested unprovided for are disclosed as contingent liabilities depending upon the past trend, judicial pronouncements and amount involved therein.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**
**31. REVENUE FROM OPERATIONS**
**(₹ in Lakhs)**

Particulars	Refer Note no.	Year ended 31st March 2023	Year ended 31st March 2022
Sale of Products - Tea	31.2	1,05,871.64	1,07,858.09
<b>Other Operating Revenues</b>			
Government Grants	31.1		
- Subsidy on Orthodox Tea		334.07	267.24
- Replantation Subsidy		-	477.19
- Transport Subsidy		144.18	38.84
- Subsidy- Capital Items	24.1	31.46	31.37
- Accrued duty exemption entitlement and other benefits relating to exports		335.83	84.14
Liabilities/ Provision no Longer Required Written Back	31.4	2,281.65	1,695.85
Profit on Compulsory acquisition of Leasehold Land by Government	31.3	612.73	341.93
Scrap sales and other income from operations		58.10	58.79
		<b>1,09,669.66</b>	<b>1,10,853.44</b>

31.1 Government grant relates to incentives and assistances provided against replantation, production of orthodox tea, duty exemption, transportation and other export benefits made available to Tea Industry under various Tea Development and promotion Schemes by Government of India. There are no unfulfilled conditions or other contingencies attached to these grants.

**31.2 Disaggregate Revenue**

The Revenue has been recognised based on point of sale. The break up with respect to from geographical location revenue stream of the Company are as follows:

**(₹ in Lakhs)**

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
<b>Sale of Tea</b>		
Within India	76,631.11	85,698.14
Outside India	28,830.35	21,721.26
Tea Waste Sales	410.18	438.69
	<b>1,05,871.64</b>	<b>1,07,858.09</b>

31.3 Profit on compulsory acquisition of leasehold land by government relates to certain portion of undivided land of certain tea estates acquired by the government for highway projects and is being accounted for on determination of amount thereof.

31.4 Certain old provisions and liabilities being no longer payable and/or required on review being made in the current year have been written back in the financial statements.

**32. OTHER INCOME**
**(₹ in Lakhs)**

Particulars	Refer Note no.	Year ended 31st March 2023	Year ended 31st March 2022
Interest on Financial assets carried at amortised cost			
- Deposits with Banks and NABARD		25.27	19.78
- Loans	32.1	-	-
- Others		44.16	50.40
Interest on Tax Refunds		111.57	149.00
Insurance Claims		156.65	182.47
Profit on Disposal of Property, Plant and Equipment (Net)		-	32.70
Provision no longer required written back		924.26	35.00
Derivative Instruments at Fair Value through Profit and Loss		-	19.18
Sundry Income		104.24	65.55
		<b>1,366.15</b>	<b>554.08</b>



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**

32.1 The company received request in earlier years as well as in current year from various bodies corporate to whom Loans were given and outstanding as on 31st March 2023 for waiver of Interest. Interest on unsecured loan given to various companies as given in Note no. 58(a), considering the uncertainty with respect to recoverability thereof and also that companies have requested to waive the interest pending finalisation of terms thereof has not been accrued. Such interest at the rate applicable for the previous period works out to be Rs. 135,728.41 lakhs (including Rs. 33,101.76 lakhs for the year). As stated in Note no. 58(a), terms and conditions for repayment of loans including interest thereon shall be specified and outstanding amount shall be recovered/adjusted and/or restructured depending upon the outcome of the recovery proceedings of those companies pursuant to CIRP or otherwise and completion of the resolution process of the company. Further, in respect of interest accrued in earlier years and outstanding as on 31st March 2023, provision of Rs. 9,941.50 lakhs (including Rs. 1,942.16 lakhs created during the year) has been made and adjustments if any needed in this respect will be given effect to on completion of the resolution process of the company.

**33. COST OF MATERIALS CONSUMED**
**(₹ in Lakhs)**

Particulars	Refer Note no.	Year ended 31st March 2023	Year ended 31st March 2022
Green Leaf (Consumed)	33.1	3,765.95	12,411.36
		<b>3,765.95</b>	<b>12,411.36</b>

33.1 Cost of materials consumed includes green leaf purchased from external sources

**34. CHANGES IN INVENTORIES OF FINISHED GOODS**
**(₹ in Lakhs)**

Particulars	Refer Note no.	Year ended 31st March 2023	Year ended 31st March 2022
Stock of Tea at the beginning of the year		3,863.51	4,006.01
Less: Stock of Tea at the end of the year		(3,876.17)	(3,863.51)
<b>(Increase)/Decrease</b>		<b>(12.66)</b>	<b>142.50</b>

**35. EMPLOYEE BENEFITS EXPENSE**
**(₹ in Lakhs)**

Particulars	Refer Note no.	Year ended 31st March 2023	Year ended 31st March 2022
Salaries, Wages and Bonus etc.		54,989.16	47,341.83
Contribution to Provident and Other Funds	41	5,988.64	5,518.89
Staff and Workers Welfare Expenses		5,251.44	4,687.38
		<b>66,229.24</b>	<b>57,548.10</b>

35.1 "Employee Benefit Expenses for the year ended 31st March 2023 include :

a) Rs. 735.60 lakhs pertaining to the period from 01st April 2021 to 31st March 2022 and Rs. 78.42 Lakhs for the period from 1st January 2022 to 31st March 2022 provided (since paid) pursuant to revision made during the year in respect of remuneration payable to Staff in tea estates of Assam and Workers in tea estate of West Bengal respectively.

b) Rs. 900.40 lakhs for the period from 1st April 2020 to 31st March 2022 being the amount paid to Managing Director and Wholetime Director on account of their remuneration and carried forward earlier as advance. These amounts on being approved in the meeting dated 10th May 2022 of the banks and financial institutions based on legal advice have been charged during the year to the Statement of Profit and Loss."

**36. FINANCE COSTS**
**(₹ in Lakhs)**

Particulars	Refer Note no.	Year ended 31st March 2023	Year ended 31st March 2022
Interest Expense			
On financial liabilities measured at amortised cost	36.1 to 36.3	18,345.19	15,168.61
Other borrowing cost		46.64	39.01
		<b>18,391.83</b>	<b>15,207.62</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**

- 36.1 Pending completion of debt restructuring process, Interest on borrowings have been provided for as stated in Note no. 59(b).
- 36.2 Short term borrowings includes unsecured loans of Rs 21,375.19 lakhs taken by the company against which interest to the extent of Rs. 9,185.82 Lakhs (including Rs. 2,469.03 Lakhs (net of provision) for the year) has not been recognised pending final settlement/ completion of resolution process as stated in Note no. 59(b). This includes Rs. 1,105.00 lakhs in respect of which, pending finalisation of terms and conditions, amount of interest thereagainst has been computed based on similar rate as ratified by the Board of Directors during the year in other such cases. Interest in this respect as stated in Note no. 36.1 above have been determined on simple basis at stipulated rate or otherwise advised from time to time. This however does not include interest if any on outstanding advances of Rs. 5,000.00 lakhs from customers as stated in Note no. 28.2, pending acceptance as Inter Corporate Deposits and finalisation of terms and conditions thereof. Further, Interest including compound/ penal interest if any payable with respect to these are currently not determinable and as such the amount in this respect have not been disclosed and included in the above amount
- 36.3 Finance Cost includes Rs. 2,000.00 lakhs being the amount paid by a third party on behalf of the company in settlement of the dues of a corporate lender in earlier year as stated in Note no. 18.2. This represents differential amount over and above the principle amount so far paid in terms of the said settlement. Pending discharge of balance obligations and finalisation of related terms and conditions, further adjustments required if any in this respect are presently not ascertainable.

**37. DEPRECIATION AND AMORTISATION EXPENSE**

(₹ in Lakhs)

Particulars	Refer Note no.	Year ended 31st March 2023	Year ended 31st March 2022
Depreciation on Property, Plant and Equipment	5	5,003.92	5,375.21
Amortisation of Other Intangible Assets	6	251.41	253.27
		<b>5,255.33</b>	<b>5,628.48</b>

**38. OTHER EXPENSES**

(₹ in Lakhs)

Particulars	Refer Note no.	Year ended 31st March 2023	Year ended 31st March 2022
Consumption of Stores and Spare Parts		2,679.04	383.09
Consumption of Manure, Fertiliser, Chemicals etc.		4,161.06	6,656.20
Consumption of Packing Materials		580.26	867.77
Power and Fuel		13,688.03	13,007.19
Electricity Charges		214.78	95.39
Rent	53	219.50	2.98
Lease Rent	53	34.26	2.13
Repairs to			
- Buildings		800.17	559.93
- Machinery		1,630.95	1,673.32
- Others		461.43	471.62
Insurance		360.73	373.67
Rates and Taxes		457.46	318.19
Travelling		520.20	535.85
Legal and Professional Fees		1,394.12	979.48
Freight, Shipping and Selling Expenses		3,901.43	3,462.00
Brokerage on Sales		601.40	656.31
Loss on Disposal of PPE (net)		5.53	-
Bad Debts/ Sundry balances written off		16.37	297.88
Net Loss on Foreign Currency Transaction and Translation		214.94	207.93
Changes in Fair Value of Biological Assets	13.1	282.23	(118.28)
Director's Fees		24.80	12.40
Miscellaneous Expenses	38.1 and 38.2	1,236.57	1,436.19
		<b>33,485.26</b>	<b>31,881.24</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**

38.1 Expenditure on Research and Development Rs. 164.76 lakhs (31st March 2022: Rs. 173.20 lakhs) represent subscription to Tea Research Association.

38.2 Miscellaneous Expenditure includes Payment to Auditor :

(₹ in Lakhs)

Particulars	Refer Note no.	Year ended 31st March 2023	Year ended 31st March 2022
Audit Fees		48.00	48.00
Tax Audit Fees		15.00	15.00
Limited review		33.00	33.00
Other reports and certification etc.		19.00	17.00

**39. EXCEPTIONAL ITEMS**

(₹ in Lakhs)

Particulars	Refer Note no.	Year ended 31st March 2023	Year ended 31st March 2022
Provision against Loans	39.1(a)	90,000.00	-
Provision against Interest Receivable	39.1(a)	1,942.16	-
Provision against Advances to Suppliers	39.1(b)	1,400.00	-
		<b>93,342.16</b>	-

39.1 Exceptional Item includes:

- a) Provision of Rs. 91,942.16 lakhs made against Inter-Corporate Deposits (ICDs) including interest thereon given to Promoter group and certain other companies as stated in Note no. 58(a) and
- b) Provision of Rs. 1,400.00 lakhs made against advance given to a body corporate as stated in Note no. 18.3

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**
**NOTE : 40: SCHEMES OF AMALGAMATION/SCHEME OF ARRANGEMENT GIVEN EFFECT TO IN EARLIER YEARS**

Pending completion of the relevant formalities of transfer of certain assets and liabilities acquired pursuant to the Schemes, such assets and liabilities remain included in the books of the Company under the name of the transferor companies (including other companies which were amalgamated with the transferor companies from time to time).

**NOTE 41: EMPLOYEE BENEFITS**
**I. Defined Contribution Plan**
**Provident Fund:**

The Company makes contributions to Provident Fund and Pension Scheme for eligible employees. Under the schemes, the Company is required to contribute a specified percentage / fixed amount of the payroll costs to fund the benefits. The contributions as specified under the law are paid to the respective fund set up by the government authority. Contributions towards provident funds are recognised as an expense for the year. Further, the Company has also set up Provident Fund Trusts in respect of certain categories of employees which is administered by Trustees. Both the employees and the Company make monthly contributions to the Funds at specified percentage of the employee's salary and aggregate contributions along with interest thereon are paid to the employees/nominees at retirement, death or cessation of employment. The Trusts invest funds following a pattern of investments prescribed by the Government. The interest rate payable to the members of the Trusts is not lower than the rate of interest declared annually by the Government under The Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, on account of interest is to be made good by the Company.

The Actuary has carried out actuarial valuation of plan's liabilities and interest rate guarantee obligations as at the balance sheet date as per the principle laid down in Ind AS19 issued by Ministry of corporate affairs and guidelines GN26 issued by the Institute of Actuaries of India. Based on such valuation, there is no future anticipated shortfall with regard to interest rate obligation of the Company as at the balance sheet date. The Company's contribution of Rs. 184.11 lakhs (31st March 2022: Rs. 172.87 lakhs) to the Provident Fund Trust in this respect has been expensed under the 'Contribution to Provident and Other Funds'.

**Expense recognised for Defined Contribution Plans for the year is as under:**

(₹ in Lakhs)

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Employer's Contribution to Provident and Pension Fund	4,706.44	4,440.26

**II. Post Employment Defined Benefit Plans:**

The Post Employment defined benefit scheme are managed by Life Insurance Corporation of India Limited/Trust is a defined benefit plan. The present value of obligation is determined based on independent actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. Details of such fund are as follows:

**a) Gratuity (Funded)**

The Company's gratuity scheme, a defined benefit plan is as per the Payment of Gratuity Act, 1972, covers the eligible employees and is administered through certain gratuity fund trusts. Such gratuity funds, whose investments are managed by insurance companies/trustees themselves, make payments to vested employees or their nominees upon retirement, death, incapacitation or cessation of employment, of an amount based on the respective employee's salary and tenure of employment subject to a maximum limit of Rs. 20.00 lakhs. Vesting occurs upon completion of five years of service. The amount of gratuity payable is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

**b) Superannuation (Funded)**

The Company's Superannuation scheme, a Defined Benefit plan, is administered through trust funds and covers certain categories of employees. Investments of the funds are managed by insurance companies /trustees themselves. Benefits under these plans had been frozen in earlier years with regard to salary levels then prevailing. Upon retirement, death or cessation of employment, Superannuation Funds purchase annuity policies in favour of vested employees or their spouses to secure periodic pension. Such superannuation benefits are based on respective employee's tenure of employment and salary.

**c) Staff Pension – (Unfunded)**

The Company's Staff Pension Scheme, a Defined Benefit plan, covers certain categories of employees. Pursuant to the scheme, monthly pension is paid to the vested employee or his/her nominee upon retirement, death or cessation of service based on the respective employee's salary and tenure of employment subject to a limit on the period of payment in case of nominee. Vesting occurs upon completion of twenty years of service.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**
**d) Medical Insurance Premium Re-imburement (Unfunded)**

The Company has a scheme of re-imburement of medical insurance premium to certain categories of employees and their surviving spouses, upon retirement, subject to a monetary limit. The scheme is in the nature of Defined Benefit plan.

**e) Expatriate Pension (Unfunded)**

The Company has an informal practice of paying pension to certain categories of retired expatriate employees and in certain cases to their surviving spouses. The scheme is in the nature of Defined Benefit plan.

The following tables set forth the particulars in respect of aforesaid Defined Benefit plans of the Company for the year ended 31st March 2023 and corresponding figures for the previous year: (₹ in Lakhs)

Particulars	For the year ended 31st March, 2023				
	Gratuity (Funded)	Superannuation (funded)	Staff Pension (Unfunded)	Medical Benefit Liability (Unfunded)	Expatriate Pension (Unfunded)
<b>I Components of Defined Benefit Cost - Recognised in Profit or Loss</b>					
1 Current Service Cost	898.57	-	412.22	-	-
2 Past Service Cost	-	-	-	-	-
3 Interest Cost	1,273.67	22.94	381.87	30.52	2.60
4 Expected return on plan assets	(1,039.43)	(137.75)	-	-	-
<b>5 Total expense recognised in the Statement of Profit and Loss</b>	<b>1,132.81</b>	<b>(114.81)</b>	<b>794.09</b>	<b>30.52</b>	<b>2.60</b>
<b>- Re-measurements recognised in Other Comprehensive Income</b>					
6 Return on plan assets (excluding amounts included in Net interest cost)	329.61	34.37	-	-	-
7 Effect of changes in demographic assumptions	-	-	-	-	-
8 Effect of changes in financial assumptions	301.92	7.50	20.24	0.08	1.01
9 Changes in asset ceiling (excluding interest income)	-	-	-	-	-
10 Effect of experience adjustments	729.96	(37.26)	831.34	54.61	(10.21)
<b>11 Total re-measurements included in Other Comprehensive Income</b>	<b>1,361.49</b>	<b>4.61</b>	<b>851.58</b>	<b>54.69</b>	<b>(9.20)</b>
<b>12 Total defined benefit cost recognised in Profit and Loss and Other Comprehensive Income (5+11)</b>	<b>2,494.30</b>	<b>(110.20)</b>	<b>1,645.67</b>	<b>85.21</b>	<b>(6.60)</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2022				
	Gratuity (Funded)	Superannuation (funded)	Staff Pension (Unfunded)	Medical Benefit Liability (Unfunded)	Expatriate Pension (Unfunded)
<b>I Components of Defined Benefit Cost</b>					
<b>- Recognised in Profit or Loss</b>					
1 Current Service Cost	698.32	-	290.34	-	-
2 Past Service Cost	-	-	-	-	-
3 Interest Cost	455.58	26.93	401.02	20.82	0.83
4 Expected return on plan assets	(996.96)	(132.21)	-	-	-
<b>5 Total expense recognised in the Statement of Profit and Loss</b>	<b>156.94</b>	<b>(105.28)</b>	<b>691.36</b>	<b>20.82</b>	<b>0.83</b>
<b>- Re-measurements recognised in Other Comprehensive Income</b>					
6 Return on plan assets (excluding amounts included in Net interest cost)	109.36	(8.39)	-	-	-
7 Effect of changes in demographic assumptions	-	-	-	-	-
8 Effect of changes in financial assumptions	(726.23)	(3.92)	(25.37)	(0.26)	1.95
9 Changes in asset ceiling (excluding interest income)	-	-	-	-	-
10 Effect of experience adjustments	2,218.82	6.41	(516.15)	138.70	21.99
<b>11 Total re-measurements included in Other Comprehensive Income</b>	<b>1,601.95</b>	<b>(5.90)</b>	<b>(541.52)</b>	<b>138.44</b>	<b>23.94</b>
<b>12 Total defined benefit cost recognised in Profit and Loss and other Comprehensive Income (5+11)</b>	<b>1,758.89</b>	<b>(111.18)</b>	<b>149.84</b>	<b>159.26</b>	<b>24.77</b>

(₹ in Lakhs)

Particulars	As on 31st March, 2023				
	Gratuity (Funded)	Superannuation (funded)	Staff Pension (Unfunded)	Medical Benefit Liability (Unfunded)	Expatriate Pension (Unfunded)
<b>II Net Asset/(Liability) recognised in Balance Sheet</b>					
1 Present Value of Defined Benefit Obligation	20,646.26	247.08	6,777.83	492.96	29.41
2 Fair Value of Plan Assets	14,886.39	1,883.64	-	-	-
3 Status [Surplus/(Deficit)]	(5,759.87)	1,636.56	(6,777.83)	(492.96)	(29.41)
4 Restrictions on Asset Recognised	-	-	-	-	-

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**

(₹ in Lakhs)

Particulars	As on 31st March, 2022				
	Gratuity (Funded)	Superannuation (funded)	Staff Pension (Unfunded)	Medical Benefit Liability (Unfunded)	Expatriate Pension (Unfunded)
<b>II Net Asset/(Liability) recognised in Balance Sheet</b>					
1 Present Value of Defined Benefit Obligation	17,839.59	381.51	5,445.91	437.72	36.01
2 Fair Value of Plan Assets	14,396.60	1,907.87	-	-	-
3 Status [Surplus/(Deficit)]	(3,442.99)	1,526.36	(5,445.91)	(437.72)	(36.01)
4. Restrictions on Asset Recognised					

(₹ in Lakhs)

Particulars	As on 31st March, 2023				
	Gratuity (Funded)	Superannuation (funded)	Staff Pension (Unfunded)	Medical Benefit Liability (Unfunded)	Expatriate Pension (Unfunded)
<b>III Change in Defined Benefit Obligation (DBO)</b>					
1 Present Value of DBO at the beginning of the year	17,839.59	381.51	5,445.91	437.72	36.01
2 Current Service Cost	898.57	-	412.22	-	-
3 Past Service Cost	-	-	-	-	-
4 Interest Cost	1,273.67	22.94	381.87	30.52	2.60
<b>5 Remeasurement gains / (losses):</b>					
a. Effect of changes in demographic assumptions	-	-	-	-	-
b. Effect of changes in financial assumptions	301.92	7.50	20.24	0.08	1.01
c. Changes in asset ceiling (excluding interest income)	-	-	-	-	-
d. Effect of experience adjustments	729.96	(37.26)	831.34	54.61	(10.21)
6 Curtailment Cost / (Credits)	-	-	-	-	-
7 Settlement Cost / (Credits)	-	-	-	-	-
8 Liabilities assumed in business combination	-	-	-	-	-
9 Exchange difference on foreign plans	-	-	-	-	-
10 Benefits Paid	(397.45)	(127.61)	(313.75)	(29.97)	-
11 Transfer to buyers of specified assets of certain Tea Estates	-	-	-	-	-
<b>12 Present Value of DBO at the end of the year</b>	<b>20,646.26</b>	<b>247.08</b>	<b>6,777.83</b>	<b>492.96</b>	<b>29.41</b>



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**

(₹ in Lakhs)

Particulars	As on 31st March, 2022				
	Gratuity (Funded)	Superannuation (funded)	Staff Pension (Unfunded)	Medical Benefit Liability (Unfunded)	Expatriate Pension (Unfunded)
<b>III Change in Defined Benefit Obligation (DBO)</b>					
1 Present Value of DBO at the beginning of the year	16,248.51	378.75	5,586.41	307.56	11.24
2 Current Service Cost	698.32	-	290.34	-	-
3 Past Service Cost	-	-	-	-	-
4 Interest Cost	455.58	26.93	401.02	20.82	0.83
<b>5 Remeasurement gains / (losses):</b>					
a. Effect of changes in demographic assumptions	-	-	-	-	-
b. Effect of changes in financial assumptions	(726.23)	(3.92)	(25.37)	(0.26)	1.95
c. Changes in asset ceiling (excluding interest income)	-	-	-	-	-
d. Effect of experience adjustments	2,218.82	6.41	(516.15)	138.70	21.99
6 Curtailment Cost / (Credits)	-	-	-	-	-
7 Settlement Cost / (Credits)	-	-	-	-	-
8 Liabilities assumed in business combination	-	-	-	-	-
9 Exchange difference on foreign plans	-	-	-	-	-
10 Benefits Paid	(1,055.41)	(26.66)	(290.34)	(29.10)	-
11 Transfer to buyers of specified assets of certain Tea Estates	-	-	-	-	-
<b>12 Present Value of DBO at the end of the year</b>	<b>17,839.59</b>	<b>381.51</b>	<b>5,445.91</b>	<b>437.72</b>	<b>36.01</b>

**IV Best Estimate of Employers' Expected Contribution for the next year**

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
- Gratuity	2,899.52	1,785.97
- Superannuation	-	-

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**

(₹ in Lakhs)

Particulars	As on 31st March, 2023				
	Gratuity (Funded)	Superannuation (funded)	Staff Pension (Unfunded)	Medical Benefit Liability (Unfunded)	Expatriate Pension (Unfunded)
<b>V Change in Fair Value of Assets</b>					
1 Plan Assets at the beginning of the year	14,396.60	1,907.87	-	-	-
2 Asset acquired in Business Combination	-	-	-	-	-
3 Interest Income	1,039.43	137.75	-	-	-
4 Remeasurement Gains / (Losses) on plan assets	(329.61)	(34.37)	-	-	-
5 Actual Company Contributions	177.42	-	-	-	-
6 Benefits Paid	(397.45)	(127.61)	-	-	-
7 Settlement Cost	-	-	-	-	-
8 Transfer to buyers of specified assets of certain Tea Estates	-	-	-	-	-
<b>9 Plan Assets at the end of the year</b>	<b>14,886.39</b>	<b>1,883.64</b>	-	-	-

(₹ in Lakhs)

Particulars	As on 31st March, 2022				
	Gratuity (Funded)	Superannuation (funded)	Staff Pension (Unfunded)	Medical Benefit Liability (Unfunded)	Expatriate Pension (Unfunded)
<b>V Change in Fair Value of Assets</b>					
1 Plan Assets at the beginning of the year	13,527.27	1,793.93	-	-	-
2 Asset acquired in Business Combination	-	-	-	-	-
3 Interest Income	996.96	132.21	-	-	-
4 Remeasurement Gains / (Losses) on plan assets	(109.36)	8.39	-	-	-
5 Actual Company Contributions	1,037.14	-	-	-	-
6 Benefits Paid	(1,055.41)	(26.66)	-	-	-
7 Settlement Cost	-	-	-	-	-
8 Transfer to buyers of specified assets of certain Tea Estates	-	-	-	-	-
<b>9 Plan Assets at the end of the year</b>	<b>14,396.60</b>	<b>1,907.87</b>	-	-	-

**VI Actuarial Assumptions**

Particulars	As at 31st March 2023		As at 31st March 2022	
	Discount Rate (%)	Return on Plan Assets (%)	Discount Rate (%)	Return on Plan Assets (%)
1 Gratuity	7.22	7.22	7.37	7.37
2 Superannuation	7.22	7.22	7.37	7.37
3 Staff Pension	7.22	-	7.37	-
4 Medical Benefit Liability	7.22	-	7.37	-
5 Expatriate Pension	7.22	-	7.37	-

The estimates of future salary increases, considered in actuarial valuations take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**
**VII Major Category of Plan Assets as a % of the Total Plan Assets**

	Particulars	As at 31st March 2023		As at 31st March 2022	
		Amount (₹ In Lakhs)	%	Amount (₹ In Lakhs)	%
1	Government Bonds	23.66	0.14	23.61	0.14
2	Investment with Life Insurance Corporation of India	174.87	1.04	245.17	1.50
3	Investment with Other Insurance Companies	16,467.23	98.20	15,996.85	98.12
4	Cash and Cash Equivalents	104.27	0.62	38.84	0.24
	<b>Total</b>	<b>16,770.03</b>	<b>100.00</b>	<b>16,304.47</b>	<b>100.00</b>

Plan assets represent investment in various categories. The return on amounts invested with LIC is declared annually by them. Return on amounts invested with Insurance companies, other than LIC, is mostly by way of Net Asset Value declared on units purchased, with some schemes declaring returns annually. Investment in Bonds and Special Deposit carry a fixed rate of interest. The expected return on plan assets is determined after taking into consideration composition of the plan assets held, assessed risk of asset management and other relevant factors.

**VIII. Sensitivity Analysis**

The sensitivity analysis below is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

Particulars	Impact on Defined Benefit Obligations Year ended 31st March, 2023				
	Gratuity (Funded)	Superannuation (funded)	Staff Pension (Unfunded)	Medical Benefit Liability (Unfunded)	Expatriate Pension (Unfunded)
	%	%	%	%	%
<b>Increase in Assumption of:</b>					
1 Discount Rate by 0.50%	(4.40)	(2.18)	(1.78)	(0.05)	(2.76)
2 Salary Growth Rate by 10%	4.80	2.30	0.02	-	-
3 Attrition Rate by 0.50%	0.02	0.07	1.88	0.15	-
<b>Decrease in Assumption of:</b>					
1 Discount Rate by 0.50%	4.76	2.27	1.86	0.05	2.71
2 Salary Growth Rate by 10%	(4.47)	(2.22)	(0.02)	-	-
3 Attrition Rate by 0.50%	(0.02)	(0.07)	(1.82)	(0.15)	-

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**

Particulars	Impact on Defined Benefit Obligations Year ended 31st March, 2022				
	Gratuity (Funded)	Superannuation (funded)	Staff Pension (Unfunded)	Medical Benefit Liability (Unfunded)	Expatriate Pension (Unfunded)
	%	%	%	%	%
<b>Increase in Assumption of:</b>					
1 Discount Rate by 0.50%	(4.37)	(2.19)	(1.78)	(0.05)	(2.76)
2 Salary Growth Rate by 10%	4.77	-	0.02	-	-
3 Attrition Rate by 0.50%	0.02	-	1.88	0.06	-
<b>Decrease in Assumption of:</b>					
1 Discount Rate by 0.50%	4.73	2.28	1.86	0.05	2.71
2 Salary Growth Rate by 10%	(4.45)	-	(0.02)	-	-
3 Attrition Rate by 0.50%	(0.02)	-	(1.82)	(0.06)	-

**IX Risk Exposure**

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

**Asset volatility:** The plan liabilities are calculated using a discount rate set with reference to bond yield: If plan assets underperform this yield, it will create a deficit. The plan asset investments is in bonds, special deposit, LIC and other insurance companies. The Company has a risk management strategy where the aggregate amount of risk exposure on a portfolio is maintained at a fixed range. Any deviation from the range are corrected by rebalancing the portfolio. The Company intends to maintain the above investment mix in the continuing years.

**Changes in yields:** A decrease in yields will increase plan liabilities.

**Life Expectancy:** The pension and medical plan obligations are to provide benefits for the life of the member, so increases in life expectancy will result in the increase in the plans liabilities. This is particularly significant where inflationary increases result in higher sensitivity to changes in life expectancy.

The Company actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations. The Company has not changed the processes used to manage its risks from previous periods. Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets.

**X The average duration of liabilities for all the funds is as follows :**

Particulars	No. of Years	
	As at 31st March 2023	As at 31st March 2022
<b>Defined benefit obligation</b>		
<b>Gratuity Fund (Funded)</b>		
McLeod Russel India Limited Employees Gratuity Fund	16	16
George Williamson (Assam) Limited Employees Group Gratuity Fund	17	17
The Bisnauth Tea Company Limited Employees Group Gratuity fund	17	17
<b>Superannuation Fund (Funded)</b>		
George Williamson (Assam) Limited Superannuation Fund	7	7
Williamson Magor & Company Limited Superannuation Fund	4	5
McLeod Russel India Limited Superannuation Fund	5	6
<b>Staff Pension Fund (Unfunded)</b>		
McNeil & Magor and McLeod Russel Group	3	4
<b>Medical Benefit Liability (Unfunded)</b>		
McLeod Russel India Limited	4	4
<b>Expatriate Pension (Unfunded)</b>		
McLeod Russel India Limited	6	6

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**
**XI The expected maturity analysis of undiscounted pension, gratuity and post-employment medical benefits is as follows:**
**(₹ in Lakhs)**

Particulars	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
<b>As at 31st March 2023</b>					
<b>Defined benefit obligation</b>					
Gratuity Fund (Funded)	2,899.52	1,490.36	5,198.47	42,064.15	51,652.50
Superannuation Fund (Funded)	34.53	-	126.87	85.68	247.08
Staff Pension Fund (Unfunded)	2,327.33	1,246.84	2,646.85	1,815.97	8,036.99
Medical Benefit Liability (Unfunded)	228.56	216.40	628.05	530.87	1,603.88
Expatriate Pension (Unfunded)	6.29	4.27	5.59	9.54	25.69
	<b>5,496.23</b>	<b>2,957.87</b>	<b>8,605.83</b>	<b>44,506.21</b>	<b>61,566.14</b>
<b>As at 31st March 2022</b>					
<b>Defined benefit obligation</b>					
Gratuity Fund (Funded)	2,475.44	1,463.44	4,357.06	37,065.16	45,361.10
Superannuation Fund (Funded)	35.57	23.89	35.69	129.49	224.64
Staff Pension Fund (Unfunded)	1,663.90	631.25	1,530.85	3,284.73	7,110.73
Medical Benefit Liability (Unfunded)	253.94	242.03	699.47	765.13	1,960.57
Expatriate Pension (Unfunded)	11.09	10.33	21.91	-	43.33
	<b>4,439.94</b>	<b>2,370.94</b>	<b>6,644.98</b>	<b>41,244.51</b>	<b>54,700.37</b>

**42. COMMITMENTS**
**(a) Capital Commitments**

Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances) is as follows:

**(₹ in Lakhs)**

Particulars	As at 31st March 2023	As at 31st March 2022
<b>(I) Property, Plant and Equipment</b>		
Commitment (Gross)	119.37	37.44
Advances against above commitments	113.21	-
Commitment (Net)	6.16	37.44

**43. CONTINGENT LIABILITIES (to the extent not provided for) in respect of :**

a) Various show cause notices/ demands issued/ raised, which in the opinion of the management are not tenable and are pending with various forums / authorities :

**(₹ in Lakhs)**

Particulars	As at 31st March 2023	As at 31st March 2022
Electricity Dues- Inappropriate Electricity Withdrawal by the Tea Estates from Assam Power Distribution Company Limited	53.38	53.38
Excise Duty- Availment of refund was erroneous and to be recovered under Section 11A of the Central Excise Act, 1944	42.99	42.99
Income Tax- matters in respect of various exempted income and other disallowances	1,780.34	2,937.12
Service Tax- Demand of Service tax under reverse charge mechanism for royalty, license fee and consultancy fees	527.59	583.72
Land Revenue- Fine for Encroachment of Land declared and finalised as Ceiling Surplus in 2010	9.65	9.65

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

- b) The Company has issued various "Letter of Comfort" to lenders against loans taken by promoter group and certain other companies. The aggregate amount of Comfort Letter issued and outstanding as on 31st March 2023 is Rs. 1,13,599.78 Lakhs (31st March, 2022: Rs. 1,13,599.78 Lakhs). The aggregate amount of borrowings by these companies (other than one of the group-companies in respect of which pending CIRP proceedings amount of borrowings pertaining to the year ended 31st March 2023 is not determinable) as on 31st March 2023 is Rs. 52,477.53 Lakhs (31st March, 2022: Rs. 69,139.34 Lakhs).
- c) The Company's pending litigations comprises of claim against the company and proceedings pending with Taxation/ Statutory/ Government Authorities. This includes income tax matter pending before Appellate Authorities where issues involved are similar in nature and in view of the management there is remote possibility for crystallisation of such liabilities. The Company has reviewed all its pending litigations and proceedings and has made adequate provisions, and disclosed contingent liabilities, where applicable, in its financial statements. The company does not expect the outcome of these proceedings to have a material impact on its financial position. Future cash outflows, if any is dependent upon the outcome of judgments / decisions which is not practicable to be determined pending resolution of the same.

### 44. RELATED PARTY DISCLOSURES

Related party disclosure as identified by the management in accordance with the Ind AS 24 on 'Related Party Disclosures' are as follows :

**(a) Subsidiaries**

Borelli Tea Holdings Limited (BTHL)

**(b) Step Down Subsidiaries**

Phu Ben Tea Company Limited (PBTCL)  
 McLeod Russel Uganda Limited (MRUL)  
 McLeod Russel Middle East DMCC (MRME)  
 McLeod Russel Africa Limited (MRAL)

**(c) Associate**

D1 Williamson Magor Bio Fuel Limited (D1WMBFL)

**(d) Key Management Personnel**

Mr. Aditya Khaitan (AK)	Managing Director and Chairman
Mr. Azam Monem (AM)	Wholtime Director (upto 31st March 2023)
Mr. Amritanshu Khaitan (AAK)	Non-Executive Director
Ms. Arundhuti Dhar (AD)	Non-Executive Director (upto 30th September 2022)
Mr. Suman Bhowmik (SB)	Non-Executive Director
Mr. Raj Vardhan (RV)	Non-Executive Director
Mr. Sanjay Ginodia (SG)	Non-Executive Director (w.e.f. 14th November 2022)
Dr. Rupanjana De (RD)	Non-Executive Director (w.e.f. 30th December 2022)

**(e) Relatives of Key Management Personnel**

Mrs. Kavita Khaitan (KK)	Wife of Managing Director
Mr. Akhil Khaitan (AKK)	Son of Managing Director

**(f) Entities where KMP or their close member have significant influence or control or Group Enterprises or Companies under common control and with whom transaction have taken place during the year**

Soom Stud Farm Private Limited (SSFPL)  
 Ichamati Investments Limited (IIL)  
 Sunrise Valley Projects Pvt Ltd (SVPPL)  
 R. Ginodia & Co. LLP (RGCLP)

**(g) Employee's Trust**

The Bishnauth Tea Company Limited Employees Group Gratuity Fund (BTCGF)  
 George Williamson (Assam) Limited Employees Gratuity Fund (GWLGF)  
 McLeod Russel India Limited Employees Gratuity Fund (MRILGF)  
 McLeod Russel (India) Limited Staff Provident Fund (MRILPF)  
 George Williamson (Assam) Limited Superannuation Fund (GWLSF)  
 Williamson Magor & Company Limited Superannuation Fund (WMCLSF)  
 McLeod Russel (India) Limited Staff Superannuation Fund (MRILSF)

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**
**(h) Transactions with Key Management Personnel:**
**(i) Key Management Personnel Compensation:**
**(₹ in Lakhs)**

Particulars	Year ended 31st March 2023	Excess Recoverable (Refer Note no. 9.1)	Net	Year ended 31st March 2022	Excess Recoverable (Refer Note no. 9.1)	Net
Short- term employment benefits						
AK	310.21	-	310.21	310.00	310.00	-
AM	143.59	-	143.59	149.20	149.20	-
	<b>453.80</b>	<b>-</b>	<b>453.80</b>	<b>459.20</b>	<b>459.20</b>	<b>-</b>
Post-employment benefits						
AK	48.61	-	48.61	48.60	-	48.60
AM	405.35	-	405.35	19.44	-	19.44
	<b>453.96</b>	<b>-</b>	<b>453.96</b>	<b>68.04</b>	<b>-</b>	<b>68.04</b>
<b>Total compensation</b>	<b>907.76</b>	<b>-</b>	<b>907.76</b>	<b>527.24</b>	<b>459.20</b>	<b>68.04</b>

**Balance at the Year-end**
**(₹ in Lakhs)**

Particulars	Payable		Receivable (Refer Note no. 9.1)	
	As at 31st March 2023	As at 31st March 2022	As at 31st March 2023	As at 31st March 2022
AK	68.12	-	-	620.00
AM	385.90	-	-	280.40

**(i) Transactions / Balances with subsidiaries or Step down subsidiaries :**
**(i) Sales and purchases of goods and services:**
**(₹ in Lakhs)**

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
<b>MRME</b>		
Sale of tea	133.95	85.56
<b>BTHL</b>		
Royalty Payable written back	-	649.39
<b>PBTCL</b>		
Bad Debts	-	181.97

**(ii) Expenses Incurred on behalf of the subsidiaries :**
**(₹ in Lakhs)**

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
<b>At the beginning of the year</b>		
PBTCL	-	3.32
	-	<b>3.32</b>
<b>Incurred during the year</b>		
PBTCL	-	-
	-	-
<b>Reimbursements Received</b>		
PBTCL	-	-
	-	-
<b>Bad Debts</b>		
PBTCL	-	3.32
	-	<b>3.32</b>
<b>At the end of the year</b>		
PBTCL	-	-
	-	-



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**
**(iii) Outstanding balances**
**(₹ in Lakhs)**

The following balances are outstanding at the end of the reporting period in relation to transactions with subsidiaries/step down subsidiaries:

Particulars	As at 31st March 2023	As at 31st March 2022
<b>MRME</b>		
Receivables ( Sale of Tea)	43.17	44.69

**(iv) Balance of investment at year end**
**(₹ in Lakhs)**

Particulars	As at 31st March 2023	As at 31st March 2022
BTHL	15,967.18	15,967.18

**(j) Transactions / Balances with associate:**
**(₹ in Lakhs)**

Particulars	As at 31st March 2023	As at 31st March 2022
<b>D1 Williamson Magor Bio Fuel Limited</b>		
Short Term Loan taken	355.00	750.00
<b>Closing balance at the Year-end</b>		
Short Term Loan	5,310.00	4,955.00
Balance of Investment*	-	-

\* (Cost - Rs.2,184.35 lakhs, fully impaired)

**(k) Transactions with Non-Executive Directors:**
**(₹ in Lakhs)**

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
<b>Sitting Fees</b>		
AAK	6.00	2.20
AD	4.40	3.80
SB	8.40	3.60
RV	5.20	2.80
SG	0.80	-
	<b>24.40</b>	<b>12.40</b>
<b>Sitting Fees payable</b>		
AD	-	0.40
SB	-	0.40
RV	-	0.40
	-	<b>1.20</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**
**(l) Transactions with Enterprise where KMP have significant influence or control and companies under common control:**
**(₹ in Lakhs)**

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
<b>Loan Taken</b>		
IIL	-	5,565.19
	<b>-</b>	<b>5,565.19</b>
<b>Sale of Tea</b>		
SVPPL	17.29	5.63
	<b>17.29</b>	<b>5.63</b>
<b>Closing Payable</b>		
SSFPL	100.00	100.00
IIL	5,565.19	5,565.19
	<b>5,665.19</b>	<b>5,665.19</b>
<b>Closing Receivable</b>		
SVPPL	17.29	-
	<b>17.29</b>	<b>-</b>

**(m) Transactions with Relative of KMP:**
**(₹ in Lakhs)**

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
<b>Remuneration</b>		
KK	30.28	10.60
AKK	18.17	6.22
	<b>48.45</b>	<b>16.82</b>
<b>Closing Payable</b>		
KK	4.71	-
AKK	2.80	-
	<b>7.52</b>	<b>-</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**
**(n) Transactions with Trusts:**
**(₹ in Lakhs)**

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
<b>Contribution to Funds</b>		
BTCGF	18.24	229.65
GWLGF	29.06	455.45
MRILGF	130.12	352.04
MRILPF	517.85	493.42
	<b>695.27</b>	<b>1,530.56</b>
<b>Closing Liability (Net)</b>		
BTCGF	830.84	276.11
GWLGF	2,614.90	1,705.67
MRILGF	2,314.12	1,461.21
	<b>5,759.86</b>	<b>3,442.99</b>
<b>Closing Assets (Net)</b>		
GWLSF	417.01	395.87
WMCLSF	535.89	503.58
MRILSF	683.66	626.91
	<b>1,636.56</b>	<b>1,526.36</b>

**Note :**

- The above related party information is as identified by the management and relied upon by the auditor.
- All transactions from related parties are made in ordinary course of business. For the year ended 31st March 2023, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year by reviewing the financial position of the related party and the market in which the related party operates.
- In respect of above parties, there is no provision for doubtful debts as on 31st March 2023 and no amount has been written back or written off during the year other than those disclosed above in respect of debts due from/ to them.
- Post-Employee benefits and other long-term employee benefits have been disclosed/paid on retirement/resignation of services but does not include provision made on actuarial basis as the same is available for all the employees together.

**45. EARNINGS PER SHARE**

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Earnings per share (EPS) has been computed as under:		
(a) Net profit after taxes as per Statement of Profit and Loss (Rs. in lakhs)	(1,04,942.27)	(13,617.14)
(b) Computation of Weighted Average Number of Shares		
Number of equity shares outstanding as on Opening	104,455,735	104,455,735
Changes in Equity Share Capital during the year	-	-
Number of equity shares outstanding as on Closing	104,455,735	104,455,735
(c) Weighted average number of Equity shares outstanding for the purpose of basic and diluted earnings per share	104,455,735	104,455,735
(d) Earnings per share on profit for the year [Face Value Rs. 5.00 per share]		
Basic and Diluted EPS [(a)/(b)](Rs.)	<b>(100.47)</b>	<b>(13.04)</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**
**46. SEGMENT INFORMATION**

(a) The Company is primarily engaged in the business of cultivation, manufacture and sale of tea across various geographical location. In term of Ind AS 108 "Operating Segment", the Company has one business segment i.e. Manufacturing and Selling of Tea. Further, in terms of Indian Accounting Standard (Ind AS) 108 on 'Operating Segment' notified in the Act, segment information has been presented in the Consolidated Financial Statements, prepared pursuant to Ind AS 110 on 'Consolidated Financial Statements' and Ind AS 28 on 'Investments in Associates and Joint Ventures' notified in the Act, included in the Annual Report for the year.

**(b) Geographical Information**
**(₹ in Lakhs)**

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
<b>1. Revenue from external Customers</b>		
- Within India	80,839.31	89,132.18
- Outside India	28,830.35	21,721.26
<b>Total</b>	<b>1,09,669.66</b>	<b>1,10,853.44</b>

**(₹ in Lakhs)**

Particulars	As at 31st March 2023	As at 31st March 2022
<b>2. Non Current Assets*</b>		
- Within India	1,00,996.08	1,01,982.54
- Outside India	-	-
<b>Total</b>	<b>1,00,996.08</b>	<b>1,01,982.54</b>

\*excludes financial assets, deferred tax assets, post-employment benefit assets.

(c) The Company is not reliant on revenues from transactions with any single external customer and does not receive 10% or more of its revenues from transactions with any single external customer.

**47. FAIR VALUE MEASUREMENTS**
**(₹ in Lakhs)**

The accounting classification of each category of financial instruments, their carrying amount and fair values as follows:

Particulars	As at 31st March 2023					As at 31st March 2022				
	FVTPL	FVTOCI	Amortised Cost	Total Carrying Value	Total Fair Value	FVTPL	FVTOCI	Amortised Cost	Total Carrying Value	Total Fair Value
<b>Financial Assets (Current and Non-Current)</b>										
Investments										
- Equity Instruments	-	5,213.62	-	5,213.62	5,213.62	-	6,189.90	-	6,189.90	6,189.90
Trade Receivables	-	-	2,776.17	2,776.17	2,776.17	-	-	3,347.73	3,347.73	3,347.73
Loans	-	-	37.50	37.50	37.50	-	-	1,285.32	1,285.32	1,285.32
Inter-Corporate Deposits	-	-	1,85,075.95	1,85,075.95	1,85,075.95	-	-	2,75,147.95	2,75,147.95	2,75,147.95
Cash and Cash Equivalents	-	-	1,152.28	1,152.28	1,152.28	-	-	1,834.46	1,834.46	1,834.46
Other Bank Balances	-	-	60.83	60.83	60.83	-	-	155.92	155.92	155.92
Interest Receivable	-	-	111.57	111.57	111.57	-	-	1,942.16	1,942.16	1,942.16
Other Financial Assets	-	-	5,681.00	5,681.00	5,681.00	-	-	5,453.14	5,453.14	5,453.14
<b>Total Financial assets</b>	-	<b>5,213.62</b>	<b>1,94,895.30</b>	<b>2,00,108.92</b>	<b>2,00,108.92</b>	-	<b>6,189.90</b>	<b>2,89,166.68</b>	<b>2,95,356.58</b>	<b>2,95,356.58</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**

(₹ in Lakhs)

Particulars	As at 31st March 2023					As at 31st March 2022				
	FVTPL	FVTOCI	Amortised Cost	Total Carrying Value	Total Fair Value	FVTPL	FVTOCI	Amortised Cost	Total Carrying	Total Fair
<b>Financial liabilities (Current and Non-Current)</b>										
Long Term Borrowings	-	-	21,471.69	21,471.69	21,471.69	-	-	21,471.69	21,471.69	21,471.69
Short Term Borrowings	-	-	1,57,381.74	1,57,381.74	1,57,381.74			1,66,576.37	1,66,576.37	1,66,576.37
Interest Accrued on Borrowings	-	-	58,725.86	58,725.86	58,725.86	-	-	43,883.29	43,883.29	43,883.29
Trade payables	-	-	8,554.77	8,554.77	8,554.77	-	-	9,646.11	9,646.11	9,646.11
Lease Liabilities	-	-	19.52	19.52	19.52			202.61	202.61	202.61
Other Financial Liabilities	-	-	8,632.02	8,632.02	8,632.02	-	-	7,341.13	7,341.13	7,341.13
<b>Total Financial liabilities</b>	-	-	<b>2,54,785.60</b>	<b>2,54,785.60</b>	<b>2,54,785.60</b>	-	-	<b>2,49,121.20</b>	<b>2,49,121.20</b>	<b>2,49,121.20</b>

**(i) FAIR VALUATION TECHNIQUES :**

The fair values of the financial assets and liabilities are included at the amount 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 following methods and assumptions were used to estimate the fair values. These assumptions are subject to finalisation of resolution plan and determination of terms and conditions of borrowings and amount given as loans to various parties as stated in note no. 59 and 58:

- The fair value of cash and cash equivalents, current trade receivables and payables, current financial liabilities and assets and short term borrowings approximate their carrying amount largely due to the short-term nature of these instruments. The management considers that the carrying amounts of financial assets and financial liabilities recognised at cost in the financial statements other than dealt with hereunder approximate their fair values.
- The Company's long-term debt from Banks and financial institutions were originally contracted at floating rates of interest. Fair value of variable interest rate borrowings approximates their carrying value subject to adjustments made for transaction cost. Terms and conditions of these loan pending completion of resolution process are yet to be finalised (Note no. 59(a)) and there is a uncertainty in this respect as on this date. Further, there are other unsecured borrowing as stated in note no. 25.4 terms and conditions whereof have not been decided.
- The fair value of derivative financial instruments is determined based on observable market inputs including currency spot and forward rates, yield curves, currency volatility etc. The said valuation are carried out by the counter party with whom the contract has been entered with. Management has evaluated the credit and non-performance risks associated with the counterparties and found them to be insignificant and not requiring any credit adjustments.
- The fair value of Inter-Corporate deposits based on management evaluation related to the credit and non-performance risks associated with the counterparties is dependent on the outcome of the recovery proceedings pursuant to CIRP as stated in Note no. 58(a) or otherwise on completion of the resolution process of the company as stated in Note no. 59(a) and there is a uncertainty to the extent as stated in the said note.

**(ii) FAIR VALUE HIERARCHY**
**(a) Financial Instruments**

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value (b) measured at amortised 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 prescribed under the Indian Accounting Standard.

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting date.

**Level 2:** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instruments is included in level 3.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**

During the previous year, the company had changed its valuation technique in respect of Kilburn Office Automation Limited for reasons stated in Note no. 8.9 of the financial statements. Accordingly such shares had been valued as per Level 3 Technique whereby the said valuation had been arrived at based on the latest audited financial statements. This however did not have any material impact on the financial statement. Other than this, there are no transfers between level 1, level 2 and level 3 during the current and previous year.

**Financial assets and liabilities measured at fair value through profit or loss/ Other Comprehensive Income recurring fair value measurements as at 31st March 2023.**
**(₹ in Lakhs)**

Particulars	Notes	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
Financial investment at FVTOCI					
Quoted Equity Investments	8	5,212.91	-	-	5,212.91
UnQuoted Equity Investments	8	-	-	0.71	0.71
<b>Total Financial Assets</b>		<b>5,212.91</b>	<b>-</b>	<b>0.71</b>	<b>5,213.62</b>

**Financial assets which are measured at amortised cost for which fair values are disclosed as at 31st March 2023**
**(₹ in Lakhs)**

Particulars	Notes	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
Inter-Corporate Deposits	9 and 58			1,85,075.95	1,85,075.95
<b>Total Financial assets</b>		<b>-</b>	<b>-</b>	<b>1,85,075.95</b>	<b>1,85,075.95</b>
<b>Financial liabilities</b>					
Borrowings (including interest accrued)	21, 25, 27 and 59	-	2,37,579.29	-	2,37,579.29
Lease Liabilities	53		19.52	-	19.52
<b>Total Financial liabilities</b>	<b>-</b>	<b>2,37,598.81</b>	<b>-</b>	<b>2,37,598.81</b>	

Note: The fair value considered for Inter Corporate Deposits and Borrowings are subject to final determination of amount thereof on outcome of CIRP/ Restructuring and other proposals as stated in Note no. 58 and 59.

**Financial assets and liabilities measured at fair value through profit or loss/Other Comprehensive Income recurring fair value measurements as at 31st March 2022**
**(₹ in Lakhs)**

Particulars	Notes	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
Financial investment at FVTOCI					
Quoted Equity Investments	8	6,189.19	-	-	6,189.19
UnQuoted Equity Investments	8	-	-	0.71	0.71
<b>Total Financial Assets</b>		<b>6,189.19</b>	<b>-</b>	<b>0.71</b>	<b>6,189.90</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**
**Financial assets which are measured at amortised cost for which fair values are disclosed as at 31st March 2022 (₹ in Lakhs)**

Particulars	Notes	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
Inter-Corporate Deposits	9 and 58	-	-	2,75,147.95	2,75,147.95
<b>Total Financial assets</b>		-	-	<b>2,75,147.95</b>	<b>2,75,147.95</b>
<b>Financial liabilities</b>					
Borrowings (including interest accrued)	21, 25, 27 and 59	-	2,31,931.35	-	2,31,931.35
Lease Liabilities	53	-	202.61	-	202.61
<b>Total Financial liabilities</b>		-	<b>2,32,133.96</b>	-	<b>2,32,133.96</b>

**(b) 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. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its biological assets other than bearer plants into level 2 in the fair value hierarchy, since no significant adjustments need to be made to the prices obtained from the local markets.

**Biological assets other than bearer plants for which fair value (less cost to sell) are disclosed at 31st March, 2023 (₹ in Lakhs)**

Particulars	Notes	Level 1	Level 2	Level 3	Total
Unharvested tea leaves	13	-	244.56	-	244.56
<b>Total</b>		-	<b>244.56</b>	-	<b>244.56</b>

**Biological assets other than bearer plants for which fair value (less cost to sell) are disclosed at 31st March, 2022 (₹ in Lakhs)**

Particulars	Notes	Level 1	Level 2	Level 3	Total
Unharvested tea leaves	13	-	526.79	-	526.79
<b>Total</b>		-	<b>526.79</b>	-	<b>526.79</b>

**48. FINANCIAL RISK MANAGEMENT**

The company's activities exposed it to a variety of financial risks. The key financial risks include Market risk, Credit risk and liquidity risk. The company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Board of Directors reviews and approves policy for managing these risks. The risks are governed by appropriate policies and procedures and accordingly financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. As stated in Note no. 59(a), the company has defaulted in repayment of borrowings including interest accrued thereon due to low recovery of the amount outstanding in respect of ICD's given by the company and restructuring/ other proposals/ settlement of loans etc. are under consideration of lenders. The company expects to restructure its borrowings and mitigate the related financial risk. Financial risk management as stated below has been considered based on the assumption of successful outcome of the restructuring/ other proposals which is under consideration of the lenders as stated in the said note. The risk envisaged can materially be different on approval of the said plan and terms and conditions specified in this respect.

**(A) Credit risk**

Credit risk refers to the risk of financial loss arising from default / failure by the counterparty to meet financial obligations as per the terms of contract. The Company is exposed to credit risk for receivables, cash and cash equivalents, financial guarantees and derivative financial instruments. Loans to group companies given has lead to material concentration of credit risks due to non-recoverability of amount thereagainst including accrued interest.

Credit risk on trade receivables is minimum since sales through different mode (i.e. auction, consignment, private - both domestic and export) are made after judging credit worthiness of the customers, advance payment, deposit from customers or against letter of credit by banks. The history of defaults has been minimal and outstanding receivables are regularly monitored. For credit risk on the loans to parties since recoverability thereagainst has been a matter of concern due to non-payment by group and other companies to whom amounts have been lent and where in one of the case CIRP as given in Note no. 58(a) has been initiated. The Company is expecting to recover/adjust/restructure the outstanding amounts and address the risk involved therein in due course of time on outcome of the CIRP proceedings initiated against one of company to whom loan have been advanced by these Group companies and on completion of resolution process of the company.



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

For derivative and financial instruments, the Company manage its credit risks by dealing with reputable banks and financial institutions.

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The Company establishes an allowance for impairment that represents its estimate of losses in respect of trade and other receivables. Receivables are reviewed/evaluated periodically by the management and appropriate provisions are made to the extent recovery there against has been considered to be remote.

The carrying value of the financial assets (net of impairment losses) represent the maximum credit exposure. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note no. 47.

### Financial assets that are neither past due nor impaired.

Cash and cash equivalents, investment and deposits with banks are neither past due nor impaired. Cash and cash equivalents with banks are held with reputed and credit worthy banking institutions.

### Financial assets that are past due but not impaired.

Certain Trade receivables and Inter-Corporate Loans which are past due at the end of the reporting period, no credit losses there against are expected to arise considering the steps being taken for realisation thereof.

### (B) Liquidity risk

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

Management monitors rolling forecasts of the company's liquidity position and cash and cash equivalents on the basis of expected cash flows. In addition, the Company's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans. The Company had in earlier years granted loans to Group Companies which created a mismatch in servicing its debt obligations. In this regards necessary restructuring and other proposals are under consideration as detailed in Note no. 59(a) to make these debt sustainable so that the liquidity required in the system does not get affected materially.

### Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for:

- i all non-derivative financial liabilities, and
- ii derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant. The amount of borrowings and interest thereon has been computed on the basis stated in Note no. 59(b) and amount finally payable and terms of repayment thereof will be determinable on completion of resolution process.

### Contractual maturities of financial liabilities as at 31st March 2023

(₹ in Lakhs)

Particulars	Less than 1 year	Between 1-2 years	Between 2-5 years	More than 5 years	Total
<b>Non-derivatives</b>					
Borrowings (including interest accrued)	2,37,579.29	-	-	-	2,37,579.29
Lease Liabilities	10.92	0.98	1.09	6.53	19.52
Trade Payables	8,554.77	-	-	-	8,554.77
Other financial liabilities	8,632.02	-	-	-	8,632.02
<b>Total non-derivative financial liabilities</b>	<b>2,54,777.00</b>	<b>0.98</b>	<b>1.09</b>	<b>6.53</b>	<b>2,54,785.60</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**
**Contractual maturities of financial liabilities as at 31st March 2022**
**(₹ in Lakhs)**

Particulars	Less than 1 year	Between 1-2 years	Between 2-5 years	More than 5 years	Total
<b>Non-derivatives</b>					
Borrowings (including interest accrued)	231,931.35	-	-	-	231,931.35
Lease Liabilities	191.42	2.22	3.30	5.67	202.61
Trade Payables	9,646.11	-	-	-	9,646.11
Other financial liabilities	7,341.13	-	-	-	7,341.13
<b>Total non-derivative financial liabilities</b>	<b>249,110.01</b>	<b>2.22</b>	<b>3.30</b>	<b>5.67</b>	<b>249,121.20</b>

**(C) Market risk**
**(i) Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD, EUR and GBP. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Company's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of the hedges is to minimise the volatility of the INR cash flows of highly probable forecast transactions.

The Company as per the risk management policy, hedges foreign currency transactions to mitigate the risk exposure and reviews periodically to ensure that the results from fluctuating currency exchange rates are appropriately managed.

The following table sets forth information relating to foreign currency exposure as at 31st March 2023 :

**(₹ in Lakhs)**

Particulars	USD	EUR	GBP	Total
<b>Financial Assets (a)</b>				
Cash and Cash equivalents	-	-	6.47	6.47
Trade Receivable	609.38	143.01	-	752.39
Other Financial Assets	-	-	-	-
	<b>609.38</b>	<b>143.01</b>	<b>6.47</b>	<b>758.86</b>
<b>Financial Liabilities (b)</b>				
Trade Payable	-	-	-	-
	-	-	-	-
<b>Net Exposure in Foreign Currency (a-b)</b>	<b>609.38</b>	<b>143.01</b>	<b>6.47</b>	<b>758.86</b>

10% appreciation of the respective foreign currencies with respect to functional currency (holding all other variables constant) of the Company would result in increase in the Company's profit before tax (having an impact on the financial statements) by approximately Rs. 75.89 lakhs for financial assets. 10% depreciation of INR would have an equal and opposite effect on the Company's financial statements.

The following table sets forth information relating to foreign currency exposure as at 31st March 2022:

**(₹ in Lakhs)**

Particulars	USD	EUR	GBP	Total
<b>Financial Assets (a)</b>				
Cash and Cash equivalents	-	-	7.32	7.32
Trade Receivable	1,020.18	348.27	-	1,368.45
Other Financial Assets	-	-	-	-
	<b>1,020.18</b>	<b>348.27</b>	<b>7.32</b>	<b>1,375.77</b>
<b>Financial Liabilities (b)</b>				
Trade Payable	-	-	-	-
	-	-	-	-
<b>Net Exposure in Foreign Currency (a-b)</b>	<b>1,020.18</b>	<b>348.27</b>	<b>7.32</b>	<b>1,375.77</b>

10% appreciation of the respective foreign currencies with respect to functional currency (holding all other variables constant) of the Company would result in increase in the Company's profit before tax (having an impact on the financial statements) by approximately Rs. 137.58 lakhs for financial assets. 10% depreciation of INR would have an equal and opposite effect on the Company's financial statements.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**
**(ii) 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. Financial Instruments at fixed rates of interest exposes the company to fair value interest rate risk as there is no risk of interest rate volatility.

The Company's main interest rate risk arises from short term and long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. Considering the same, the carrying amount of said borrowings was considered to be at fair value. During 31st March 2023 and 31st March 2022, the Company's borrowings at variable rate were mainly denominated in INR.

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

The exposure of the Company's financial assets and financial liabilities as at 31st March 2023 and 31st March 2022, to interest rate risk excluding certain ICD and Deposits as dealt in Note no. 25.4 is as follows :

(₹ in Lakhs)

Particulars	As at 31st March 2023		As at 31st March 2022	
	Floating Rate	Fixed Rate	Floating Rate	Fixed Rate
Financial Assets	-	1,85,075.95	-	2,75,160.95
Financial Liabilities	1,57,478.24	21,375.19	1,66,988.01	9,994.86
	<b>(1,57,478.24)</b>	<b>1,63,700.76</b>	<b>(1,66,988.01)</b>	<b>2,65,166.09</b>

Increase of 50 basis points (holding all other variables constant) in interest rates at the balance sheet date would result in decrease in net income of Rs. 787.39 lakhs on profit before tax (having an impact on the financial statements) for the year ended 31st March 2023 and Rs. 834.94 for the year ended 31st March 2022. A decrease in 50 basis point would have an equal and opposite effect on the Company's financial statements. This should be read with Note no. 36.2 regarding non-recognition of interest in Inter Corporate Deposits.

Interest risk on financial liabilities as stated above has been considered based on the accounting followed in this respect as stated in Note no. 58(a) and 59(b). The rate of interest and amount payable in this respect will finally be determinable on completion of resolution process which as stated in Note no. 59(a) is under consideration of lenders. The risk envisaged can materially be different on completion of resolution process and terms and conditions being specified in this respect.

**(iii) Price risk**

The Company is not an active investor in equity markets; it continues to hold certain investments in equity for long term strategic purpose which are accordingly measured at fair value through Other Comprehensive Income. The value of investments in such equity instruments as at 31st March 2023 is Rs 5,212.91 lakhs (31st March 2022: Rs. 6,189.19 lakhs). Accordingly, fair value fluctuations arising from market volatility is recognised in Other Comprehensive Income.

**(D) Agricultural Risk**

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

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

- i) Sufficient inventory levels of agro chemicals, fertilizers and other inputs are maintained so that timely corrective action can be taken in case of adverse weather conditions.
- ii) Slightly higher level of consumable stores viz packing materials, coal and HSD are maintained in order to mitigate financial risk arising from logistics problems.
- iii) Forward contracts are made with overseas customers as well as domestic private customers, in order to mitigate the financial risk in fluctuation of selling price of tea.
- iv) Sufficient liquidity kept in the system through fund arrangements from banks etc. in such a way that cultivation, manufacture and sale of tea is not adversely affected even in times of adverse conditions. Restructuring and other proposals as stated in Note no. 59(a) is under consideration and outcome thereof as expected is for ensuring sustainability of core agricultural operations of the company.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**
**49. CAPITAL MANAGEMENT**
**(a) Risk Management**

The primary objective of the Company's capital management is to ensure that it maintains a healthy capital ratio in order to support its business and maximize shareholder value. The Company's objective when managing capital is to safeguard its ability to continue as a going concern so that they can continue to provide returns for shareholders and benefits for other stakeholders. The Company is focused on keeping strong total equity base to ensure independence, security, as well as a high financial flexibility for potential future borrowings, if required without impacting the risk profile of the Company.

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

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

Net debt implies total borrowings of the Company as reduced by Cash and Cash Equivalent and Equity comprises all components attributable to the owners of the Company.

The following table summarises the Net Debt, Equity and Ratio thereof subject to final determination of amount thereof on completion of resolution process as stated in Note no. 59(a):

(₹ in Lakhs)

Particulars	Note	As at 31st March 2023	As at 31st March 2022
<b>(i) Total Debt</b>			
Borrowings - Non-Current	21	-	-
- Current	25	1,57,381.74	1,66,576.37
Current Maturities of Long Term Debt	25	21,471.69	21,471.69
Interest accrued and due on borrowings	27	58,725.86	43,883.29
		<b>2,37,579.29</b>	<b>2,31,931.35</b>
<b>Less : Cash and Cash Equivalents</b>	<b>15</b>	<b>1,152.28</b>	<b>1,834.46</b>
<b>Net Debt</b>		<b>2,36,427.01</b>	<b>2,30,096.89</b>
<b>(ii) Equity attributable to Shareholders</b>	19 and 20	40,887.27	1,48,345.24
<b>(iii) Net debt to equity ratio</b>		<b>5.78</b>	<b>1.55</b>

Under the terms of the major borrowing facilities, the Company has not complied with some of the financial covenants as imposed by the bank and financial institutions.

No changes were made in the objectives, policies or processes for managing capital during the year ended 31st March 2023 considering pending outcome of the restructuring and other proposals under consideration of lenders (Refer Note no. 59(a)).

**50. DETAILS OF LOANS, INVESTMENTS AND GUARANTEES GIVEN COVERED UNDER SECTION 186(4) OF THE COMPANIES ACT, 2013**

- A) Details of Investments are disclosed in Note no. 7 & 8 of the financial Statements.
- B) The Group has given 12% per annum Interest bearing Loans to following parties for their corporate and general purposes as detailed below:

(₹ in Lakhs)

Name of Parties	Amount Outstanding as on 31st March 2022	Additions	Repayment/ Adjustment	Amount Outstanding as on 31st March 2023
Williamson Magor & Co. Limited	19,221.42	-	-	19,221.42
Babcock Borsig Limited	14,500.00	-	-	14,500.00
Williamson Financial Services Limited	22,200.00	-	-	22,200.00
Seajulie Developers & Finance Limited	1,28,186.31	-	85.00	1,28,101.31
Woodside Parks Limited	91,040.22	-	-	91,040.22
Metal Centre Limited	198.00	-	-	198.00
Kilburn Office Automation Limited	180.00	-	-	180.00
The Hoogly Mills Co. Limited	720.00	-	-	720.00
Vinod Enterprises	13.00	-	-	13.00
	<b>2,76,258.95</b>	<b>-</b>	<b>85.00</b>	<b>2,76,173.95</b>

Note: The company has not recognised interest income for reasons stated in Note no. 32.1 and 58(a).

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**
**51. RATIOS**

The analytical ratios for the year ended 31st March 2023 and 31st March 2022 are as follows:

Particulars	Numerator	Denominator	As at / For the year ended 31st March 2023	As at / For the year ended 31st March 2022	Variance	Remarks
Working Capital Ratio	Current Assets	Current Liabilities	0.07	0.10	-27.79%	Due to non-payment of interest accrued on borrowing and increase in statutory and other liabilities
Debt-Equity ratio	Short Term Borrowings+ Long Term Borrowings	Total Equity	4.37	1.27	245.08%	Due to provision against various loans and advances including interest receivable
Debt service coverage ratio	Earning before Interest, Depreciation and Tax+ Exceptional Items	Interest Expense+ Principal Repayment of Long Term Debt+ Repayment of Lease Liabilities	0.41	0.60	-32.57%	Due to substantial increase in employee and other cost and resultant decrease in profit
Return on Equity Ratio	Profit after Tax+ Exceptional Items	Total Equity	-28.37%	-9.18%	209.07%	Due to substantial increase in employee and other cost and resultant decrease in profit along with provision against loans and advances
Inventory turnover ratio	Revenue from operations less EBITDA	Average Inventory	12.36	11.74	5.25%	
Trade Receivable turnover ratio	Revenue from Operation	Average Trade Receivables	35.82	44.60	-19.69%	
Trade payables turnover ratio	Total Purchases	Average Trade Payables	1.08	2.34	-53.79%	Due to reduction in brought leaf operations
Net capital turnover ratio	Revenue from operations	Working Capital	(0.42)	(0.45)	-7.60%	
Net profit margin	Profit after Tax+ Exceptional Items	Revenue from Operations	-10.58%	-12.28%	-13.89%	
Return on capital employed	Earning before Interest and Tax+ Exceptional Items	Average Capital Employed (Capital Employed= Total Assets- Current Liabilities)	4.50%	2.33%	92.77%	Due to capital employed being lower on account of provision against loans and advances including interest receivable
Return on Investments	Income generated from investments	Time weighted average investments (Average investment)	-15.77%	16.73%	-194.28%	Due to variation in market rate of quoted investments

**Notes :** The ratios given herein above including debt-equity and debt service coverage ratios have been arrived at based on figures stated in financial statement and are therefore subject to variation due to reason stated in note no. 58 and 59.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**
**52. INCOME TAX EXPENSE**

This note provides an analysis of the Company's income tax expense, and how the tax expense is affected by non-assessable and non-deductible items.

**(a) Income Tax Expense**
**(₹ in Lakhs)**

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
<b>Current Tax</b>		
Current tax for the year	-	-
<b>Total Current Tax (A)</b>	-	-
Provisions for tax relating to earlier years	3.39	43.49
<b>Total provision relating to earlier years (B)</b>	<b>3.39</b>	<b>43.49</b>
Deferred tax for the year (Refer Note no. 23)	(4,482.42)	2,161.87
<b>Total Deferred Tax (C)</b>	<b>(4,482.42)</b>	<b>2,161.87</b>
<b>Grand Total (A+B+C)</b>	<b>(4,479.03)</b>	<b>2,205.36</b>

**(b) Amount recognised in other comprehensive income**
**(₹ in Lakhs)**

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
<b>Deferred Tax (Refer Note no. 23)</b>		
Income tax relating to items that will not be re-classified to profit or loss	723.76	389.17
<b>Total</b>	<b>723.76</b>	<b>389.17</b>

**(c) Reconciliation of effective tax rate:**
**(₹ in Lakhs)**

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Profit/ (Loss) before tax	(1,09,421.30)	(11,411.78)
Income tax expense calculated @ 31.98% (31st March 2022- 31.98%)	(34,990.30)	(3,649.21)
Effect of Tax Holiday under Agriculture Income	19,695.82	2,054.12
Effect of expenses that are deductible/non-deductible in determining taxable profit	443.18	751.53
Effect of Deferred Tax not created on exceptional items	13,046.99	-
Effect of income that is exempt from taxation	(85.64)	(270.09)
Effect of differences in WDV of Property, Plant and Equipment	(2,125.64)	-
Effect of differences in expenses allowable on payment basis	(962.12)	-
MAT Credit Utilisation	495.29	995.27
Effect for Interest disallowance not considered for creation of Deferred Tax (net)	-	2,280.25
	<b>(4,482.42)</b>	<b>2,161.87</b>

**Notes :**

- The tax rate used in the corporate tax payable on taxable profits under the Income Tax Act'1961.
- The Company's agriculture income is subject to lower tax rates @ 30% under the respective state tax laws. Further, considering the tax holiday granted by the State Government, effect of Deferred Tax reversal during the said tax holiday period has been considered for computing Deferred Tax Assets.
- The Company has not exercised the option for paying income tax at concessional rates in accordance with the provisions/conditions as specified under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 as there are unutilised MAT Credit and other entitlement including 33AB and also the resolution process is under active consideration and impact thereof are presently not ascertainable. Necessary decision in this respect will be taken in subsequent period.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**
**53. DISCLOSURE AS PER IND AS 116**

(i) Following are the changes in the carrying value of right of use assets: (₹ in Lakhs)

Particulars	Building	Leasehold Land	Total
<b>As at 31st March 2021</b>	<b>807.42</b>	<b>36.36</b>	<b>843.78</b>
Addition	-	-	-
Deletion	-	-	-
Depreciation	397.73	2.41	400.14
<b>As at 31st March 2022</b>	<b>409.69</b>	<b>33.95</b>	<b>443.64</b>
Addition	-	-	-
Deletion	-	-	-
Depreciation	195.41	2.40	197.81
<b>As at 31st March 2023</b>	<b>214.28</b>	<b>31.55</b>	<b>245.83</b>

(ii) The following is the break-up of current and non-current lease liabilities : (₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Current lease liabilities	10.92	191.42
Non-Current lease liabilities	8.60	11.19
	<b>19.52</b>	<b>202.61</b>

(iii) The following is the movement in lease liabilities : (₹ in Lakhs)

Particulars	Amount
<b>As at 31st March 2021</b>	<b>593.05</b>
Additions	-
Finance cost accrued during the period	47.97
Deletions	-
Payment of lease liabilities	
- Principal	(390.44)
- Interest	(47.97)
<b>As at 31st March 2022</b>	<b>202.61</b>
Additions	-
Finance cost accrued during the period	8.89
Deletions	-
Payment of lease liabilities	
- Principal	(183.09)
- Interest	(8.89)
<b>As at 31st March 2023</b>	<b>19.52</b>

(iv) The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis: (₹ in Lakhs)

Particulars	As at 31st March 2023
Not later than one year	13.31
Later than one year and not more than five years	7.08
Later than five years	10.06



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**

- (v) Further to above, the Company has certain operating lease arrangements for office, transit houses, etc. on short-term leases. Expenditure incurred on account of rental payments under such leases during the year and recognized in the Profit and Loss account amounts to Rs. 253.76 lakhs (31st March 2022: Rs. 5.11 lakhs).

**54. SALE OF SPECIFIED ASSETS OF CERTAIN TEA ESTATES**

On 09th August, 2018, the shareholders of the Company approved to sell specified assets of certain tea estates. In continuation of the steps initiated in this respect in earlier years :

- a) The specified assets of one tea estate had been identified and approved for sale. Memorandum of Understanding/ Term sheet with the proposed buyer for an aggregate consideration of Rs. 2,815.00 Lakhs, subject to due diligence and necessary approvals, etc. had also been entered by the company. Pending final binding agreement and completion of the transaction, such sales has not been recognised. Advance of Rs 550.00 Lakhs received from the proposed buyer against sale consideration has been shown under 'Other Financial Liabilities'.
- b) The Company has received advances against sale of estates and certain other assets amounting to Rs. 1,413.87 lakhs (including Rs. 550.00 lakhs dealt in (a) above). There is a stay imposed by Hon'ble High Court of Delhi vide its order dated 19th December 2019 and thereby these assets cannot be disposed of by the company. Accordingly, such assets pending final decision of Hon'ble High Court of Delhi has been continued to be included under Property, Plant and Equipment (PPE) rather than as "Assets held for Sale" and have been depreciated in accordance with other items of PPE.

**55. Ageing Schedule of Capital Work in Progress are as follows :**
**Projects in progress**
**As at 31st March 2023**
**(₹ in Lakhs)**

Particulars	Bearer Plant	Plant and Equipments	Building & Other Assets	Total
Less than 1 Year	1,696.32	198.96	58.27	1,953.55
1-2 Years	333.39	33.85	10.63	377.87
2-3 Years	718.12	14.68	1.09	733.89
More than 3 Years	890.31	-	-	890.31
	<b>3,638.14</b>	<b>247.49</b>	<b>69.99</b>	<b>3,955.62</b>

**As at 31st March 2022**
**(₹ in Lakhs)**

Particulars	Bearer Plant	Plant and Equipments	Building & Other Assets	Total
Less than 1 Year	1,599.16	67.51	32.24	1,698.91
1-2 Years	521.95	27.52	1.97	551.44
2-3 Years	713.27	-	0.62	713.89
More than 3 Years	1,260.16	-	4.37	1,264.53
	<b>4,094.54</b>	<b>95.03</b>	<b>39.20</b>	<b>4,228.77</b>

**Projects temporarily suspended**
**As at 31st March 2023**
**(₹ in Lakhs)**

Particulars	Bearer Plant	Plant and Equipments	Building & Other Assets	Total
Less than 1 Year	-	-	-	-
1-2 Years	-	-	-	-
2-3 Years	-	4.61	0.35	4.96
More than 3 Years	-	1.57	23.01	24.58
-	-	<b>6.18</b>	<b>23.36</b>	<b>29.54</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**
**Projects temporarily suspended**
**As at 31st March 2022**
**(₹ in Lakhs)**

Particulars	Bearer Plant	Plant and Equipments	Building & Other Assets	Total
Less than 1 Year	-	-	-	-
1-2 Years	-	-	-	-
2-3 Years	-	1.46	1.74	3.20
More than 3 Years	-	0.14	19.17	19.31
	-	<b>1.60</b>	<b>20.91</b>	<b>22.51</b>

- (b) The expected completion of amount lying under Capital Work in progress whose completion is overdue or has exceeded its cost compared to its original plan are as below :

**As at 31st March 2023**
**(₹ in Lakhs)**

Particulars	Amount in Capital work in progress to be completed in			
	Less than 1 Year	1-2 years	2-3 years	More than 3 years
<b>Projects in progress:</b>				
Bearer Plant	-	-	-	-
Plant & Equipment	6.18	21.85	-	-
Building & Other Assets	5.36	-	-	-
	<b>11.54</b>	<b>21.85</b>	-	-
<b>Projects temporarily suspended</b>				
Bearer Plant	-	-	-	-
Plant & Equipment	6.18	-	-	-
Building & Other Assets	23.36	-	-	-
	<b>29.54</b>	-	-	-

**As at 31st March 2022**
**(₹ in Lakhs)**

Particulars	Amount in Capital work in progress to be completed in			
	Less than 1 Year	1-2 years	2-3 years	More than 3 years
<b>Projects in progress:</b>				
Bearer Plant	-	-	-	-
Plant & Equipment	11.40	-	-	-
Building & Other Assets	1.59	-	-	-
	<b>12.99</b>	-	-	-
<b>Projects temporarily suspended</b>				
Bearer Plant	-	-	-	-
Plant & Equipment	1.60	-	-	-
Building & Other Assets	20.91	-	-	-
	<b>22.51</b>	-	-	-

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**
**56. RELATIONSHIP WITH STRUCK-OFF COMPANIES ARE AS FOLLOWS :**

Based on information available with the company from the website of Ministry of Corporate Affairs regarding whether the company with whom transaction have been carried out are struck-off is based on such identification to the extent possible :

(₹ in Lakhs)

Name of the Struck-off Company & Nature of transaction	Relationship with Struck-off Company	Refer Note No.	As at 31st March 2023	As at 31st March 2022
<b>Advances given</b>				
Sonata Construction Private Limited	Not applicable		1,400.00	1,400.00
<b>Deposits given</b>				
W.H.Targett India Ltd.	Not applicable		11.26	11.26
<b>Shares held by Struck off company</b>				
Dreams Broking Private Limited	Not applicable	56.1	0.00	0.00
ING Securities Private Limited	Not applicable		0.43	0.43
Kshirode Chandra Ghosh & Sons Pvt Limited	Not applicable		0.02	0.02
M/S JIC Finance Private Limited	Not applicable		0.01	0.01
Madhur Bharat Private Limited	Not applicable		0.02	0.02
N R I Financial Services Limited	Not applicable	56.1	-	0.00
Overland Finance And Invest Cons	Not applicable	56.1	0.00	0.00
Standard Chartered Bank Truste E & Executor	Not applicable		0.09	0.09
Vaishak Shares Limited	Not applicable	56.1	0.00	0.00
Victor Properties Private Limited	Not applicable		-	0.15
Arihants Securities Limited	Not applicable		0.25	-
Dreams Broking Pvt Ltd	Not applicable	56.1	0.00	-
Ing Securities Private Limited	Not applicable		0.43	-
Jalan Holdings Private Limited	Not applicable		0.18	-
Vaishak Shares Limited	Not applicable	56.1	0.00	-

56.1 Amount is below the rounding off norm adopted by the Company.

**Note 57 : IL&FS Infrastructure Debt Fund ('ILFS-IDF')**

- (a) Subsequent to the balance sheet date, the order dated 10th February 2023 passed by Hon'ble National Company Law Tribunal ('NCLT') on the petition filed by IL&FS Infrastructure Debt Fund ('ILFS-IDF') under "Insolvency and Bankruptcy Code, 2016" (IBC) pursuant to the shortfall undertaking ('undertaking') executed between ILFS-IDF and the company in connection with Debt Service Reserve Account ('DSRA') obligations pertaining to the secured debentures of Rs. 15,000.00 lakhs and Rs. 9,950.00 lakhs issued respectively by Babcock Borsig Limited ('BBL') and Williamson Magor & Company Limited ('WMCL') to ILFS-IDF has been set-aside pursuant to the Order of Hon'ble National Company Law Appellate Tribunal, Principal Bench, New Delhi ('NCLAT') ('the Order') dated 15th May 2023 ('the Order'). The Order has been passed by the NCLAT following a settlement agreement taken on record. Consequent to the said order, powers of the Board of Directors which was suspended with effect from 10th February 2023 on initiation of Corporate Insolvency Resolution Process (CIRP) has since been restored. IRP has been discharged with effect from the date of the order from the functioning and responsibilities entrusted upon pursuant to CIRP and necessary powers for managing the affairs of the company have been vested back with the Board of Directors of the company.
- (b) The company as stated above had given shortfall undertaking ('undertaking') to IL&FS Infrastructure Debt Fund ('ILFS-IDF') in connection with Debt Service Reserve Account ('DSRA') obligations pertaining to the secured debentures of Rs. 15,000.00 lakhs and Rs. 9,950.00 lakhs issued respectively by Babcock Borsig Limited ('BBL') and Williamson Magor & Company Limited ('WMCL'). The claims made by ILFS-IDF pursuant to an agreement entered with the party have been settled by Dufflaghur Investment Limited for Rs. 4,967.00 lakhs and CIRP proceedings against the company as stated above have since been set-aside. The company's obligations in this respect and related terms and condition thereof and consequential impact if any in this respect have presently not been determined and therefore has not been given effect to in these financial statements.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023****Note58 : Inter-corporate loans given**

- a) In respect of Inter-Corporate Deposits (ICDs) given to Promoter group and certain other companies ('borrowing companies') as given in Note no. 50(B), the amount outstanding aggregates to Rs. 2,76,173.95 Lakhs as at 31st March 2023 (31st March 2022: Rs. 2,76,258.95 Lakhs). Further, interest of Rs. 9,941.50 lakhs on these amounts were accrued upto 31st March 2019 and are remaining unpaid in this respect as on 31st March 2023. Interest on such ICDs considering the waiver sought by borrower companies and uncertainties involved with respect to recovery and determination of amount thereof, has not been accrued since 01st April 2019. These borrowing companies which in turn advanced the amount so taken by them to other entities including one of the promoter group company which is under Corporate Insolvency and Resolution Process ('CIRP') as per the Insolvency and Bankruptcy Code, 2016 (IBC) are in the process of recovering these amounts. The claims made by these borrowing companies pursuant to CIRP have not been fully acknowledged and amount as admitted by Resolution Professional ('RP') are stated to be substantially lower than those being claimed by these companies. Whilst CIRP proceeding is yet to be concluded and amount finally recoverable pursuant to the same is yet to be determined, considering the amount so far accepted by the RP in respect of the claims made by the companies, valuation indications, eventuality of recovery in this respect and resultant net worth of these companies, provision of Rs. 1,01,039.50 lakhs (including Rs. 9,097.34 lakhs provided in earlier years) on lumpsum basis without prejudice to company's legal right to recover the amounts given by it, has been made in these financial statements. This includes provision of Rs. 9,941.50 lakhs (including Rs. 7,999.34 lakhs provided in earlier years) provided against interest accrued upto 31st March 2019 which has been fully provided for in the financial statements. The management believes that the outstanding dues, net of provision thereagainst, as mentioned above, shall be recovered/adjusted and/or restructured depending upon the outcome of the recovery proceedings pursuant to CIRP or otherwise and completion of the resolution process of the company. Impacts if any in this respect will be given effect to on determination of the amount in this respect and no further provision/adjustment is required at this stage.
- b) In respect of the Inter-Corporate Deposits to companies as dealt herein above in Note no. 58(a), the predecessor auditors' had issued an adverse opinion on the audited financial statement for the year ended 31st March 2019. Inter-Corporate Deposits to companies as dealt herein above include amounts reported upon by predecessor auditor being in the nature of book entries. This includes amounts given to group companies whereby applicability of Section 185 of the Companies Act, 2013 and related non-compliances, if any could not be ascertained and commented upon by them. Loan of Rs. 1,85,075.95 Lakhs (net of provision) given to various parties as given in Note no. 58(a) above are outstanding as on 31st March 2023. The issues raised including utilisation of amount of these loans etc. are also being examined by relevant authorities. Replies to the queries sought and information and details required by the authorities have been provided and final outcome and/or directions if any are awaited as on this date.

**Note59 : Going Concern and Default in Borrowings**

- a) The Company's financial position irrespective of its consistent performance is continued to be under stress. The Inter-Corporate Deposits (ICDs) given to various group and other companies in earlier years along with interest to the extent accrued earlier are lying substantially outstanding as on this date. The ICDs given by the company were in turn advanced by them to other entities including one of the promoter group company which is under CIRP as on this date. Non-repayment of such ICDs have caused financial constraints resulting in hardship in servicing of the short term and long-term debts and meeting other liabilities.

The CIRP proceeding initiated against the company as stated in Note no. 57(a) above has since been withdrawn. Consequently, the lenders (bankers) have since reinitiated the Resolution process of the company in terms of circular dated 07th June 2019 issued by the Reserve Bank of India. Inter-Creditor Agreement (ICA) for arriving at and implementing the resolution plan was signed by all the lenders (bankers). In terms of the resolution process undertaken prior to CIRP, the forensic audit for utilisation of funds borrowed in the past conducted on behalf of lenders, Techno Economic Viability (TEV), Valuation of tea estates and other assets and credit rating for draft Resolution Plan prepared by SBI Capital Markets Limited, one of the leading investment banker pursuant to the said process were completed. Meanwhile, lenders in addition to the above also requested for submission of the proposal for one time settlement ('OTS proposal') of their dues and thereby exclusivity agreement with another company to discuss, negotiate and evaluate a mutually agreeable mechanism to offer the OTS proposal was entered into by the company which during CIRP proceedings has expired on 28th February 2023. The resolution process reinitiated as stated above is under active consideration of the lenders and related plans and proposals are expected to be finalised after due consideration of all the related aspects and once finalised will be placed for necessary approval for implementation.

The management is confident that with the bankers support in restructuring/ settlement of their debt to a sustainable level and resultant rationalisation of cost of borrowing and other costs, induction of additional fund in the system by sale of assets or otherwise etc. and other ameliorative measures taken and/or proposed to be taken, the company will be able to generate sufficient cashflow to meet its obligations and strengthen its financial position over a period of time. Considering that the required measures are under implementation and/or under active consideration for arriving at a resolution in due course of time, these financial statements have been prepared on going concern basis.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**

- b) Pending completion of resolution process as per Note No. 59(a) above and consequential adjustment in this respect, Interest on borrowings from banks and financial institutions have been continued to be provided on simple interest basis based on the rates specified in term sheet or otherwise stipulated/advised from time to time and penal/compound interest if any has not been considered. Further, amount repaid to lenders and/or recovered by them including by invoking securities etc., have been adjusted against principal amount outstanding. The amount payable to the lenders in respect of outstanding amount including interest thereagainst is subject to confirmation and determination and consequential reconciliation thereof in terms of the resolution to be arrived at and approved by the lenders as on this date.
- c) Further, Interest of Rs. 9,185.82 Lakhs (including Rs. 2,469.03 Lakhs (net of provision) for the period) on Inter Corporate Deposits/ Short-Term Borrowings (Rs. 21,375.19 lakhs outstanding as on March 31, 2023) taken by the company has not been recognised. Interest in this respect in line with (a) above have been determined on simple basis at stipulated rate or otherwise advised from time to time. This however does not include interest if any on outstanding advances of Rs. 5,000.00 lakhs from customers, pending recognition as Inter Corporate Deposits and finalisation of terms and conditions thereof. Further, Interest including compound/ penal interest if any payable with respect to these are currently not determinable and as such the amount in this respect have not been disclosed and included in the above amount.
- d) Adjustments, if any required with respect to (b) and (c) above will be recognised on determination thereof and will then be given effect to in the financial statements of subsequent periods.

**Note60 :**

Certain debit and credit balances including borrowings and interest thereupon dealt with in Note no. 58(b), clearing accounts (other than inter-unit balances), trade and other payables, advances from customers, loans and advances (other than as dealt with in Note no. 58(b) above), other current assets and certain other liabilities are subject to reconciliation with individual details and balances and confirmation thereof. Adjustments/ Impact and related disclosures in this respect are currently not ascertainable. However, during the period certain account balances which were under reconciliation have been reconciled and required adjustments thereof have been given effect to in these financial statements.

**Note61 :**

**Additional Information pursuant to amendments (effective 1st April, 2021) made in Schedule III to the extent applicable to the company (Other than those that have been disclosed under the respective Notes to the financial statements) :**

**A) Utilisation of borrowed funds and share premium**

(i) The Company has not advanced or loaned or invested funds to any other persons or entities, 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 has not received any fund from any persons or entities, 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.

**(B) Details of crypto currency or virtual currency**

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

**(C) Undisclosed income**

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

**(D) Compliance with number of layers of companies**

The Company has complied with number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of layers) Rules, 2017.

**Note62.** These financial statements have been approved by the Board of Directors of the Company on 30th May 2023, for issue to the shareholders for their adoption.

**Note63.** Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification/disclosure.

As per our report of even date

**For Lodha & Co,**  
Chartered Accountants

**R.P. Singh**  
Partner

Place : Kolkata  
Dated : 30th May 2023

**For and on behalf of the Board of Directors**

**Aditya Khaitan** - Chairman and Managing Director  
(DIN No: 00023788)

**Pradip Bhar** - Chief Financial Officer

**Alok Kumar Samant** - Company Secretary

**Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted  
along-with Annual Audited Standalone Financial Results**

**Statement on Impact of Audit Qualifications on Standalone Results for the Financial Year ended March 31, 2023**

[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

(₹ in Lakh)

I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Audited Figures (audited figures after adjusting for qualifications to the extent ascertainable)
	1	Turnover / Total income	1,11,036	1,11,036
	2	Total Expenditure	1,27,115	1,36,301
	3	Net Profit/(Loss)	(1,04,942)	(1,14,128)
	4	Earnings Per Share	(100.52)	(109.26)
	5	Total Assets	3,32,474	3,32,474
	6	Total Liabilities	2,91,587	3,00,773
	7	Total Equity	40,887	31,701
	8	Any other financial item(s)	-	-

II		Audit Qualification (each audit qualification separately) :
<b>Qualification-1</b>		
a.	Details of Audit Qualification:	Note no. 6(a) of the standalone financial results dealing with Inter Corporate Deposits (ICD) aggregating to Rs. 2,86,115 lakhs (including interest accrued till March 31, 2019) as on March 31, 2023 given to certain companies which are doubtful of recovery and considering recoverability etc. are prejudicial to the interest of the company. Provision of Rs. 1,01,039 lakhs (including Rs. 9,097 lakhs provided in earlier years) has been made against this till March 31, 2023. In absence of provision against the remaining amount, the loss for the year is understated to that extent. Impact in this respect have not been ascertained by the management and recognised in the financial results.
b.	Type of Audit Qualification:	Adverse
c.	Frequency of qualification:	Repetitive
d.	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	In respect of Inter-Corporate Deposits (ICDs) given to Promoter group and certain other companies ('borrowing companies'), the amount outstanding aggregates to Rs. 2,76,174 Lakhs as at March 31, 2023. Further, interest of Rs. 9,941 lakhs on these amounts were accrued upto March 31, 2019 and are remaining unpaid in this respect as on March 31, 2023. Interest on such ICDs considering the waiver sought by borrower companies and uncertainties involved with respect to recovery and determination of amount thereof, has not been accrued since April 01, 2019. These borrowing companies which in turn advanced the amount so taken by them to other entities including one of the promoter group company which is under Corporate Insolvency and Resolution Process ('CIRP') as per the Insolvency and Bankruptcy Code, 2016 (IBC) are in the process of recovering these amounts. The claims made by these borrowing companies pursuant to CIRP have not been fully acknowledged and amount as admitted by Resolution Professional ('RP') are stated to be substantially lower than those being claimed by these companies. Whilst CIRP proceeding is yet to be concluded and amount finally recoverable pursuant to the same is yet to be determined, considering the amount so far accepted by the RP in respect of the claims made by the companies, valuation indications, eventuality of recovery in this respect and resultant net worth of these companies, provision of Rs. 1,01,039 lakhs (including Rs. 9,097 lakhs provided in earlier years) on lumpsum basis without prejudice to company's legal right to recover the amounts given by it, has been made in these financial results. This includes provision of Rs. 9,941 lakhs (including Rs. 7,999 lakhs provided in earlier years) provided against interest accrued upto March 31, 2019 which has been fully provided for in the financial results. The management believes that the outstanding dues, net of provision there against, as mentioned above, shall be recovered/adjusted and/or restructured depending upon the outcome of the recovery proceedings pursuant to CIRP or otherwise and completion of the resolution process of the company. Impacts if any in this respect will be given effect to on determination of the amount in this respect and no further provision/adjustment is required at this stage.

<b>Qualification-1</b>	
e. For Audit Qualification(s) where the impact is not quantified by the auditor:	Nil
(i) Management's estimation on the impact of audit qualification:	Not applicable
(ii) If management is unable to estimate the impact, reasons for the same:	The management believes that the outstanding dues, net of provision there against, as mentioned above, shall be recovered/adjusted and/or restructured depending upon the outcome of the recovery proceedings pursuant to CIRP or otherwise and completion of the resolution process of the company. Impacts if any in this respect will be given effect to on determination of the amount in this respect and no further provision/adjustment is required at this stage.
(iii) Auditors' Comments on (i) or (ii) above:	
<b>Qualification-2</b>	
a. Details of Audit Qualification:	Note No. 9(b) of the standalone financial results regarding non-recognition of Interest on Inter Corporate Deposits taken by the company and thereby the loss for the year is understated to the extent indicated in said note and non-determination of interest and other consequential adjustments/disclosures in absence of relevant terms and conditions in respect of certain advances being so claimed by customers as stated therein. Further, as stated in Note no. 9(a), penal/compound interest and other adjustments in respect of borrowings from lenders/banks/financial institution have not been recognised and amount payable to banks and financial institutions as recognised in this respect are subject to confirmation from respective parties and consequential reconciliation. Pending final determination of amount in this respect, adjustments and impacts arising therefrom have not been ascertained and as such cannot be commented upon by us.
b. Type of Audit Qualification :	Adverse
c. Frequency of qualification:	Repetitive
d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	The Company submits that the resolution process as stated in Note no. 7 of the standalone financial results are under active consideration of the lenders and related plans and proposals are expected to be finalised after due consideration of all the related aspects. The amount of interest will be determined and recognised based on the proposals once finalised to give effect to all the aspect of the proposal on comprehensive basis.
e. For Audit Qualification(s) where the impact is not quantified by the auditor:	
(i) Management's estimation on the impact of audit qualification:	Not applicable
(ii) If management is unable to estimate the impact, reasons for the same:	Penal interest / compound interest has not yet been confirmed by banks. Further, interest would be restructured/ finalised in accordance with the plans and proposals under consideration of the lenders and amount payable will then be ascertained and given effect to in the accounts
(iii) Auditors' Comments on (i) or (ii) above:	



<b>Qualification-3</b>	
a. Details of Audit Qualification:	Note no 12 of the standalone financial results regarding non reconciliation/disclosure of certain debit and credit balances with individual details and confirmations etc. including borrowings and interest thereupon dealt with in Note no. 9. Adjustments/ Impacts with respect to these are currently not ascertainable and as such cannot be commented upon by us.
b. Type of Audit Qualification :	Adverse
c. Frequency of qualification:	Repetitive
d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	Not quantified
e. For Audit Qualification(s) where the impact is not quantified by the auditor:	
(i) Management's estimation on the impact of audit qualification:	Not quantifiable
(ii) If management is unable to estimate the impact, reasons for the same:	The Company submits that it has 33 tea estates/ factories and 2 offices and therefore it is practically not feasible to reconcile the entire balances and such reconciliation is an ongoing process. Impact will thus become ascertainable only upon reconciliations and confirmations. However, during the year certain account balances which were under reconciliation have been reconciled and required adjustments thereof have been given effect to in this year.
(iii) Auditors' Comments on (i) or (ii) above:	Not applicable

<b>Qualification-4</b>	
a. Details of Audit Qualification:	Note no. 10 of the standalone financial results regarding non-determination/ recognition of amount payable in respect of claims made pursuant to shortfall undertaking executed between the company and debenture holders in respect of the debentures issued by certain group companies as dealt with in the said note and Note no. 11 dealing with company's obligation in respect of the settlement arrived at with a corporate lender in earlier year. Pending finalisation of terms and condition with respect to the company's obligations in respect of settlement arrived at with the parties, adjustments required in this respect are currently not ascertainable and as such cannot be commented upon by us.
b. Type of Audit Qualification :	Adverse
c. Frequency of qualification:	First time
d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	Not quantified
e. For Audit Qualification(s) where the impact is not quantified by the auditor:	
(i) Management's estimation on the impact of audit qualification:	Not quantifiable
(ii) If management is unable to estimate the impact, reasons for the same:	<p>The company as stated in Note no. 2 of the financial results had given shortfall undertaking ('undertaking') to IL&amp;FS Infrastructure Debt Fund ('ILFS-IDF') in connection with Debt Service Reserve Account ('DSRA') obligations pertaining to the secured debentures of Rs. 15,000 lakhs and Rs. 9,950 lakhs issued respectively by Babcock Borsig Limited ('BBL') and Williamson Magor &amp; Company Limited ('WMCL'). The claims made by ILFS-IDF pursuant to an agreement entered with the party have been settled by Dufflaghur Investment Limited for Rs. 4,967 lakhs and CIRP proceedings as stated in Note no. 2 have since been withdrawn. The settlement obligation in this respect has been fulfilled by the said company. The company's obligations in this respect and related terms and condition thereof and consequential impact if any in this respect have presently not been determined and therefore has not been given effect to in these financial results.</p> <p>Finance Cost includes Rs. 2,000 lakhs being the amount paid by a third party on behalf of the company in settlement of the dues of a corporate lender in earlier year. This represents differential amount over and above the principle amount so far paid in terms of the said settlement. Pending discharge of balance obligations and finalisation of related terms and conditions, further adjustments required if any in this respect are presently not ascertainable.</p>
(iii) Auditors' Comments on (i) or (ii) above:	

Qualification-5	
a. Details of Audit Qualification:	As stated in Note no. 8 of the standalone financial results, the predecessor auditor pertaining to financial year ended March 31, 2019 in respect of loans included under qualification 1 above have reported that it includes amounts given to group companies whereby applicability of Section 185 of the Companies Act, 2013 could not be ascertained and commented upon by them. They were not been able to ascertain if the aforesaid promoter companies could, in substance, be deemed to be related parties to the Company in accordance with paragraph 10 of Ind AS-24 "Related Party Disclosures". Further certain ICDs as reported were in nature of book entries and/or are prejudicial to the interest of the company. Moreover, in case of advance to a body corporate as stated in Note no. 6(b) which has now been fully provided appropriate audit evidences were not made available to them. These amounts are outstanding as on this date and included in loans and advances dealt with in Note no. 6(a) and status thereof have remained unchanged and uncertainty and related concerns including utilisation thereof and being prejudicial to the interest of the company are valid for periods subsequent to March 31, 2019 including current year also. The matter as reported is under examination and pending before regulatory authorities. Pending final outcome of the matter under examination we are unable to ascertain the impact of non-compliances and comment on the same.
b. Type of Audit Qualification :	Adverse
c. Frequency of qualification:	Repetitive
d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	Not quantified
e. For Audit Qualification(s) where the impact is not quantified by the auditor:	
(i) Management's estimation on the impact of audit qualification:	Not quantifiable
(ii) If management is unable to estimate the impact, reasons for the same:	The matter as reported is pending before regulatory authorities.
(iii) Auditors' Comments on (i) or (ii) above:	

<b>III</b>	<b>Signatories :</b>
<ul style="list-style-type: none"> <li>● Managing Director</li> <li>● Chief Financial Officer</li> <li>● Audit Committee Chairman</li> <li>● Statutory Auditors</li> </ul>	<p style="text-align: center;"><b>For McLeod Russel India Limited</b> <b>(Aditya Khaitan)</b> <b>(DIN: 00023788)</b></p> <p style="text-align: center;"><b>For McLeod Russel India Limited</b> <b>(Pradip Bhar)</b></p> <p style="text-align: center;"><b>(Raj Vardhan)</b> <b>(DIN: 0008513917)</b></p> <p style="text-align: center;"><b>For Lodha &amp; Co,</b> <b>Chartered Accountants</b></p> <p style="text-align: center;"><b>(R.P. Singh)</b> <b>(Partner)</b> <b>Membership No: 052348)</b></p>

**Place : KOLKATA**  
**Date : 30th May, 2023**

## **INDEPENDENT AUDITORS' REPORT**

### **To the Members of McLeod Russel India Limited Report on the Audit of the Consolidated Financial Statements Adverse Opinion**

We have audited the accompanying consolidated financial statements of McLeod Russel India Limited (hereinafter referred to as the "Company" or "Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") and its associate, which comprise the consolidated balance sheet as at March 31, 2023, the consolidated statement of profit and Loss, consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (hereinafter referred to as the "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries referred to in the Other Matters section below due to the significance of the matters described in the Basis for Adverse Opinion section below, the aforesaid consolidated financial statements do not give the information required by the Companies Act, 2013 ("the Act") in the manner so required and also does not give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act ('Ind AS') and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2023, and their consolidated loss, consolidated other comprehensive income, consolidated cash flow and their consolidated changes in equity for the year ended on that date.

#### **Basis for Adverse Opinion**

Attention is invited to the following notes of the Consolidated financial statements

- a) Note no. 57(a) dealing with Inter Corporate Deposits (ICDs) aggregating Rs. 2,86,115.45 lakhs (including Interest of Rs. 9,941.50 lakhs accrued till March 31, 2019) as on March 31, 2023 given to certain companies by the Parent which are doubtful of recovery and considering recoverability etc. are prejudicial to the interest of the parent. Provision of Rs. 1,01,039.50 lakhs (including Rs. 9,097.34 lakhs provided in earlier years) has been made against this till March 31, 2023. In absence of provision against the remaining amount, the loss for the year is understated to that extent. Impacts in this respect have not been ascertained by the management and recognised in the consolidated financial statements;
- b) Note No. 37.2 regarding non-recognition of Interest of Rs. 9,185.82 lakhs (Including Rs. 2,469.03 lakhs for the year) on Inter Corporate Deposits taken by the parent and thereby the loss for the year is understated to that extent and non-determination of interest and other consequential adjustments/disclosures in absence of relevant terms and conditions and details in respect of certain outstanding advances being so claimed by customer included in said note. Further, as stated in Note no. 58(b), penal/compound interest and other adjustments in respect of borrowings from lenders/banks/financial institution have not been recognised and amount payable to lenders, banks and financial institutions as recognised in the consolidated financial statement are subject to confirmation from respective parties and consequential reconciliation. Pending final determination of amounts with respect to these, adjustments and impacts arising therefrom have not been ascertained and as such cannot be commented upon by us;
- c) Note no. 60 regarding non-determination/ recognition of amount payable in respect of claims made pursuant to shortfall undertaking executed between the company and debenture holders in respect of the debentures issued by certain group companies as dealt with in the said note and Note no. 19.2 dealing with parent's obligation in respect of the settlement arrived at with a corporate lender in earlier year. Pending finalisation of terms and condition with respect to the parent's obligations in respect of settlement arrived at with the parties, adjustments required in this respect are currently not ascertainable and as such cannot be commented upon by us; and
- d) Note no. 59 regarding non reconciliation/ disclosure of certain debit and credit balances by the Parent with individual details and confirmations etc. including borrowings and interest thereupon dealt with in Note no. 58. Adjustments/ Impacts/disclosures with respect to these are currently not ascertainable and as such cannot be commented upon by us;
- e) As stated in Note no. 57(b) of the consolidated financial statements, the predecessor auditor pertaining to financial year ended March 31, 2019 in respect of loans included under paragraph (a) above have reported that it includes amount given to group companies whereby applicability of Section 185 could not be ascertained and commented upon by them. They were not able to ascertain if the aforesaid promoter companies could, in substance, be deemed to be related parties to the Parent in accordance with paragraph 10 of Ind AS-24 "Related Party Disclosures". Further certain ICDs as reported were in nature of book entries and/or are prejudicial to the interest of the company. Moreover, in case of advance to a body corporate as stated in Note no. 19.4 which has now been fully provided, appropriate audit evidences were not made available to them. These amounts are outstanding as on this date and status thereof have remained unchanged and uncertainty and related concerns including utilization thereof and being prejudicial to the interest of the parent are valid for periods subsequent to March 31, 2019 including current year also. The promoter companies have not been considered as related parties and therefore transactions and outstanding from them have not been disclosed separately in the consolidated financial statements. As represented by the management, the parties involved are not related parties requiring disclosure in terms of said accounting standard and provisions of Companies act 2013 and concerns expressed as above are not relevant and as such inconsequential to the parent. The matter as reported is under examination and pending before regulatory authorities. Pending final outcome of the matter under examination we are unable to ascertain the impact of non-compliances and comment on the consequential impact thereof.

We conducted our audit in accordance with Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, in accordance with the Code of Ethics and provisions of the Companies Act, 2013 that are relevant to our audit of the consolidated financial statements in India under the Companies Act, 2013, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics and the requirements under the Companies act, 2013. We believe that the audit evidence obtained by us along with the consideration of auditors' report referred to in "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our qualified opinion on the consolidated financial statements.

### Material Uncertainty Related to Going Concern

Attention is drawn to Note no. 58(a) of the consolidated financial statements dealing with going concern assumption for preparation of the accounts of the Parent. The Parent's current liabilities exceeded its current assets. The matters forming part of and dealt with under Basis for Adverse Opinion Section of our report may have significant impact on the net worth of the Parent. Loans given to promoter group and certain other companies have remained unpaid. Amount borrowed and interest thereupon could not be repaid as stipulated and other obligations could not be met as well due to insufficiency of resources. These conditions indicate the existence of a material uncertainty about the Parent's ability to continue as a going concern. However, the Consolidated financial statement of the Group due to the reasons stated in the said Note has been prepared by management on going concern basis, based on the management's assessment of the expected successful outcome of the steps and measures including those concerning restructuring/reduction of borrowings and interest thereon in terms of resolution process under considerations of lenders and other proposals under evaluation as on this date. The ability to continue as a going concern is dependent upon completion of resolution process and/or settlement and implementation of other measures so that to bring down the debt to a sustainable level and in the event of the management's expectation in this respect and estimation etc., not turning out to be true, validity of assumption for going concern and possible impact thereof including on carrying value of tangible and intangible assets even though expected to be material, as such presently cannot be commented upon by us. Our opinion is not modified in respect of this matter

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Adverse Opinion section of our report, we have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statement section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedure designed to respond to our assessment of the risk of material misstatement of the consolidated financial statement. The result of audit procedures performed by us and by other auditors of component not audited by us, as reported by them in their Auditors' Report furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements. However, the below mentioned key audit matters pertains to Parent as the other auditors of the component have not given any key audit matters in their reports.

Key Audit Matters	Addressing the Key Audit Matters
<b>Valuation of Biological Assets, Agricultural produce and Finished goods</b>	
<p>Biological assets of the Group comprising of unharvested green tea leaves on tea bushes and the Group's agricultural produce comprising of harvested green leaves are valued at fair value less cost to sell at the point of harvest. Unharvested tea leaves on tea bushes at the year end are determined on the basis of normal cycle for plucking.</p> <p>In respect of harvested or unharvested green leaves, since there is no active market for own leaves, estimates are used by management in determining the valuation.</p> <p>Finished goods produced from agricultural produce i.e. Black Tea are valued at lower of cost arrived at by adding the cost of conversion to the fair value of agricultural produce and the net realisable value.</p> <p>The principal assumptions and estimates in the determination of the fair value include assumptions with respect to production cycle, yields, prices of green leaf purchased from third parties and the stage of transformation. These assumptions and estimates require careful evaluation by management.</p> <p>Given the nature of Industry these assets and valuation thereof are significant to the operation of the group.</p>	<p>Our Audit procedures based on which we arrived at the conclusion regarding reasonableness of valuation includes the following:</p> <ul style="list-style-type: none"> <li>● Obtaining an understanding of the production cycle, fair value measurement methodologies used and assessing the reasonableness and consistency of the significant assumptions used for determination and valuation thereof;</li> <li>● Evaluating the design and implementation of Parent's controls concerning the valuation of biological assets and agricultural produce;</li> <li>● Assessing the basis, reasonableness and accuracy of adjustments made to prices of green leaves purchased from outside suppliers considering the quality differential of the Parent's production.</li> <li>● Assessing the yields and cycle of production to analyse the stage of transformation considered for the determination and fair valuation of biological assets;</li> <li>● Due to multiple location of estates, it was not possible to participate in the physical verification of inventory in case of the Parent and therefore, the following alternate procedures confirming the year end determination of Inventory were applied: <ul style="list-style-type: none"> <li>- In respect of the stock of Black Tea held at certain tea estates and warehouses services of Independent firm of Chartered Accountants were engaged for carrying out physical verification;</li> </ul> </li> </ul>

Key Audit Matters	Addressing the Key Audit Matters
	<ul style="list-style-type: none"> <li>- In respect of warehouses in Kolkata and Guwahati, we were present to overview the entire process being undertaken by Independent firm of Chartered Accountants;</li> <li>- In all other locations verifications were undertaken by the management;</li> <li>- We reviewed the reports submitted for the verification along with workings and supporting details and obtained reasons/explanation for variations observed with respect to book stock;</li> <li>- The stock at the year end were derived by rolling back the quantities of subsequent dispatches and production; and</li> <li>- Reliance has been placed on management's representation and evidences provided for subsequent production, dispatches and collections thereagainst.</li> </ul> <ul style="list-style-type: none"> <li>● We examined the valuation process/methodology and checks being performed at multiple levels with due recognition of principle of materiality to ensure that the valuation is consistent with and as per the policy followed in this respect.</li> </ul>
<b>Impairment of Property, Plant and Equipment (PPE), Capital Work in Progress (CWIP) and Intangible Assets (Note no. 4(a) of the consolidated financial statements)</b>	
<p>Evaluation of the impairment in case of Parent involves assessment of value in use of the Cash Generating Units (CGUs) and requires significant judgements and assumptions about the forecast for cash flows, production, volume of operations, prices and discount rate.</p> <p>The exercise requires assessment of fair valuation of tea estates and other items of property, plant and equipment.</p> <p>This exercise has gained significance considering the available indicators under the current situation and circumstances amidst management's expected outcome of the resolution plan under consideration of the lenders and other conditions under which the parent is operating.</p>	<p>Our Audit procedures based on which we arrived at the conclusion regarding reasonableness of Impairment includes the following:</p> <ul style="list-style-type: none"> <li>● Critical evaluation of internal and external factors impacting the entity and indicators of impairment (or reversal thereof) in line with Ind AS 38;</li> <li>● Reviewing the valuation report by independent technical consultants for arriving at value in use and fair value of various tea estates and other assets less cost to sale and necessary updation thereof by the management based on current indicators and prevailing situation and this being a technical matter, reliance has been placed on management's contention and representation in this respect;</li> <li>● Review of impairment valuation models used in relation to CGU to determine the recoverable amount and the key assumptions used by management in this respect including: <ul style="list-style-type: none"> <li>- Management's contention for restructuring the debt to make it sustainable and recoverability/restructuring of amount of loan given to various companies;</li> <li>- Consistency with respect to forecast for arriving at the valuation and assessing the potential impact of any variances;</li> <li>- Price assumptions used in the models; and</li> <li>- The assumptions/estimations for the weighted average cost of capital and rate of discount for arriving at the value in use.</li> </ul> </li> <li>● Reliance has been placed on management's assumptions for possible outcome vis-à-vis resolution plan under consideration of lenders.</li> </ul>
<b>Recognition of Deferred Tax Assets (Note no. 24.1 of the Consolidated financial statements)</b>	
<p>Deferred tax Asset include MAT Credit Entitlement of Rs. 1,615.08 lakhs being carried forward in the Consolidated financial statements as at March 31, 2023.</p> <p>Further, Deferred Tax Assets in respect of MAT Credit Entitlement amounting to Rs. 2,834.61 lakhs and on provision created against loans and advances including interest receivable pending determination of the amount thereof considering the principle of prudence has not been recognized in the Consolidated financial statements. Deferred Tax estimated to be reversed during the tax holiday period has been ignored for the purpose computation.</p>	<p>Our Audit procedures based on which we arrived at the conclusion regarding reasonableness of the accounting effect and disclosures of the Deferred Tax Assets include the following:</p> <ul style="list-style-type: none"> <li>● Utilisation of Deferred tax assets have been tested on the basis of internal forecasts prepared by the Parent and probability of future taxable income;</li> <li>● Critical review of the underlying assumptions for consistency for arriving at reasonable degree of probability on the matters;</li> </ul>

Key Audit Matters	Addressing the Key Audit Matters
	<ul style="list-style-type: none"> <li>● Due consideration of principle of prudence especially amidst the Debt restructuring process and other group level restructuring and related uncertainties; and</li> <li>● Requirement of Ind AS 12 "Income Taxes" and application thereof and disclosures made in the Consolidated financial statements for ensuring the compliances on the matter.</li> <li>● Reliance has been placed on management's assumptions for possible outcome vis-à-vis resolution plan under consideration of lenders.</li> </ul>
<b>Going Concern Assumption (Note no. 58 of the consolidated financial statements)</b>	
<p>The Parent's current liabilities have exceeded current assets by Rs. 2,61,718.83 lakhs as on March 31, 2023. Funds obtained by borrowing and utilized for providing funds to other companies have become unserviceable primarily due to non-repayment of outstanding amounts by those companies. Further, adjustments arising in respect of the matters dealt with under Basis for Adverse Opinion Section may have significant impact on the net worth of the parent. The Parent was unable to discharge its obligations for repayment of loans and settlement of financial and other liabilities.</p> <p>The availability of sufficient fund and the parent's ability to continue meeting it's financial, statutory and other obligations as and when falling due for payment are important for the going concern assumption and, as such, are significant aspects of our audit.</p>	<p>Our audit procedures included testing management's assumptions on the appropriateness of the going concern assumptions and reasonableness of the assumptions used, focusing in particular the business projections of Parent, restructuring of borrowing and ICD's given by the Parent and other sources of funding and among others, following procedures were applied in this respect:</p> <ul style="list-style-type: none"> <li>● Review of the Debt Restructuring process and steps so far taken by lenders in this respect which inter-alia includes approving Inter-Creditor Agreement, re-vetting of Techno Economic Viability (TEV) study, valuation of the tea estates and other assets of the company and recommending the possible credit rating on the resolution plan for implementation. This includes review of <ul style="list-style-type: none"> <li>- Core operations of the Parent and management expectation of sustainability thereof;</li> <li>- Minutes of the meetings of the Parent with the consortium of lenders;</li> <li>- Compliances vis-a-vis debt covenants associated with loans obtained;</li> <li>- Consistency with respect to assumptions etc. for possible valuation of the business and tea estates, system and operating results and efficiencies and management's forecast and outlook; and</li> <li>- Management's report to gain an understanding of the various costs and realisations supporting the cash flow projections of the Parent and sustainability thereof.</li> </ul> </li> <li>● Placing reliance on management's assumptions and expectation of possible outcome on completion of the resolution process; and</li> <li>● Review of disclosures made by the management in the consolidated financial statement to ensure compliances in this respect.</li> </ul>

#### Information Other than the Financial Statements and Auditors' Report Thereon

The Parent's Board of Directors is responsible for the other information. The other information comprises the Report of the Directors and the annexures thereto (namely Management Discussion and Analysis, Corporate Governance Report, Annual Report on CSR Activities, Form MGT – 9, Conservation of energy, technology absorption, foreign exchange earnings and outgo and remuneration and other specified particulars of employees) but does not include the Consolidated financial statements and our auditors' report thereon. The other information as stated above is expected to be made available to us after the date of this Auditors' Report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available, compare with financial information of the subsidiaries audited by other auditors, to the extent it relates to those entities and, in doing so, place reliance on the work of other auditors and consider whether the other information is materially inconsistent



with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. Other information as it relates to subsidiaries is traced from other financial information audited by other auditors.

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

The Parent's management and the Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance comprising of consolidated profit or loss and other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its Associates in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended.

The respective Management and the Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of the Group and of its associates 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 Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates are responsible for overseeing the financial reporting process of the Group and of its associates.

### **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls system in place and the operating effectiveness of such controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements of which we are the Independent Auditors. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and



- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

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

#### Other Matters

- a) We did not audit the financial statements of the subsidiary company, whose consolidated financial statements reflect total assets as at March 31, 2023, total revenue and net cash flow/(outflow) for the year ended as on that date, considered as under in the consolidated financial statements based on audited financial statements by other auditor:

(₹ in Lakhs)

Name of the Subsidiary	Total Assets as at March 31, 2023	Total Revenue for the year ended March 31, 2023	Net Cash Inflow/(Outflow) for the year ended March 31, 2023
Borelli Tea Holdings Limited (Consolidated)	4,06,27.05	2,77,50.23	(4,48.83)

These consolidated financial statements have been audited by other auditors whose reports have been furnished to us by the Parent's Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, and our report on other legal and regulatory requirements, in so far as it relates to the aforesaid subsidiary is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraphs above.

The above-mentioned subsidiary is located outside India whose annual consolidated financial statements have been prepared in accordance with the accounting principles generally accepted in their respective countries and have been audited by their auditors under generally accepted standards and practices applicable in the respective countries. The financial statements of aforesaid subsidiaries have been converted to Indian rupees (INR) and compiled as per the accounting principles generally accepted in India and adjustments ('the subsidiary statement') have been carried out by the management of parent as required for the purpose of incorporating these in the consolidated financial statement of the Group. The subsidiary statement as converted and compiled by the Parent's management, while placing reliance on the same have been reviewed by us. Our conclusion in so far as it relates to the balances and affairs of such subsidiary located outside India is based on the report of other auditors and the conversion adjustments and additional disclosures as prepared and certified by the management of the Parent.

- b) We did not audit the financial statements/ information of one overseas office included in the consolidated financial Statement of the Parent whose financial statement/financial information comprising of expenses to the extent of Rs. 2.48 lakhs has been incorporated therein based on Statement of Accounts audited by an Independent firm of Chartered Accountants. The impact in this respect is not material since this reflects total assets of Rs. 6.47 lakhs as at March 31, 2023 and the total revenue of Nil for the year ended on that date. Our opinion in so far as it relates to the amounts and disclosures included in respect of said office is based solely on the report of Chartered Accountant.
- c) As stated in Note no. 60, the Parent was under Corporate Insolvency and Resolution Process ('CIRP') from February 10, 2023 to May 17, 2023. There being possible obstructions in external movements at tea estate for non/ delay in payment etc. to workers our visits to garden and verification of primary records and details and exercise of obtaining assertions in respect of the transactions, balances of assets and liabilities at the garden by way of observation by physical presence as such could not be carried out. The related details have been verified on test basis with respect to garden returns, reconciliations and records available from system or otherwise at Head Office.

- d) The other Auditors of the aforesaid components have not reported Key Audit Matters in their Auditors' Report. In absence of which we are unable to incorporate the matters for the Group and accordingly these matters have been reported for the Parent Company only.
- e) Our opinion on the consolidated financial statement and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to reliance on the work done and the report of other auditors.
- f) Our opinion is not modified in respect of the above matters.

#### **Report on Other Legal and Regulatory Requirements**

1. As regards to the matters to be inquired by the auditors in terms of Section 143(1) of the Act, we report that Inter Corporate Deposits as stated in Para (a) of Basis for Adverse Opinion Section of this report due to the reasons stated therein are prejudicial to the interest of the Parent. This includes ICDs aggregating to Rs. 77,575.00 Lakhs (included under Para (e) of Basis for Adverse Opinion Section) as reported by the predecessor auditor which were initially given by Parent as capital advances in the earlier year and were subsequently converted to ICDs and had been considered by them to be in the nature of book entries and prejudicial to the interest of the Parent. These amounts are outstanding as on March 31, 2023. The matter as stated in Para (e) of Basis for Adverse Opinion Section of this report is under examination by relevant authorities and final outcome thereof is awaited as on this date.
2. With respect to matters specified in Paragraph 3(xxii) of the Companies (Auditors' Report) Order, 2020 ('the Order') issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanation given to us and based on our examination, we report that there are no companies in the group other than the parent included in the consolidated financial statement which are companies incorporated in India to whom the order are applicable thereby reporting under Clause 3(xxii) of the Order is not applicable..
3. As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable that:
  - a) We have sought and except for the effects/ possible effects of the matters described in the Basis for Adverse Opinion section above obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
  - b) Except for the effects/ possible effects of the matters described in the Basis for Adverse Opinion section above, in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statement have been kept by the Parent so far as it appears from our examination of those books, returns and the reports of the other auditors;
  - c) The Consolidated Balance Sheet, Consolidated Statement of Profit and Loss including Other Comprehensive Income, Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
  - d) Due to the significance of the matters described in the Basis for Adverse Opinion section above, in our opinion, the aforesaid consolidated financial statements do not comply with the requirement and provisions of Ind As specified under Section 133 of the Act;
  - e) The matters described in the Basis for Adverse Opinion section above especially those relating to non-provision of Inter-corporate Deposits as stated in Para (a) and (e) of that section, provision/ non-determination for interest and other terms and condition in respect of the borrowings etc. as stated in Para (b) and (c) of Basis for Adverse Opinion Section of this report pending confirmation of lenders and Material Uncertainty Related to Going Concern assumption pending completion of resolution process, in our opinion, may have an adverse effect on the functioning of the Group;
  - f) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors of the Parent being the company incorporated in India, none of the directors of the Parent are disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;
  - g) The adverse remarks relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Adverse Opinion section above; and
  - h) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' report of the Parent company since the subsidiaries considered for consolidation are incorporated outside India and in respect of the associate since these are Management certified accounts. Our report expresses qualified opinion on the adequacy and operating effectiveness of internal financial controls with reference to consolidated financial statements of the Parent's internal financial controls with reference to consolidated financial statements.

4. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Group has disclosed the impact of pending litigations on its consolidated financial position of the Group – Refer Note no. 44 to the Consolidated financial statements;
  - ii. The Group has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts; and
  - iii. There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Parent
  - iv. (a) The Management of the parent company being the company incorporated in India whose financial statement have been audited under the Act has represented that, to the best of its knowledge and belief no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent to or in any other person or entity, including foreign entity ("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 Parent ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - (b) The Management of the parent company being the company incorporated in India whose financial statement have been audited under the Act has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Parent from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent 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 the audit procedures and generally accepted auditing practices followed in terms of SAs that have been considered reasonable and appropriate in the circumstances in respect of transactions undertaken during the year, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement, However, in respect of the earlier years transactions dealing with loans and advances, securities, guarantees, etc. as given in those years which are forming part of the Basis for Adverse Opinion as given above, we are unable to ascertain and/or comment as required under this para
  - v. The Group has not declared any dividend during the year thereby reporting under Section 143(11)(f) is not applicable for the Group.
  - 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 parent being the company incorporated in India 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.
5. With respect to the reporting under section 197(16) of the Act to be included in the Auditors' Report, In our opinion and according to the information and explanations given to us and based on the legal opinion received, the remuneration (including sitting fees) paid by the Parent to its Directors during the current year is in accordance with the provisions of section 197 of the Act and is not in excess of the limit laid down therein.

For Lodha & Co,  
Chartered Accountants  
Firm's ICAI Registration No.:301051E

Place : Kolkata  
Date : May 30, 2023

R. P. Singh  
Partner  
Membership No: 52438  
UDIN: 23052438BGXSCO6166

**ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MCLEOD RUSSEL INDIA LIMITED**

(Referred to in paragraph 3(h) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

**Report on the Internal Financial Controls with reference to consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated financial statements of the Group and its associates as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to consolidated financial statements of McLeod Russel India Limited (hereinafter referred to as "the Parent") being the company incorporated in India, as of that date.

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

The Board of Directors of the Parent being the company incorporated in India is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Parent considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("the 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 the Parent's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Parent's internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note 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 with reference to consolidated financial statements 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 with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, 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 auditors' 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 Parent Company's internal financial controls system with reference to consolidated financial statements.

**Meaning of Internal Financial Controls with reference to financial statements**

A company's internal financial control with reference to financial statement 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 with reference to consolidated financial statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Basis for Qualified Opinion**

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified in the Parent's internal financial controls with reference to consolidated financial statements as at March 31, 2023:

- The Parent did not have an appropriate internal control system in relation to granting of loans and advances/ other advances to promoter group companies and/or other companies, including ascertaining economic substance and business rationale of the

transactions, establishing segregation of duties and determining credentials of the counter parties;

- With respect to inter Corporate Deposits (ICDs), the Parent did not have appropriate system to evaluate the credit worthiness of the parties and recoverability of monies given including interest thereon and also ensuring the compliances with respect to provisions of the Companies Act, 2013 so that these are not considered to be prejudicial to the interest of the Parent;
- In case of Parent, certain individual details of debit and credit balances and reconciliation thereof with control balances of receivable/payable/stock including supporting evidences for movement thereof as given in Note no. 59 of the consolidated financial statements were not available. IT Control systems and procedures needs strengthening in terms of framework for Internal Control over financial reporting with reference to financial statements taking into account related controls and procedures as stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India so that to facilitate required reconciliations and provide details for documentation with respect to internal financial controls in the respective areas; and
- Supporting audit evidence/documentation and related terms and conditions including compliances with respect to the relevant provisions etc. with respect to certain unsecured loans, short-term borrowings and advances included in Note no. 26 and 28.2 are not available.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Parent's annual or interim financial statements will not be prevented or detected on a timely basis.

### **Qualified Opinion**

In our opinion, to the best of our information and according to the explanations given to us, except for the effects/possible effects of the material weaknesses described in Basis for Qualified Opinion Section above on the achievement of the objectives of the control criteria, the Parent has maintained, in all material respects, adequate and effective internal financial controls with reference to the consolidated financial statements as of March 31, 2023, based on the internal control over financial reporting criteria established by the Parent 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.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the consolidated financial statements of the Group and its associate for the year ended March 31, 2023, and these material weaknesses have affected our opinion on the said consolidated financial statements of the Group and we have issued an adverse opinion on the consolidated financial statements of the Group.

For Lodha & Co,  
Chartered Accountants  
Firm's ICAI Registration No.:301051E

Place : Kolkata  
Date : May 30, 2023

R. P. Singh  
Partner  
Membership No: 52438  
UDIN: 23052438BGXSCO6166

**CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2023**

Particulars	Note	As at 31st March, 2023 (₹ in Lakhs)	As at 31st March, 2022 (₹ in Lakhs)
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
a) Property, Plant and Equipment	5	1,17,802.78	1,18,401.88
b) Capital Work-in-Progress	55	4,734.19	5,638.95
c) Goodwill on Consolidation	6	20,207.69	20,132.79
d) Other Intangible Assets	7	618.50	925.27
e) Investment in Associate	8	-	-
f) Financial Assets			
(i) Investments	9	5,213.62	6,189.90
(ii) Loans	10	1,86,278.44	2,76,244.19
(iii) Other Financial Assets	11	4,531.87	6,429.73
g) Other Non-Current Assets	12	2,803.54	2,588.00
<b>Total Non-Current Assets</b>		<b>3,42,190.63</b>	<b>4,36,550.71</b>
<b>Current Assets</b>			
a) Inventories	13	14,738.55	18,109.42
b) Biological Assets other than bearer plants	14	395.47	640.73
c) Financial Assets			
(i) Trade Receivables	15	3,986.74	4,921.74
(ii) Cash and Cash Equivalents	16	1,390.80	2,506.01
(iii) Bank Balances other than (ii) above	17	83.39	178.12
(iv) Loans	10	37.50	1,272.32
(v) Other Financial Assets	11	2,070.22	1,241.93
d) Current Tax Assets (Net)	18	2,349.51	2,320.94
e) Other Current Assets	19	6,730.59	8,556.32
<b>Total Current Assets</b>		<b>31,782.77</b>	<b>39,747.53</b>
<b>TOTAL ASSETS</b>		<b>3,73,973.40</b>	<b>4,76,298.24</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
a) Equity Share Capital	20	5,222.79	5,222.79
b) Other Equity	21	51,710.75	1,59,649.95
Equity attributable to Owners' of the Parent		<b>56,933.54</b>	<b>1,64,872.74</b>
Non-controlling interests		-	-
<b>Total Equity</b>		<b>56,933.54</b>	<b>1,64,872.74</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
a) Financial Liabilities			
(i) Borrowings	22	7,200.22	12,246.50
(ii) Lease Liabilities	53	263.03	39.88
b) Provisions			
Employee Benefit Obligations	23	7,400.24	5,924.03
c) Deferred Tax Liabilities (Net)	24	5,693.28	10,234.81
d) Other Non-Current Liabilities	25	423.16	454.72
<b>Total Non-Current Liabilities</b>		<b>20,979.93</b>	<b>28,899.94</b>
<b>Current Liabilities</b>			
a) Financial Liabilities			
(i) Borrowings	26	1,88,563.20	1,96,152.14
(ii) Lease Liabilities	53	76.03	444.81
(iii) Trade Payables	27		
(a) Total outstanding dues of Micro and Small Enterprises		416.45	403.98
(b) Total outstanding dues of creditors other than Micro and Small Enterprises		11,750.42	12,450.02
(iv) Other Financial Liabilities	28	68,270.03	51,456.78
b) Other Current Liabilities	29	15,457.74	11,056.72
c) Provisions			
(i) Employee Benefit Obligations	23	7,272.17	5,094.15
(ii) Other Provisions	30	2,268.75	2,684.11
d) Current Tax Liabilities (Net)	31	1,985.14	2,782.85
<b>Total Current Liabilities</b>		<b>2,96,059.93</b>	<b>2,82,525.56</b>
<b>Total Liabilities</b>		<b>3,17,039.86</b>	<b>3,11,425.50</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3,73,973.40</b>	<b>4,76,298.24</b>

Significant accounting policies and other accompanying notes (1 to 65) form an integral part of the Consolidated Financial Statements.

As per our report of even date

**For Lodha & Co,**

Chartered Accountants

**R.P. Singh**

Partner

Place : Kolkata

Dated : 30th May 2023

**For and on behalf of the Board of Directors**

**Aditya Khaitan**

- Chairman and Managing Director

(DIN No: 00023788)

**Pradip Bhar**

- Chief Financial Officer

**Alok Kumar Samant**

- Company Secretary

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2023**

Particulars	Note	Year ended 31st March, 2023 (₹ in Lakhs)	Year ended 31st March, 2022 (₹ in Lakhs)
Revenue from Operations	32	1,36,957.23	1,35,583.37
Other Income	33	1,704.15	1,009.09
<b>Total Income</b>		<b>1,38,661.38</b>	<b>1,36,592.46</b>
<b>Expenses:</b>			
Cost of Materials Consumed	34	7,617.99	17,911.54
Purchase of Tea		3,007.18	1,459.04
Changes in Inventories of Finished Goods	35	2,108.83	3,613.84
Employee Benefits Expense	36	72,228.59	63,717.05
Finance Costs	37	20,051.43	16,549.01
Depreciation and Amortisation Expense	38	6,989.05	7,480.81
Other Expenses	39	42,657.16	42,078.27
<b>Total Expenses</b>		<b>1,54,660.23</b>	<b>1,52,809.56</b>
<b>Profit/(Loss) before Share of Associate, Exceptional Items and Tax</b>		<b>(15,998.85)</b>	<b>(16,217.10)</b>
Share of Profit/(Loss) of Associate		-	-
<b>Profit/(Loss) before Exceptional Items and Tax</b>		<b>(15,998.85)</b>	<b>(16,217.10)</b>
Exceptional items	40	(93,342.16)	-
<b>Profit/(Loss) before Tax</b>		<b>(1,09,341.01)</b>	<b>(16,217.10)</b>
Tax expense:	52		
Current Tax		169.27	(140.35)
Income tax relating to earlier years		3.39	43.49
Deferred Tax		(3,862.52)	1,972.24
<b>Total Tax Expense</b>		<b>(3,689.86)</b>	<b>1,875.38</b>
<b>Profit/(Loss) for the year</b>		<b>(1,05,651.15)</b>	<b>(18,092.48)</b>
<b>Other Comprehensive Income</b>			
a) (i) Items that will not be reclassified to profit or loss			
- Remeasurements of post employment defined benefit plans	42	(2,335.03)	(1,258.04)
- Change in fair value of Equity instruments through other comprehensive income		(976.29)	887.19
ii) Income Tax relating to items that will not be reclassified to profit or loss	52	745.32	401.51
b) (i) Items that will be reclassified to profit or loss			
- Exchange difference on translation of foreign operations		277.95	607.42
<b>Other Comprehensive Income (Net of taxes)</b>		<b>(2,288.05)</b>	<b>638.08</b>
<b>Total Comprehensive Income for the year (Comprising of Profit/(Loss) and Other Comprehensive Income for the year )</b>		<b>(1,07,939.20)</b>	<b>(17,454.40)</b>
<b>Profit/(Loss) for the year attributable to :</b>			
Owners' of the Parent		<b>(1,05,651.15)</b>	<b>(18,092.48)</b>
Non-Controlling Interests		-	-
<b>Other Comprehensive Income for the year attributable to:</b>			
Owners' of the Parent		<b>(2,288.05)</b>	<b>638.08</b>
Non-Controlling Interests		-	-
<b>Total Comprehensive Income for the year attributable to :</b>			
Owners' of the Parent		<b>(1,07,939.20)</b>	<b>(17,454.40)</b>
Non-Controlling Interests		-	-
Earnings per Equity Share: [Face Value per share : Rs. 5/-]	46		
- Basic		<b>(101.14)</b>	<b>(17.32)</b>
- Diluted		<b>(101.14)</b>	<b>(17.32)</b>

Significant accounting policies and other accompanying notes (1 to 65) form an integral part of the Consolidated Financial Statements.

As per our report of even date

**For Lodha & Co,**  
Chartered Accountants

**R.P. Singh**  
Partner

Place : Kolkata

Dated : 30th May 2023

**For and on behalf of the Board of Directors**

**Aditya Khaitan** - Chairman and Managing Director  
(DIN No: 00023788)

**Pradip Bhar** - Chief Financial Officer

**Alok Kumar Samant** - Company Secretary



**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2023**
**A Equity Share Capital**

(₹ in Lakhs)

Particulars	Refer Note No.	Amount
As at 1st April 2021	20	5,222.79
Changes in Equity Share Capital during the year		-
<b>As at 31st March 2022</b>	<b>20</b>	<b>5,222.79</b>
Changes in Equity Share Capital during the year		-
<b>As at 31st March 2023</b>	<b>20</b>	<b>5,222.79</b>

**B Other Equity**

(₹ in Lakhs)

Particulars	Reserves and Surplus						Other Comprehensive Income			Total Equity	Non-Controlling Interest	Total
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	Other Reserve	Revaluation Surplus	Equity Investments at FVTOCI	Re-measurement of defined benefit plan	Foreign Currency Translation Reserve			
As at 1st April 2021	201.68	4,402.30	1,03,969.20	24,236.00	19,209.20	28,544.64	4,632.74	-	(8,091.41)	1,77,104.35	-	1,77,104.35
Profit/(Loss) for the year	-	-	-	(18,092.48)	-	-	-	-	-	(18,092.48)	-	(18,092.48)
Other Comprehensive Income	-	-	-	-	-	-	887.19	(856.53)	607.42	638.08	-	638.08
<b>Total Comprehensive Income for the year</b>	-	-	-	(18,092.48)	-	-	<b>887.19</b>	<b>(856.53)</b>	<b>607.42</b>	<b>(17,454.40)</b>	-	<b>(17,454.40)</b>
Transfer on account of depreciation on amount added on Revaluation of Property, Plant and Equipment	-	-	1,165.07	-	-	(1,165.07)	-	-	-	-	-	-
Transfer to Retained Earnings	-	-	-	(856.53)	-	-	-	856.53	-	-	-	-
As at 31st March 2022	201.68	4,402.30	1,05,134.27	5,286.99	19,209.20	27,379.57	5,519.93	-	(7,483.99)	1,59,649.95	-	1,59,649.95
Profit/(Loss) for the year	-	-	-	(1,05,651.15)	-	-	-	-	-	(1,05,651.15)	-	(1,05,651.15)
Other Comprehensive Income	-	-	-	-	-	-	(976.29)	(1,589.71)	277.95	(2,288.05)	-	(2,288.05)
<b>Total Comprehensive Income for the year</b>	-	-	-	(1,05,651.15)	-	-	<b>(976.29)</b>	<b>(1,589.71)</b>	<b>277.95</b>	<b>(1,07,939.20)</b>	-	<b>(1,07,939.20)</b>
Transfer on account of depreciation on amount added on Revaluation of Property, Plant and Equipment	-	-	1,148.38	-	-	(1,148.38)	-	-	-	-	-	-
Transfer to Retained Earnings	-	-	-	(1,589.71)	-	-	-	1,589.71	-	-	-	-
As at 31st March 2023	201.68	4,402.30	1,06,282.65	(1,01,953.87)	19,209.20	26,231.19	4,543.64	-	(7,206.04)	51,710.75	-	51,710.75

Refer Note no. 21 for nature and purpose of reserves

Significant accounting policies and other accompanying notes (1 to 65) form an integral part of the Consolidated Financial Statements.

As per our report of even date

**For Lodha & Co,**  
 Chartered Accountants

**R.P. Singh**  
 Partner

Place : Kolkata

Dated : 30th May 2023

**For and on behalf of the Board of Directors**
**Aditya Khaitan** - Chairman and Managing Director  
 (DIN No: 00023788)

**Pradip Bhar** - Chief Financial Officer

**Alok Kumar Samant** - Company Secretary

**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2023**

Particulars	Year ended 31st March, 2023 (₹ in Lakhs)		Year ended 31st March, 2022 (₹ in Lakhs)	
<b>A. Cash Flow from Operating Activities</b>				
<b>Net Profit/(Loss) Before Tax</b>		(1,09,341.01)		(16,217.10)
<b>Adjustments to reconcile profit/(loss) for the year to net cash generated from operating activities:-</b>				
Finance Cost	20,051.43		16,549.01	
Depreciation and Amortisation Expense	6,989.05		7,480.81	
Deferred Income	(31.46)		(31.37)	
Interest Income on fixed deposits with banks, security deposits and refund of Income tax etc.	(401.23)		(478.20)	
Provision/ Liabilities no longer required written back	(3,205.91)		(1,080.55)	
Profit on Compulsory acquisition of Land by Government	(612.73)		(362.72)	
Changes in fair value of Biological Assets	245.26		(142.25)	
Sundry Debtors and other balances written off	16.37		411.39	
Provision for Doubtful Debts /Advances/Interest receivable	93,503.65		-	
(Profit) / Loss on disposal of Property, Plant and Equipment	154.03		(50.30)	
Net Unrealised (Gain)/Loss on Foreign Currency Translation and Derivative at Fair Value through Profit and Loss	(33.60)	1,16,674.86	587.19	22,883.01
<b>Operating Profit Before Working Capital Changes</b>		<b>7,333.85</b>		<b>6,665.91</b>
<b>Adjustment for:</b>				
(Increase) / Decrease in Loans, Other Financial Assets	18.48		599.83	
(Increase) / Decrease in Trade Receivables	1,644.44		(1,876.52)	
(Increase) / Decrease in Inventories	3,370.86		2,494.42	
Increase / (Decrease) in Other non-financial Liabilities and provisions	4,511.46		2,734.48	
(Increase) / Decrease in Other current and Non-Financial Assets	880.80		(1,759.50)	
Increase / (Decrease) in Trade Payables and other financial Liabilities	3,690.33	14,116.37	2,174.40	4,367.11
<b>Cash Generated/(Used) from Operations</b>		<b>21,450.22</b>		<b>11,033.02</b>
Income taxes (paid)/ Refund (Net)		(999.38)		(537.52)
<b>Net cash Generated/(Used) from Operating Activities (A)</b>		<b>20,450.84</b>		<b>10,495.50</b>
<b>B. Cash Flow from Investing Activities</b>				
Payment for Property, Plant and Equipment	(5,465.44)		(5,915.67)	
Proceeds from Sale of Property, Plant and Equipment	769.96		475.22	
Receipt/(Payments) against Sale of Specified Assets of Tea Estates	156.37		(586.51)	
Interest Received	401.23		329.20	
(Increase) / Decrease in Bank Balances other than Cash and cash equivalents	(1.77)		(89.50)	
(Increase) / Decrease in Inter-Corporate Deposits	-		-	
<b>Net cash generated/(used) in Investing Activities (B)</b>		<b>(4,139.65)</b>		<b>(5,787.26)</b>
<b>C. Cash Flow from Financing Activities</b>				
Long Term Borrowings-Receipts	-		4,634.31	
Long Term Borrowings-Repayments	(4,360.36)		(3,269.97)	
Short Term Borrowings-Receipts/(Repayments)[Net]	(8,202.86)		(10,956.59)	
Interest Paid	(4,707.32)		(1,915.18)	
Payment of Lease Liability	(145.63)		(382.20)	
<b>Net Cash from/(used) in Financing Activities (C)</b>		<b>(17,416.17)</b>		<b>(11,889.63)</b>
Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)		(1,104.98)		(7,181.39)
Unrealised (Loss)/Gain on foreign Currency Cash and Cash Equivalent		(10.23)		(0.71)
Opening Cash and Cash Equivalents		2,506.01		9,688.11
<b>Closing Cash and Cash Equivalents</b>		<b>1,390.80</b>		<b>2,506.01</b>

**Notes:**

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

**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2023**
**2. Components of Cash and Cash Equivalents**

Particulars	As at 31st March, 2023 (₹ in Lakhs)	As at 31st March, 2022 (₹ in Lakhs)
Cash On Hand	447.06	1,491.50
Balances with Banks		
In Current Account	943.74	1,014.51
<b>Cash and Cash Equivalents (Refer Note No. -16)</b>	<b>1,390.80</b>	<b>2,506.01</b>

**3. Change in Group's liabilities arising from financing activities:**

Particulars	As at 31st March, 2022	Cash flows*	Non-Cash Flows	As at 31st March, 2023
Non-current borrowings [Refer Note no. 22]	12,246.50	-	(5,046.28)	7,200.22
Current maturities of long term debt [Refer Note no. 26]	23,958.13	(4,360.36)	5,046.28	24,644.05
Short Term borrowings [Refer Note no. 26]	1,72,194.01	(8,202.86)	(72.00)	1,63,919.15
Lease Liabilities [Refer Note no. 53]	484.69	(145.63)	-	339.06
Interest accrued but not due on borrowings [Refer Note no. 28]	150.91	(150.91)	651.35	651.35
Interest accrued on borrowings [Refer Note no. 28]	43,883.29	(332.04)	15,174.61	58,725.86

\* Includes cash flow on account of both principal and interest

As per our report of even date

**For Lodha & Co,**  
Chartered Accountants

**R.P. Singh**

Partner

Place : Kolkata

Dated : 30th May 2023

**For and on behalf of the Board of Directors**

**Aditya Khaitan** - Chairman and Managing Director  
(DIN No: 00023788)

**Pradip Bhar** - Chief Financial Officer

**Alok Kumar Samant** - Company Secretary

## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2023**

### **1 CORPORATE INFORMATION**

McLeod Russel India Limited ('MRIL' or 'the Parent') is a Public Company Limited by shares incorporated in India with its registered office at 4, Mangoe Lane in the State of West Bengal, India and engaged in cultivation and manufacturing of tea. The Consolidated Financial Statements relate to the Parent and its Subsidiaries (hereinafter referred to as 'Group') and its associate. The Parent is one of the largest plantation presently consisting of 33 tea estates located in Assam and West Bengal. The tea produced is sold in domestic as well as international market including United Kingdom and Europe. Its facility also includes two bulk blending unit that can blend both 'Orthodox' and Crushed, torn and curled (CTC) tea varieties. The subsidiary companies are also engaged in cultivation and manufacturing of Tea in the countries like Vietnam and Uganda. Further one of the subsidiary is engaged in manufacturing of tea through purchase of leaves from farmers. The shares of the Parent are listed in National Stock Exchange (NSE), BSE Limited (BSE) and Calcutta Stock Exchange Limited (CSE).

### **2 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

#### **i. Statement of Compliance**

The Consolidated financial statement of Parent, its Subsidiaries and Associate have been prepared in accordance with Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) read with Section 133 of the Companies Act, 2013 ("the Act") and the Group has complied with Ind AS issued, notified and made effective till the date of authorisation of the consolidated financial statements.

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

#### **Application of new and revised standards:**

"Effective 1st April 2023, the Group has adopted the amendments vide Companies (Indian Accounting Standard) Amendment Rules, 2022 notifying amendment to existing Ind AS. These amendments to the extent relevant to the Group's operation were relating to Ind AS 16 "Property, Plant and Equipment" which clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment and Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets" which specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

There were other amendments in various standards including Ind AS 101 "First-time Adoption of Indian Accounting Standards", Ind AS 103 "Business Combinations", Ind AS 109 "Financial Instruments", and Ind AS 41 "Agriculture" which have not been listed herein above since these are not relevant to the company.

Revision in these standards did not have any material impact on the profit/loss and earning per share for the year.

#### **ii. Recent accounting pronouncements**

On 31st March 2023, Ministry of Corporate Affairs (MCA) has made certain amendments to existing Ind AS vide Companies (Indian Accounting Standard) Amendment Rules, 2023. These amendments to the extent relevant to the Group's operation include amendment to Ind AS 1 "Presentation of Financial Statements" which requires the entities to disclose their material accounting policies rather than their significant accounting policies, Ind AS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" which has introduced a definition of 'accounting estimates' and include amendments to help entities distinguish changes in accounting policies from changes in accounting estimates. Further consequential amendments with respect to the concept of material accounting policies have also been made in Ind AS 107 "Financial Instruments: Disclosures" and Ind AS 34 "Interim Financial Reporting".

There are other amendments in various standards including Ind AS 101 "First-time Adoption of Indian Accounting Standards", Ind AS 103 "Business Combinations", Ind AS 109 "Financial Instruments", Ind AS 115 "Revenue from Contracts with Customers", Ind AS 12 "Income Taxes" which has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences and Ind AS 102 "Share-based Payment" which have not been listed herein above since these are not relevant to the Group.

Even though the Group will evaluate the impact of above, none of these amendments as such are vital in nature and are not likely to have material impact on the consolidated financial statements of the group.

#### **iii. BASIS FOR CONSOLIDATION**

"The Consolidated financial statements have been prepared in accordance with principles laid down in Ind AS 110 on "Consolidated Financial Statements" and Ind AS 28 on "Accounting for Investments in Associates and Joint Ventures". Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group members' financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2023

The financial statements of all entities used for the purpose of consolidation have been drawn up to same reporting date as that of the Parent, i.e., year ended on 31st March except for the Financial Statements of the Step-down subsidiaries which have been prepared upto the reporting date of 31st December, 2022. The financial statements of step down subsidiaries have been consolidated with the subsidiary company having the reporting period ending on 31st March and have been audited by another firm of chartered accountant and the said consolidated financial statements has been considered for these consolidated financial statements.

### Subsidiaries

Subsidiaries are entities over which the Group has control. The Group controls an entity when the group is exposed to, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through it's:

- a) Power over the investee or holding more than 51% of investee's paid up share capital
- b) Exposure, or rights to variable returns from its involvement with the investee
- c) The ability to use its power over the investee to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

- i. Subsidiaries are consolidated from the date control over the subsidiary is acquired and they are discontinued from the date of cessation of such control. The acquisition method of accounting is used to account for business combinations by the Group.
- ii. The Group combines the financial statements of the Parent and its subsidiaries based on a line-by-line consolidation by adding together the book value of like items of assets and liabilities, revenue and expenses as per the respective financial statements. Intra group balances, intra group transactions and the unrealised profits on stocks arising out of intra group transaction have been eliminated.
- iii. The consolidated financial statements are prepared using uniform accounting policies for similar material transactions and other events in similar circumstances unless otherwise stated elsewhere.
- iv. The difference between the costs of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognised in the consolidated financial statements as Goodwill or Capital reserve as the case may be. The said goodwill is not amortised, however it is tested for impairment at each balance sheet date and impairment loss, if any is recognised in the consolidated financial statements.
- v. Share of Non-controlling interest's in net profit/(loss) of subsidiaries for the year is identified and adjusted against the revenue of the Group in order to arrive at the net revenue attributable to the owners of the Parent. The excess of loss for the year over the non-controlling interest is adjusted in owner's interest.
- vi. Non-controlling interest's share of net assets of subsidiaries is identified and presented in the consolidated Balance Sheet separate from liabilities and the equity of the Parent's shareholders.

### Non-controlling Interest

Non-controlling interests represent the proportion of income, other comprehensive income and net assets in subsidiaries that is not attributable to the Parent's owners.

Non-controlling interests are initially measured at proportionate share on the date of acquisition of the recognised amounts of the acquiree's identifiable net assets. Subsequent to the acquisition, the carrying amount of the non-controlling interests is the amount of the interest at initial recognition plus the proportionate share of subsequent changes in equity.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and Balance Sheet respectively.

### Investment in Associate

Associate is an entity over which the group has significant influence but no control or joint control. The Group's investments in its associates are accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. If the Group's share of the net fair value of the investee's identifiable assets and liabilities exceeds the cost of the investment, any excess is recognised directly in Equity as capital reserve in the period in which the investment is acquired. Goodwill, if any, relating to the associate is included in the carrying amount of the investment and is not tested for impairment individually.

The Consolidated Statement of Profit and Loss reflects the Group's share of the results of operations of the associate. Any change in OCI of investee is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the Consolidated Statement of Changes in Equity. Unrealised gains and losses resulting from transactions between the Group and the associates are eliminated to the extent of the interest in the associate.

## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2023**

If the Group's share of losses of associates equals or exceeds its interest in the associates (which includes any long term interest that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associates. If the associate subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of associates is shown on the face of the Consolidated Statement of Profit and Loss.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each balance sheet date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group estimates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and recognises the loss as 'Share of profit/loss of associates' in the Consolidated Statement of Profit and Loss.

### **3 SIGNIFICANT ACCOUNTING POLICIES**

#### **A. Basis of Preparation**

The Consolidated Financial Statements have been prepared under the historical cost convention on accrual basis except for:

- i) Certain financial instruments that are measured in terms of relevant Ind AS at fair value/amortised cost at the end of each reporting period;
- ii) Certain Class of Property, Plant and Equipment carried at deemed cost based on Previous GAAP carrying value (including revaluation surplus) as on 1st April 2015;
- iii) Defined benefit plans – plan assets measured at fair value;
- iv) Biological assets (including un plucked green leaves) – measured at fair value less cost to sell.

Historical cost convention is generally based on the fair value of the consideration given in exchange for goods and services.

All the assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in Ind AS-1 'Presentation of Financial Statements' and Schedule III to the Companies Act, 2013 (as amended). Having regard to the nature of business being carried out by the Group, the Group has determined its operating cycle as twelve months for the purpose of current and non-current classification.

The functional currency of the Group is determined as the currency of the primary economic environment in which it operates. The Consolidated Financial Statements are presented in Indian Rupees and all values are rounded off to the nearest two decimal lakhs except otherwise stated.

#### **Fair value measurement**

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 under current market conditions.

The Group categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed for such measurements:

- a) Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- b) Level 2: Inputs other than quoted prices that are observable, either directly or indirectly for the asset or liability.
- c) Level 3: Inputs for the asset or liability which are not based on observable market data.

Each member in the Group has an established control framework with respect to the measurement of fair value. This includes a finance team headed by Chief Financial Officer who has overall responsibility for overseeing all significant fair value measurements who regularly reviews significant unobservable inputs, valuation adjustments and fair value hierarchy under which the valuation should be classified.

#### **B. PROPERTY, PLANT AND EQUIPMENT (PPE)**

Property, plant and equipment are stated at cost of acquisition, construction and subsequent improvements thereto less accumulated depreciation and impairment losses, if any. For this purpose cost includes deemed cost which represents the carrying value of PPE (including Revaluation thereon) recognised as at 1st April 2015 measured as per previous generally accepted accounting principles

## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2023**

(Previous GAAP) and comprises purchase price of assets or its construction cost including inward freight, duties and taxes (net of input tax credit availed) and other expenses related to acquisition or installation and any cost directly attributable to bringing the assets into the location and condition necessary for it to be capable of operating in the manner intended for its use.

Parts of an item of PPE having different useful lives and material value and subsequent expenditure on PPE arising on account of capital improvement or other factors are accounted for as separate components.

The cost of replacing part of an item of PPE is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of the day-to-day servicing of PPE are recognised in the statement of profit and loss when incurred. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

Bearer plants comprising of mature tea bushes are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Immature bearer plants, including the cost incurred for procurement of new seeds and maintenance of nurseries, are carried at cost less any recognized impairment losses under capital work-in-progress. 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. Bearer Plants are depreciated from the date when they are ready for commercial harvest.

The Group's leased assets comprises of land, building and plant and machinery and these have been separately shown/disclosed under PPE as Right of Use (ROU) Assets.

Costs incurred for infilling are generally recognized in the Statement of Profit and Loss.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other income/expenses.

Capital work in progress also includes Nurseries, young tea under plantation, Equipments to be installed, construction and erection costs and other costs incurred in relation thereto or attributable to the same. Such cost are added to the related items of PPE and are classified to the appropriate categories when completed and ready for its intended use.

### **C. LEASES**

The Group's lease asset classes primarily consist of leases of land, warehouse, office space, factory etc. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- (i) the contract involves the use of an identified asset;
- (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease; and
- (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements, except for short-term leases and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities include these options considered for arriving at ROU and lease liability when it is reasonably certain that they will be exercised.

The lease liability is initially measured at amortized cost at the present value of the future lease payments where applicable. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment on whether it will exercise an extension or a termination option. ROU asset are separately presented/disclosed under PPE. Lease liability obligations is presented separately under "Financial Liabilities" and lease payments are classified as financing cash flows.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2023**
**D. DEPRECIATION**

Depreciation on PPE in case of Parent except otherwise stated, is provided as per Schedule II of the Companies Act, 2013 on straight line method over the estimated useful lives. In case of subsidiary, PPE are also depreciated on straight line method. Depreciation on upgradation of Property, Plant and Equipment is provided over the remaining useful life of the related component/ PPE.

Depreciation on PPE commences when the assets are ready for their intended use. Based on above, the estimated useful lives of assets for the current period are as follows :

Category	Useful life
Buildings	Upto 70 years
Roads	Upto 10 years
Drain Improvement/ Extension	Upto 5 years
Plant and machinery	
- Parent	Upto 30 years
- Subsidiaries Companies	Upto 20 years
Bearer Plant	
- Parent	77 years
- Subsidiaries Companies	Upto 100 years
Computer equipment	3 to 6 years
Furniture and fixtures, Electrical Installation and Laboratory Equipments	10 Years
Office equipment	5 Years
Vehicles	
- Motor cycles, scooters and other mopeds	10 Years
- Others	8 Years

The useful life in case of Parent has been determined based on internal assessment and supported by an independent evaluation carried out by technical experts. The Group believes that the useful life as given above represents the period over which the group expects to use the assets.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

Machinery Spares which can be used in connection with an item of PPE and whose use are expected to be irregular, are amortised over the useful life of the respective PPE.

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date.

**E. INTANGIBLE ASSETS**
**E.1 Trademark**

Separately acquired Trademark is shown at cost. It is amortised over expected useful life and is subsequently carried at cost less accumulated amortisation and impairment losses, if any. For this purpose, cost includes deemed cost which represents the carrying value of intangible assets recognised as at 1st April, 2015 measured as per the previous generally accepted accounting principles.

**E.2 Computer software**

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

Accordingly, the Group amortises intangible assets with a finite useful life using the straight-line method over a period of 20 years in case of Trademark and 5 years in case of Computer Software.

Amortisation methods and useful lives are reviewed and adjusted as appropriate at each reporting date.

**E.3 Goodwill on Consolidation**

Goodwill arising on consolidation is stated at cost less impairment losses, where applicable. On disposal of a subsidiary, attributable amount of goodwill is included in the determination of the profit or loss recognised in the Consolidated Statement of Profit and Loss. On acquisition of an associate or joint venture, the goodwill arising from such acquisition is included in the carrying amount of the investment and disclosed separately.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2023

Goodwill in case of associate is not tested for impairment. In case of subsidiary, impairment loss, if any, to the extent the carrying amount exceed the recoverable amount is charged off to the Consolidated Statement of Profit and Loss as it arises and is not reversed. For impairment testing, goodwill is allocated to Cash Generating Unit (CGU) or group of CGUs to which it relates, which is not larger than an operating segment, and is monitored for internal management purposes.

### F. DERECOGNITION OF TANGIBLE AND INTANGIBLE ASSETS

An item of PPE/ROU/Intangible assets is de-recognised upon disposal or when no future economic benefits are expected to arise from its use or disposal. Gain or loss arising on the disposal or retirement of an item of PPE/Intangible Assets is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Consolidated Statement of Profit and Loss.

### G. IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS

Tangible, Intangible and ROU assets are reviewed at each balance sheet date for impairment. In case events and circumstances indicate any impairment, recoverable amount of assets is determined. An impairment loss is recognized in the Consolidated Statement of Profit and Loss, whenever the carrying amount of assets either belonging to Cash Generating Unit (CGU) or otherwise exceeds recoverable amount. The recoverable amount is the higher of assets' fair value less cost to disposal and its value in use. In assessing value in use, the estimated future cash flows from the use of the assets are discounted to their present value at appropriate rate that reflects current market assessments of the time value of money and the risk specific to the asset.

Impairment losses recognized earlier may no longer exist or may have come down. Based on such assessment at each reporting period the impairment loss is reversed and recognized in the Consolidated Statement of Profit and Loss. In such cases the carrying amount of the asset is increased to the lower of its recoverable amount and the carrying amount that have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

### H. NON-CURRENT ASSETS HELD FOR SALE

Non-current assets held for sale are presented separately in the balance sheet when the following criteria are met:

- the Group is committed to selling the asset;
- the assets are available for sale immediately;
- an active plan of sale has commenced; and
- Sale is expected to be completed within 12 months.

Assets held for sale and disposal groups are measured at the lower of their carrying amount and fair value less cost to sell. Assets held for sale are no longer amortised or depreciated.

Non-current asset classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a Non-current asset classified as held for sale are presented separately from other liabilities in the balance sheet.

### I. FINANCIAL INSTRUMENTS

Financial assets and financial liabilities (financial instruments) are recognised when the group becomes a party to the contractual provisions of the instruments. The group determines the classification of its financial assets and financial liabilities at initial recognition based on its nature and characteristics.

The group categorizes financial assets and financial liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed for such measurement:

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

Level 2: Inputs other than quoted prices included within level 1 that are observable, either directly or indirectly for the asset or liability.

Level 3: Inputs for the asset or liability which are not based on observable market data (unobservable inputs).

The financial assets and financial liabilities are classified as current if they are expected to be realised or settled within operating cycle of the group or otherwise these are classified as non-current.

The classification of financial instruments whether to be measured at Amortized Cost, at Fair Value Through Profit and Loss (FVTPL) or at Fair Value through Other Comprehensive Income (FVTOCI) depends on the objective and contractual terms to which they relate. Classification of financial instruments are determined on initial recognition.

#### I. Financial Assets

##### i. Initial Recognition and measurement

The financial assets include investments, trade receivable, loans and advances, cash and cash equivalents, bank balances other than cash and cash equivalents, derivative financial instruments and other financial assets.

## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2023**

Financial assets are initially measured at fair value. Transaction costs directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through profit or loss) are added to or are deducted from the fair value of the financial assets as appropriate in initial recognition. However, trade receivable that do not contain a significant financing component are measured at transaction price.

### **ii. Subsequent measurement**

For the purpose of subsequent measurement, financial assets are classified in the following categories:

- (i) at amortised cost,
- (ii) at fair value through other comprehensive income (FVTOCI), and
- (iii) at fair value through profit or loss (FVTPL).

#### **Financial Assets at amortised cost**

A 'financial Asset' is measured at the amortised cost if the following two conditions are met:

- (i) The asset is held within a business whose objective is to hold these assets in order to collect contractual cash flows and
- (ii) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Amortised Cost is determined using the Effective Interest Rate ("EIR") method. Discount or premium on acquisition and other fees or costs forms an integral part of the EIR.

#### **Financial Asset at Fair Value through Other Comprehensive Income (FVTOCI)**

Financial assets are measured at fair value through other comprehensive income if these financial assets are held both for collection of contractual cash flows and for selling the financial assets, and contractual terms of the financial asset give rise to cash flows representing solely payments of principal and interest.

#### **Financial Assets at Fair value through profit or loss (FVTPL)**

Financial Assets which does not meet the criteria of amortised cost or fair value through other comprehensive income are classified as Fair Value through Profit or loss. These are recognised at fair value and changes therein are recognized in the Consolidated Statement of profit and loss.

#### **Equity Instruments**

Equity instruments in the Scope of Ind AS 109 are measured at FVTPL.

The group makes an election to present changes in fair value through other comprehensive income or through profit or loss on instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

In case the group decides to classify an equity instrument at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. In addition, profit or loss arising on sale is taken to other comprehensive income. The amount accumulated in this respect is transferred within the Equity on derecognition.

### **iii. Derecognition**

The group derecognizes a financial asset or a group of financial assets 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 party.

## **II. Financial Liabilities**

### **i. Initial Recognition and measurement**

The financial liabilities include trade and other payables, loan and borrowings including book overdraft, derivative financial instruments and other financial liabilities.

Financial liabilities are initially measured at fair value. Transaction costs directly attributable to the acquisition or issue of financial liabilities (other than financial liabilities at fair value through profit or loss) are added to or are deducted from the fair value of the financial liabilities as appropriate in initial recognition.

### **ii. Subsequent measurement**

For the purpose of subsequent measurement, financial liabilities are classified in the following categories:

- (i) at amortised cost, and
- (ii) at fair value through profit or loss (FVTPL).

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2023****Financial Liabilities at amortised cost**

After initial recognition, financial liabilities are measured at amortized cost using Effective Interest Rate (EIR) method. When the financial liabilities are derecognised, gain or losses are recognised in profit or loss. Discount or premium on acquisition and other fees or costs forms an integral part of the EIR.

**Financial Liabilities at Fair value through profit or loss (FVTPL)**

Financial Liabilities which does not meet the criteria of amortised cost are classified as Fair Value through Profit or loss. These are recognised at fair value and changes therein are recognized in the Consolidated Statement of profit and loss.

**iii. Derecognition**

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

**III. Derivative and Hedge Accounting****Initial Recognition and Subsequent measurement**

The group enters into derivative financial instruments such as foreign exchange forward, swap and option contracts to mitigate the risk of changes in foreign exchange rates in respect of financial instruments and forecasted cash flows denominated in certain foreign currencies. The group uses hedging instruments which provide principles on the use of such financial derivatives consistent with the risk management strategy of the group. The hedge instruments are designated and documented as hedges and effectiveness of hedge instruments to reduce the risk associated with the exposure being hedged is assessed and measured at inception and on an ongoing basis.

Any derivative that is either not designated as a hedge, or is so designated but is ineffective as per Ind AS 109 "Financial Instruments", is categorized as a financial asset/ financial liability, at fair value through profit or loss. Transaction costs attributable are also recognized in Statement of profit and loss. Changes in the fair value of the derivative hedging instrument designated as a fair value hedge are recognized in the Consolidated Statement of profit and loss.

Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognized in other comprehensive income and presented within equity as cash flow hedging reserve to the extent that the hedge is effective.

Hedging instrument which no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then hedge accounting is discontinued prospectively. Any gain or loss recognised in other comprehensive income and accumulated in equity remains therein till that time and thereafter to the extent hedge accounting being discontinued is recognised in Statement of profit and loss. When a forecasted transaction is no longer expected to occur, the cumulative gain or loss accumulated in equity is transferred to the Statement of profit and loss.

**IV. Offsetting financial instruments**

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

**V. Cash and cash equivalents**

All highly liquid financial instruments, which are readily convertible into determinable amounts of cash and which are subject to an insignificant risk of change in value and are having original maturities of three months or less from the date of purchase, are considered as cash equivalents. Cash and cash equivalents includes balances with banks which are unrestricted for withdrawal and usage.

**VI. Financial guarantee contracts**

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

**VII. Impairment of financial assets**

A financial asset is assessed for impairment at each balance sheet date. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. The group recognises loss allowances using the Expected Credit Loss ("ECL") model for financial assets measured at amortised cost.

The group recognises lifetime expected credit losses for trade receivables. Loss allowance equal to the lifetime expected credit losses are recognised if the credit risk on that financial asset has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2023****J. INVENTORIES**

Inventories are valued at lower of cost or net realisable value. Inventories comprises of Raw materials i.e. purchased and harvested tea leaves, stores and spare parts and finished goods. Cost in case of harvested tea leaves represents fair value less cost to sell.

Cost of Finished Goods comprise of direct material including purchased tea leaves, direct labour and appropriate portion of variable and fixed overhead expenditure. Cost of inventories also includes all costs incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory on the basis of weighted average method. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

By-Products are valued at net realisable value.

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

**K. BIOLOGICAL ASSETS**

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

**L. FOREIGN CURRENCY TRANSACTIONS**

Transactions in foreign currencies are translated into the functional currency at the exchange rates prevailing on the date of the transactions. Foreign currency monetary assets and liabilities at the year-end are translated at the year-end exchange rates. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of transaction. The loss or gain thereon and also on the exchange differences on settlement of the foreign currency transactions during the year are recognized as income or expense in the consolidated statement of Profit and Loss account.

**Group Companies**

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into presentation currency as follows:

- \* Assets and liabilities are translated at the closing rate at the date of that balance sheet.
- \* Income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- \* All resulting exchange differences are recognised in other comprehensive income.

**M. EQUITY SHARE CAPITAL**

An equity instrument is a contract that evidences residual interest in the assets of the group after deducting all of its liabilities. Par value of the equity shares is recorded as share capital and the amount received in excess of par value is classified as Securities Premium.

Costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

**N. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

Provisions involving substantial degree of estimation in measurement are recognized when there is a legal or constructive obligation as a result of past events and it is probable that there will be an outflow of resources and a reliable estimate can be made of the amount of obligation. Provisions are not recognised for future operating losses. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Contingent liabilities are not recognised and disclosed by way of notes to the consolidated financial statements when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or when there is a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the same or a reliable estimate of the amount in this respect cannot be made.

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

Contingent Assets are not recognized but disclosed in the consolidated financial statement by way of notes when inflow of economic benefit is probable.

**O. EMPLOYEE BENEFITS**

Employee benefits are accrued in the year in which services are rendered by the employee.

**Short-term Employee Benefits**

Short term Employee benefits are recognised as an expense in the Consolidated statement of profit and loss in the year in which services are rendered.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2023****Bonus**

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

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

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

**Post-employment Benefit Plans**

Contributions to Gratuity, Super annuation fund etc., under Defined Contribution Plans payable in keeping with the related schemes are recognised as expenditure for the year.

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

**P. OPERATING AND OTHER INCOME****i. REVENUE FROM SALE OF PRODUCT**

Revenue from contracts with customers is accounted for only when it has commercial substance, and all the following criteria are met:

- (i) parties to the contract have approved the contract and are committed to perform their respective obligations;
- (ii) each party's rights regarding the goods or services to be transferred and payment terms there against can be identified;
- (iii) consideration in exchange for the goods or service to be transferred is collectible and determinable.

Revenue from contract with customers is recognized on satisfaction of performance obligation, when control over the goods or services has been transferred and/or goods/ services are delivered/ provided to the customer. Delivery occurs when the goods have been sold or shipped or delivered to a specific location, and the customer has either accepted the goods under the contract or the group has sufficient evidence that all the criteria for acceptance have been satisfied.

Revenue is measured at the amount of transaction price (consideration specified with the customers) allocated to that performance obligation. The transaction price of goods sold is net of variable consideration on account of rebates, claims and discounts, returns and value added tax. Goods and Service Tax (GST) and such other taxes collected on behalf of third party not being economic benefits flowing to the group are excluded from revenue. Accumulated experience is used to estimate and provide for the discounts/ right of return, using the expected value method.

**ii. INTEREST, DIVIDEND AND CLAIMS**

Dividend income is recognized when the right to receive payment is established. Interest has been accounted using effective interest rate method. Insurance claims/ other claims are accounted as and when admitted / settled.

**iii. EXPORT BENEFITS**

Export incentives are accounted for in the year of export if the entitlements and realisability thereof can be estimated with reasonable accuracy and conditions precedent to claim is fulfilled.

**Q. BORROWING COST**

Borrowing cost comprises of interest and other costs incurred in connection with the borrowing of the funds. All borrowing costs are recognized in the Consolidated Statement of Profit and Loss using the effective interest method except to the extent attributable to qualifying Property Plant Equipment (PPE) which are capitalized to the cost of the related assets. A qualifying PPE is an asset, that necessarily takes a substantial period of time to get ready for its intended use or sale. Borrowing cost also includes exchange differences to the extent considered as an adjustment to the borrowing costs.

**R. RESEARCH AND DEVELOPMENT**

Research and development cost (other than cost of PPE acquired) are charged as an expense in the year in which they are incurred.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2023****S. GOVERNMENT GRANTS**

Government grants are recognized on systematic basis when there is reasonable certainty of realization of the same. Revenue grants including subsidy/rebates are credited to Consolidated Statement of Profit and Loss Account under "Other Operating Income" or deducted from the related expenses for the period to which these are related. Grants which are meant for purchase, construction or otherwise to acquire non current assets are recognized as Deferred Income and disclosed under Non Current Liabilities and transferred to Consolidated Statement of Profit and Loss on a systematic basis over the useful life of the respective asset. Grants relating to non-depreciable assets is transferred to Consolidated Statement of Profit and Loss over the periods that bear the cost of meeting the obligations related to such grants.

**T. TAXES ON INCOME**

Income tax expense representing the sum of current tax expenses and the net charge of the deferred taxes is recognized in the income statement except to the extent that it relates to items recognized directly in equity or other comprehensive income.

Current income tax is provided on the taxable income and recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted pertaining to the reporting period.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the Consolidated Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences with respect to carry forward of unused tax credits and any unused tax losses/depreciation to the extent that it is probable that taxable profits will be available against which these can be utilized.

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

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period..

Deferred tax assets include Minimum Alternative Tax (MAT) measured in accordance with the tax laws, which is likely to give future economic benefits in the form of availability of set off against future income tax liability and such benefits can be measured reliably and it is probable that such benefit will be realized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized.

**U. EARNINGS PER SHARE**

Basic earnings per share are computed by dividing the net profit attributable to the equity holders of the Parent by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit attributable to the equity shareholders of the Parent by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

**V. SEGMENT REPORTING**

Operating segments are identified and reported taking into account the different risk and return, organisation structure and the internal reporting provided to the chief-operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Segment manager who allocates resources and assess the operating activities, financial results, forecasts, or plans for the segment.

**4 CRITICAL ACCOUNTING JUDGMENTS, ASSUMPTIONS AND KEY SOURCES OF ESTIMATION AND UNCERTAINTY**

The preparation of the consolidated financial statements in conformity with the measurement principle of Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Differences between the actual results and estimates are recognized in the year in which the results are known / materialized and, if material, their effects are disclosed in the notes to the Consolidated financial statements.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2023

Application of accounting policies that require significant areas of estimation, uncertainty and critical judgments and the use of assumptions in the consolidated financial statements have been disclosed below. The notes provide an overview of the areas that involved a high degree of judgement or complexity and of items which are likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant note together with information about basis of calculation of each affected line item in the consolidated financial statements. The key assumptions concerning the future and other key sources of estimation/assumptions at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities and related revenue impact within the next financial year are discussed below:

**a) Depreciation / amortisation of and impairment loss on Property, Plant and Equipment / ROU/ Intangible assets.**

Property, plant and equipment, ROU and intangible assets are depreciated/amortized on straight-line basis over the estimated useful lives in accordance with Internal assessment and Independent evaluation carried out by technical expert/ Schedule II of the Companies Act, 2013, taking into account the estimated residual value, wherever applicable.

The Group reviews its carrying value of its Tangible and Intangible Assets whenever there is objective evidence that the assets are impaired. The required level of impairment losses to be made is estimated by reference to the estimated value in use or recoverable amount. In such situation Assets' recoverable amount is estimated which is higher of asset's or cash generating units (CGU) fair value less cost of disposal and its value in use. In assessing value in use the estimated future cash flows are discounted using pre-tax discount rate which reflect the current assessment of time value of money. In determining fair value less cost of disposal, recent market realisations are considered or otherwise in absence of such transactions appropriate valuations are adopted.

The assumptions for cash flows and fair valuation as required in this respect are based on the successful outcome of resolution plan which as dealt in Note no. 4(c) below are under consideration of lenders and otherwise may have significant impact.

**b) Arrangement containing leases and classification of leases**

Ind AS 116 requires lessee to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any option to extend or terminate the contract will be exercised. In evaluating the lease term, the Group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the Group's operations taking into account among other things, the location of the underlying asset and the availability of suitable alternatives. The lease terms and impact thereof are reassessed in each year to ensure that the lease term reflects the current economic circumstances.

**c) Going Concern assumption**

As stated in Note no. 58, the consolidated financial statements of the group have been prepared on going concern assumption based on Parent's managements assessment of the expected successful outcome of steps and measures taken by the Parent and approval of the resolution plan and other proposals currently under evaluation and consideration. In the event of these measures and plan not being approved impact thereof, even though presently not determinable are expected to be material.

**d) Fair valuation and Impairment of Loans**

All financial instruments are required to be fair valued as at the balance sheet date, as provided in Ind AS 109- Financial Instruments and Ind AS 113- Fair Value Measurement. In this respect, judgement is exercised to determine the value at which such assets are to be recognised. This requires critical evaluation of the realisable value of assets based on estimation and judgements which may not turn out to be true and may lead to significant adjustments in value.

The above includes various loans and advances to companies which have been considered good and recoverable. Recoverability of these and interest thereagainst and/or adjustments required as stated in Note no. 57 will be determinable on outcome of the recovery proceedings pursuant to CIRP or otherwise on completion of the resolution process of the parent.

**e) Fair Value of Biological Assets**

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

Estimates and 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 Group.

**f) Impairment loss on trade receivables**

The Group evaluates whether there is any objective evidence that trade receivables are impaired and determines the amount of impairment loss as a result of the inability of the debtors to make required payments. The Group bases the estimates on the ageing of the customers balance, their credit-worthiness and historical write-off experience.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2023****g) Taxes on Income**

Significant judgment is required in determination of taxability of certain income and deductibility of certain expenses for estimation of the provision for taxes on income including agricultural income. These are based on assumptions and inferences and are subject to final assessment by the taxation authorities. Further judgement is involved in determining the deferred tax position on the balance sheet date.

The Group has unused tax credits, unrecognised deferred tax assets and entitled to tax holiday in Assam for which management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profit together with future tax planning strategies. The management has reviewed the rationale for recognition of Deferred Tax Assets and based on the likely timing and level of profitability in future and expected utilisation of deferred tax thereagainst such recognition of deferred tax assets has been carried out. The amount of deferred tax is dependent upon the outcome of resolution process as referred to in Note no. 58(a) and therefore assumption for reversal/adjustment of deferred tax is expected to be materially different upon completion of resolution process for which required steps are being taken and effect will then be given on determination of amount thereof.

**h) Provisions and Contingencies**

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which are subject to change in future.

Management also uses in-house and external legal professional to make judgments for estimating the possible outflow of resources, if any, in respect of contingencies/ claim/ litigations/ against the Group.

**i) Defined benefit obligation (DBO)**

The present value of the defined benefit obligations and long term employee benefits depends on a number of factors that are determined on an actuarial basis using a number of assumptions. An actuarial valuation involves making various assumptions that may differ based on actual developments in future. These include the determination of the discount rate, inflation, future salary increases and mortality rates. Due to the complexities involved in the valuation and being long-term in nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at every financial year end.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**
**5. PROPERTY, PLANT AND EQUIPMENT**

As at 31st March 2022

(₹ in Lakhs)

Particulars	GROSS AMOUNT						ACCUMULATED DEPRECIATION				NET CARRYING AMOUNT
	As at 1st April 2021	Additions during the year	Disposal/Forex Adjustment during the year	Adjustments/Re-Classification	As at 31st March 2022	As at 1st April 2021	Depreciation for the year	Disposal/Forex Adjustment during the year	Adjustments/Re-Classification	As at 31st March 2022	As at 31st March 2022
Freehold	285.64	-	-	-	285.64	-	-	-	-	-	285.64
ROU Leasehold Land	793.37	-	(30.68)	342.00	1,166.05	27.29	11.76	3.50	213.33	248.88	917.17
Buildings	46,973.17	572.93	(509.73)	-	48,055.83	16,236.25	1,847.51	(162.89)	-	18,246.65	29,809.18
ROU Building	1,531.90	-	-	-	1,531.90	724.48	397.73	-	-	1,122.21	409.69
Plant and Equipment	45,333.58	736.51	(761.01)	-	46,831.10	20,882.72	2,837.25	(378.63)	-	24,098.60	22,732.50
Furniture and Fixtures	759.90	26.55	1.03	-	785.42	508.58	64.93	1.00	-	572.51	212.91
Vehicles	3,557.02	62.15	60.28	50.84	3,609.73	2,837.58	254.60	9.72	-	3,082.46	527.27
Office Equipment	445.01	15.99	(14.62)	-	475.62	425.94	9.64	(14.57)	-	450.15	25.47
Computer	341.07	24.60	7.58	-	358.09	274.64	30.16	7.70	-	297.10	60.99
Bearer Plants	70,571.64	4,926.51	(303.32)	(215.26)	75,586.21	10,350.81	1,714.24	(100.10)	-	12,165.15	63,421.06
<b>Total</b>	<b>170,592.30</b>	<b>6,365.24</b>	<b>(1,550.47)</b>	<b>177.58</b>	<b>178,685.59</b>	<b>52,268.29</b>	<b>7,167.82</b>	<b>(634.27)</b>	<b>213.33</b>	<b>60,283.71</b>	<b>118,401.88</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**

As at 31st March 2023

(₹ in Lakhs)

Particulars	GROSS AMOUNT						ACCUMULATED DEPRECIATION					NET CARRYING AMOUNT
	As at 1st April 2022	Additions during the year	Disposal/ Forex Adjustment during the year	Adjustments/ Re-Classification	As at 31st March 2023	As at 1st April 2022	Depreciation for the year	Disposal/ Forex Adjustment during the year	Adjustments/ Re-Classification	As at 31st March 2023	As at 31st March 2023	
<b>Freehold</b>	285.64	-	-	-	<b>285.64</b>	-	-	-	-	-	<b>285.64</b>	
<b>ROU Leasehold Land</b>	1,166.05	333.21	(62.96)	-	<b>1,562.22</b>	248.88	12.11	(14.66)	-	<b>275.65</b>	<b>1,286.57</b>	
<b>Buildings</b>	48,055.83	136.15	(182.92)	-	<b>48,374.90</b>	18,246.65	1,514.24	(22.72)	-	<b>19,783.61</b>	<b>28,591.29</b>	
<b>ROU Building</b>	1,531.90	-	-	-	<b>1,531.90</b>	1,122.21	195.40	-	-	<b>1,317.61</b>	<b>214.29</b>	
<b>Plant and Equipment</b>	46,831.10	362.77	(246.64)	-	<b>47,440.51</b>	24,098.60	2,627.08	(104.14)	-	<b>26,829.82</b>	<b>20,610.69</b>	
<b>Furniture and Fixtures</b>	785.42	5.10	12.83	(4.90)	<b>772.79</b>	572.51	59.42	17.09	-	<b>614.84</b>	<b>157.95</b>	
<b>Vehicles</b>	3,609.73	9.07	(23.09)	-	<b>3,641.89</b>	3,082.46	168.37	(20.47)	-	<b>3,271.30</b>	<b>370.59</b>	
<b>Office Equipment</b>	475.62	5.28	(11.68)	4.90	<b>497.48</b>	450.15	10.24	(15.27)	-	<b>475.66</b>	<b>21.82</b>	
<b>Computer</b>	358.09	15.26	75.05	-	<b>298.30</b>	297.10	27.74	72.29	-	<b>252.55</b>	<b>45.75</b>	
<b>Bearer Plants</b>	75,586.21	4,695.02	(269.91)	-	<b>80,551.14</b>	12,165.15	2,065.20	(102.60)	-	<b>14,332.95</b>	<b>66,218.19</b>	
<b>Total</b>	<b>1,78,685.59</b>	<b>5,561.86</b>	<b>(709.32)</b>	<b>-</b>	<b>1,84,956.77</b>	<b>60,283.71</b>	<b>6,679.80</b>	<b>(190.48)</b>	<b>-</b>	<b>67,153.99</b>	<b>1,17,802.78</b>	

5.1 "ROU Buildings" relates to building premises taken on lease and recognised as "Right of Use" in terms of Ind AS 116 on implementation with effect from 1st April 2019 (Refer Note no. 53).

5.2 "ROU Building" includes Tea Factory taken on lease by the Parent. In absence of break-up value of lease rental against different items of Property, Plant and Equipment, so acquired on lease, the rental capitalised in terms of Ind AS 116 had been categorised and depreciated over the tenure of lease. The cost of upgradation of the said Tea Factory including installation of new Plant and Equipment had been classified under respective items of PPE and has been transferred during the year to lessor at the residual value as agreed in terms of the agreement on expiry of lease term.

5.3 The Parent has 31 tea estate land in State of Assam for which lease (patta) has been granted for carrying out the plantation activity against payment of Land Revenue. The parent has 2 tea estates land taken on lease for 30 years on renewal basis from Government of West Bengal which have been recognised and disclosed as ROU leasehold land. The Group's right for plantation in the state of Assam is not for a specified lease term against lease payments (other than land revenue) and not expected to be withdrawn or discontinued in foreseeable future and as such perpetual in nature. Capitalisation of costs thereof as required in terms of Ind AS 116 and amortisation over the lease terms had therefore not been considered in this respect

5.4 Adjustments/ Re-classification pertain to realignment of various items of PPE with the corresponding items as per fixed asset register. This however does not have any material impact on carrying value of these assets.

5.5 Disposal/ Forex Adjustments includes Rs. 1,055.84 lakhs (31st March 2022: Rs. 1,987.71 lakhs) under Gross Amount and Rs. 574.35 lakhs (31st March, 2022: Rs. 980.23 Lakhs) under Accumulated Depreciation related to realignment of PPE at closing rates as required in terms of Ind AS.

5.6 Refer note. No. 22 and 26 of the consolidated financial statement in respect of charge created against borrowings and and note no. 54 referring restriction imposed by Hon'ble High Court of Delhi relating to disposal of assets.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**
**6. GOODWILL ON CONSOLIDATION**

(₹ in Lakhs)

Particulars	Amount
<b>As at 31st March 2021</b>	<b>20,177.93</b>
Add/(less) : Foreign Exchange Adjustment	(45.14)
<b>Balance as at 31st March 2022</b>	<b>20,132.79</b>
Add/(less) : Foreign Exchange Adjustment	74.90
<b>Balance as at 31st March 2023</b>	<b>20,207.69</b>

**7. OTHER INTANGIBLE ASSETS**

(₹ in Lakhs)

As at 31st March, 2022

Particulars	GROSS AMOUNT				ACCUMULATED AMORTISATION				NET CARRYING AMOUNT
	As at 1st April 2021	Additions during the year	Disposal/ Forex Adjustment during the year	As at 31st March 2022	As at 1st April 2021	Amortisation for the year	Disposal/ Forex Adjustment during the year	As at 31st March 2022	As at 31st March 2022
Trade Mark [Brand]	3,612.92	-	16.28	<b>3,596.64</b>	2,381.58	309.26	13.51	<b>2,677.33</b>	<b>919.31</b>
Computer Software	592.03	1.68	(2.91)	<b>596.62</b>	584.08	3.73	(2.85)	<b>590.66</b>	<b>5.96</b>
<b>Total</b>	<b>4,204.95</b>	<b>1.68</b>	<b>13.37</b>	<b>4,193.26</b>	<b>2,965.66</b>	<b>312.99</b>	<b>10.66</b>	<b>3,267.99</b>	<b>925.27</b>

As at 31st March, 2023

Particulars	GROSS AMOUNT				ACCUMULATED AMORTISATION				NET CARRYING AMOUNT
	As at 1st April 2022	Additions during the year	Disposal/ Forex Adjustment during the year	As at 31st March 2023	As at 1st April 2022	Amortisation for the year	Disposal/ Forex Adjustment during the year	As at 31st March 2023	As at 31st March 2023
Trade Mark [Brand]	3,596.64	-	(27.02)	<b>3,623.66</b>	2,677.33	306.37	(24.55)	<b>3,008.25</b>	<b>615.41</b>
Computer Software	596.62	-	(2.58)	<b>599.20</b>	590.66	2.88	(2.57)	<b>596.11</b>	<b>3.09</b>
<b>Total</b>	<b>4,193.26</b>	<b>-</b>	<b>(29.60)</b>	<b>4,222.86</b>	<b>3,267.99</b>	<b>309.25</b>	<b>(27.12)</b>	<b>3,604.36</b>	<b>618.50</b>

- 7.1 Trade mark (Brand - WM logo) with Gross Block of Rs. 2,437.50 lakhs acquired in January 2005 by the Parent, is being amortised under straight line method over 20 years based on valuation by Independent Valuer. Other Trade mark acquired by a subsidiary, which are being amortised over the expected economic lives of 5 to 20 years.
- 7.2 Computer Software is being amortised under straight line method over 5 years.
- 7.3 Disposal/ Forex Adjustments includes Rs. 29.60 lakhs (31st March 2022: Rs. 13.37 lakhs) under Gross Amount and Rs. 27.12 lakhs (31st March, 2022: Rs. 10.66 Lakhs) under Accumulated Amortisation related to realignment of Other Intangible Assets at closing rates as required in terms of Ind AS.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**
**8. INVESTMENT IN ASSOCIATE**

(₹ in Lakhs)

Particulars	Refer Note no.	As at 31st March 2023	As at 31st March 2022
<b>Investment in Equity Instruments</b>			
<b>(Face Value of Rs 10 each fully paid, except otherwise stated)</b>			
<b>(Accounted under Equity method)</b>			
<b>Unquoted</b>			
D1 Williamson Magor Bio Fuel Limited			
72,81,201 (31st March 2022: 72,81,201) Shares , fully impaired		-	-
	-	-	

8.1 Aggregate amount of unquoted investments	-	-
8.2 Aggregate amount of impairment in the value of investments	<b>2,184.35</b>	<b>2,184.35</b>

**9. INVESTMENTS**

(₹ in Lakhs)

Particulars	Refer Note no.	As at 31st March 2023	As at 31st March 2022
<b>Investment in Equity Instruments</b>			
<b>(Face Value of Rs 10 each fully paid, except otherwise stated)</b>			
<b>(at Fair Value Through Other Comprehensive Income)</b>			
<b>Quoted</b>			
McNally Bharat Engineering Company Limited - MBECL	9.5 and 9.6		
30,52,295 (31st March 2022: 30,52,295) Shares		-	155.49
Williamson Financial Services Limited			
16,66,953 (31st March 2022: 16,66,953) Shares		97.40	86.08
Eveready Industries India Limited	9.7		
16,63,289 (31st March 2022: 16,63,289) Shares of Rs. 5/- each		4,853.71	5,565.60
The Standard Batteries Limited	9.8		
10,03,820 (31st March 2022: 10,03,820) Shares of Re. 1/- each		261.80	382.02
Kilburn Office Automation Limited	9.9		
31,340 (31st March 2022: 31,340) Shares		-	-
<b>Unquoted</b>			
ABC Tea Workers Welfare Services Limited			
11,067 (31st March 2022: 11,067) Shares		0.71	0.71
Murablack India Limited			
5,00,000 (31st March 2022: 5,00,000) Shares , fully impaired		-	-
Arunodaya Green Fuels Limited	9.11		
1,33,333 (31st March 2022: 1,33,333) Shares, fully impaired		-	-
Babcock Borsig Limited			
12,99,600 (31st March 2022: 12,99,600) Shares, fully impaired		-	-
		<b>5,213.62</b>	<b>6,189.90</b>

9.1 Aggregate amount of Unquoted Investments	0.71	0.71
9.2 Aggregate amount of Quoted Investments	5,212.91	6,189.19
9.3 Aggregate market value of Quoted Investments	5,212.91	6,189.19
9.4 Aggregate amount of Impairment in the value of Investments	9.6	-
9.5 In connection with a Term Loan from ICICI Bank Limited of Rs. 5,000.00 lakhs (31st March, 2022: Rs. 5,000.00 lakhs) taken by McNally Bharat Engineering Company Limited (MBECL), the Parent has furnished a Non-Disposal Undertaking of its present and future holding of shares in MBECL, which will remain valid as long as the said amount remains due and unpaid by MBECL. (Also refer Note no. 9.10).		

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**

- 9.6 Amount is below the rounding off norm adopted by the Group.
- 9.7 Shares of Eveready Industries India Limited were pledged to Housing Development Finance Corporation Limited against short-term loan of Rs. 7,500.00 lakhs (Balance Outstanding as on 31st March 2023: Nil) pending release of security by the lenders.
- 9.8 Shares of The Standard Batteries Limited are pledged to Aditya Birla Finance Limited against short-term loan of Rs. 1,000.00 lakhs (Balance Outstanding as on 31st March 2023: Nil) pending release of security by the lenders.
- 9.9 Trading of Kilburn Office Automation Limited Shares have been suspended on the stock exchange. Accordingly, for the purpose of fair valuation of these shares have been derived based on the latest audited financial statement.
- 9.10 Consequent to the initiation of Corporate Insolvency and Resolution Process (CIRP) and appointment of Resolution Professional in case of MBECL, the parent has fair valued it's investment to nominal value of Re. 1 pending finalisation and approval of resolution plan by the committee of creditors.
- 9.11 In respect of Parent's investment in Suryachakra Seafood limited (SSL), pursuant to the Scheme of Arrangement approved by Hon'ble High Court in earlier years, the said company was transferred to Arunodaya Green Fuels Limited (AGFL) and Shareholders of SSL were allotted 1 equity share of AGFL against 3 equity shares of SSL.

**10. LOANS**

(₹ in Lakhs)

Particulars	Refer Note No.	As at 31st March 2023		As at 31st March 2022	
		Current	Non-Current	Current	Non-Current
Loans to Bodies Corporate	57				
Considered Good		-	1,86,271.37	-	2,76,231.19
Credit Impaired		-	91,085.00	-	1,121.16
Less: Allowance for Doubtful Loans	10.2	-	(91,085.00)	-	(1,121.16)
Loans to Others	57				
Considered Good		-	-	-	13.00
Credit Impaired		-	13.00	-	-
Less: Allowance for Doubtful Loans	10.2	-	(13.00)	-	-
Loans and Advances to Employees					
Considered Good	10.1	37.50	7.07	1,272.32	-
Credit Impaired		-	7.38	-	9.56
Less: Allowance for Doubtful Loans	10.2	-	(7.38)	-	(9.56)
		<b>37.50</b>	<b>1,86,278.44</b>	<b>1,272.32</b>	<b>2,76,244.19</b>

- 10.1 Loans to employees included remuneration to the extent of Rs. 900.40 lakhs as on 31st March 2022 paid to Managing Director and Wholtime Director as decided by the Shareholders vide their special resolution in the Annual General Meeting (AGM) dated 30th December 2020. Pursuant to the parent's application for obtaining approval of such payments from banks and financial institutions, as stated by the management in principle approval had since been granted by majority of the lenders in the previous year. These amounts were approved by the lender in the meeting dated 10th May 2022 of the banks and financial institutions received by the management in the month of June 2022 supported by legal advice in this respect have been charged to the Statement of Profit and Loss during the year ended 31st March, 2023.



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**

10.2 Movement of Impairment Allowances for doubtful balances :

(₹ in Lakhs)

Particulars	Loans to Bodies Corporate and others		Loans and Advances to Employees	
	Year ended 31st March 2023	Year ended 31st March 2022	Year ended 31st March 2023	Year ended 31st March 2022
Balance at the beginning of the year	1,121.16	1,373.60	9.56	9.56
Recognised during the year	90,000.00	-	-	-
Reversal during the year	(23.16)	(252.44)	(2.18)	-
<b>Balance at the end of the year</b>	<b>91,098.00</b>	<b>1,121.16</b>	<b>7.38</b>	<b>9.56</b>

10.3 Loans or Advances in the nature of loans granted to Promoters, Directors, KMPs and the related parties in accordance with Schedule III (as amended) are as follows :

(₹ in Lakhs)

Particulars	As at 31st March 2023		As at 31st March 2022	
	Amount	%ge of Total	Amount	%ge of Total
<b>Repayable on Demand</b>				
<b>Promoters/ Promoter Group</b>				
Williamson Magor & Co. Limited	19,221.42	6.93%	19,221.42	6.93%
Babcock Borsig Limited	14,500.00	5.23%	14,500.00	5.22%
Williamson Financial Services Limited	22,200.00	8.00%	22,200.00	8.00%
Woodside Parks Limited	91,040.22	32.82%	91,040.22	32.81%
<b>Directors</b>				
Aditya Khaitan	-	-	620.00	0.22%
Azam Monem	-	-	280.40	0.10%

10.4 Refer Note no.26 to the consolidated financial statements in respect of charge created against borrowings.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**
**11. OTHER FINANCIAL ASSETS**

(₹ in Lakhs)

Particulars	Refer Note No.	As at 31st March 2023		As at 31st March 2022	
		Current	Non-Current	Current	Non-Current
Security Deposits			1,268.72	-	1,256.89
Margin Money Deposit with banks	11.1 and 59	-	24.29	-	24.29
Fixed Deposit with Banks	11.1	-	74.28	-	17.34
Receivable against Sale of specified assets of Tea Estates	11.2 and 59	-	2,460.51	-	2,564.12
Interest Accrued on Loans and Deposits	57				
Considered good		129.16	74.06	-	1,942.16
Credit Impaired	11.4	-	10,240.69	-	8,266.84
Less: Allowance for Doubtful Interest Receivable	11.5	-	(10,240.69)	-	(8,266.84)
Interest Subsidies receivable from Government	11.3	-	579.35	-	579.35
Receivable on account of claims and other receivable	59	-			
Considered good		256.19	-	162.53	-
Credit Impaired		26.00	-	26.00	-
Less: Allowance for Doubtful Claims	11.5	(26.00)	-	(26.00)	
Derivative Assets at fair value through profit and loss		443.87	-	-	-
Accrued duty draw back benefits pertaining to exports		57.33	-	142.19	-
Subsidies receivable from Government		908.70	-	610.97	-
Compensation receivable from Government	59	51.63	-	95.46	-
Accrued income Receivable- Others		223.34	50.66	230.78	45.58
		<b>2,070.22</b>	<b>4,531.87</b>	<b>1,241.93</b>	<b>6,429.73</b>

11.1 Margin money and Fixed deposits with banks represents the amount lying against bank guarantee issued by then under Non-Fund based facilities granted.

11.2 Receivable against Sale of specified assets of Tea Estates represents the amount receivable from buyers subject to fulfilment of conditions in terms of Sales Agreement.

11.3 Interest subsidy receivable represent the amount receivable under Interest Subsidy 1997 Scheme for the period from 2007-08 to 2008-10 against which the claims has been recommended by DIC district to DIC Guwahati but the subsidy has not released due to letter dated 18th June 2014 from DIPP, New Delhi stating that the said Scheme is available for incremental borrowing. The Parent had preferred an appeal before Hon'ble High Court at Delhi and the judgement has been delivered in favour of the Parent and therefore the amount has been considered good and recoverable. Pending finalisation of the matter and determination of the amount thereof, claim for interest thereagainst for the subsequent period has not been recognised.

11.4 Includes Rs.1,051.99 lakhs, being the amount of tax deducted by the Bodies Corporate to whom Loans were granted but were not deposited by them. Such amount remain provided for in the consolidated financial statement.

11.5 Movement of Impairment Allowances for doubtful balances:

(₹ in Lakhs)

Particulars	Receivable on account of Claims and Other receivable		Interest Accrued on Loans and Deposits	
	Year ended 31st March 2023	Year ended 31st March 2022	Year ended 31st March 2023	Year ended 31st March 2022
Balance at the beginning of the year	26.00	26.00	8,266.84	7,999.34
Recognised during the year	-	-	2,047.91	267.50
Reversal during the year	-	-	(74.06)	-
<b>Balance at the end of the year</b>	<b>26.00</b>	<b>26.00</b>	<b>10,240.69</b>	<b>8,266.84</b>

11.6 Refer Note no. 26 to the consolidated financial statements in respect of charge created against borrowings.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**
**12. OTHER NON-CURRENT ASSETS**
**(₹ in Lakhs)**

Particulars	Refer Note no.	As at 31st March 2023	As at 31st March 2022
Capital Advances:		124.99	-
Advances to Suppliers, Service Providers etc.			
Credit Impaired		1,200.08	1,161.51
Less : Allowance for Doubtful Advances	12.2	(1,200.08)	(1,161.51)
Advance for Employee Benefit	42		
- Superannuation Fund		1,492.23	1,490.79
Prepaid Expenses	12.3	10.65	10.06
Tax Payment under Protest	12.1	700.00	700.00
Deposits with National Bank for Agriculture and Rural Development		387.15	387.15
Other receivable	12.3	88.52	-
		<b>2,803.54</b>	<b>2,588.00</b>

12.1 In connection with an overseas acquisition of a subsidiary in 2005, the Income Tax authority had raised a demand of Rs. 5,278.00 lakhs during the year 2009-10 on the Parent on account of alleged non-deduction of tax at source and interest thereon pertaining to the transaction. The Parent challenged the said demand before the appropriate authorities and has obtained a stay against the same from the Hon'ble High Court of Calcutta. The Parent deposited Rs. 700.00 lakhs during the year 2011-12 with Income Tax Authority under protest. In terms of the Share Purchase Agreement, Capital Gain or other taxes, if any, relating to sale of shares etc. is to be borne by the seller and not the Parent. Under the Taxation Laws (Amendment) Act 2021 and the notification issued under Income – tax (31st Amendment) Rules 2021, the Parent as directed by Income Tax authorities has withdrawn the appeal and the writ petition filed as mentioned above. Consequent to this, the Commissioner of Income Tax (IT & TP) has issued an order on 14th February 2022 granting the relief in terms of the said amendment enabling the Parent to claim the said amount of Rs. 700.00 lakhs deposited by it.

12.2 Movement of Impairment Allowances for doubtful balances :

**(₹ in Lakhs)**

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Balance at the beginning of the year	1,161.51	1,245.44
Recognised during the year	38.57	-
Reversal during the year	-	(83.93)
Balance at the end of the year	1,200.08	1,161.51

12.3 Prepaid Expenses represents amount recoverable/adjustable from farmers pertaining to tea plantation destroyed in case of one of the subsidiary.

**13. INVENTORIES**
**(₹ in Lakhs)**

Particulars	Refer Note no.	As at 31st March 2023	As at 31st March 2022
At lower of cost and net realisable value			
Raw Materials (Green Leaf)		141.92	288.31
Finished Goods (Stock of Tea)		7,589.88	9,698.71
[Including in transit Rs. 1,881.23 Lakhs (31st March 2022: Rs. 891.49 Lakhs)]			
Stores and Spares	13.1 and 13.3	7,006.75	8,122.40
		<b>14,738.55</b>	<b>18,109.42</b>

13.1 Stores and Spares is net of allowance for slow moving/obsolete inventory amounting to Rs. 475.38 lakhs (31st March 2022: Rs. 493.09 lakhs).

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**

13.2 Disclosure as per Ind AS 2 "Inventories"

(₹ in Lakhs)

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
a) Cost of Inventories recognised as Expense during the year	1,17,741.53	1,30,783.97
b) (Increase)/Decrease in value of inventory due to variation in realisable value	903.99	1,623.82

13.3 Stores and Spares includes Tea Nurseries amounting to GBP 63,769 (Equivalent Rs. 64.96 lakhs) (31st March 2022: GBP 69,413 (Equivalent Rs. 69.10 lakhs)) in a subsidiary which are charged/capitalised depending upon the nature of use.

13.4 Refer Note no. 26 to the consolidated financial statements in respect of charge created against borrowings.

**14. BIOLOGICAL ASSETS OTHER THAN BEARER PLANTS**

(₹ in Lakhs)

Particulars	Refer Note no.	As at 31st March 2023	As at 31st March 2022
Fair Value of Biological Assets other than Bearer Plants (Unharvested Tea Leaves)		395.47	640.73
		<b>395.47</b>	<b>640.73</b>

**14.1 Changes in Fair Value of Biological Assets Other Than Bearer Plants**

(₹ in Lakhs)

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
<b>Opening</b>	640.73	498.48
Increase due to harvest/physical changes	395.47	640.73
Decrease due to harvest/physical changes	(640.73)	(498.48)
<b>Closing</b>	<b>395.47</b>	<b>640.73</b>

14.2 Unharvested tea leaves on bushes as on 31st March 2023 was 24.91 lakh Kgs (31st March 2022: 31.17 lakh kgs)

14.3 Refer Note no. 26 to the consolidated financial statements in respect of charge created against borrowings.

**15. TRADE RECEIVABLES**

(₹ in Lakhs)

Particulars	Refer Note no.	As at 31st March 2023	As at 31st March 2022
Secured	59		
- Considered Good	15.3	350.00	350.00
- Credit Impaired		195.26	195.26
Less: Allowance for Doubtful Debts	15.2	(195.26)	(195.26)
Unsecured	59		
- Considered Good		3,636.74	4,571.74
- Credit Impaired		345.62	176.23
Less: Allowance for Doubtful Debts	15.2	(345.62)	(176.23)
		<b>3,986.74</b>	<b>4,921.74</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**

15.1 Trade Receivables ageing schedule based on the due date for payment thereagainst are as follows:

(₹ in Lakhs)

Particulars	Refer Note no.	As at 31st March 2023	As at 31st March 2022
<b>Undisputed Trade Receivables- Considered Good</b>			
Within the credit period		1,086.35	832.93
Less than 6 Months		2,096.94	3,261.64
6 months - 1 Year		46.33	167.41
1-2 Years		269.66	180.04
2-3 Years		8.95	98.45
3 Years and above		128.51	31.27
<b>Undisputed Trade Receivables- Credit impaired</b>			
1-2 Years		-	-
3 Years and above		345.62	176.23
<b>Disputed Trade Receivables- Considered Good</b>			
Within the credit period		-	-
Less than 6 Months		-	-
6 months - 1 Year		-	-
1-2 Years		-	-
2-3 Years		-	-
3 Years and above		350.00	350.00
<b>Disputed Trade Receivables- Credit impaired</b>			
3 Years and above		195.26	195.26

15.2 Movement of Impairment Allowances for doubtful debts

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Opening	371.49	508.01
Recognised during the year	169.39	-
Reversal during the year	-	136.52
<b>Closing</b>	<b>540.88</b>	<b>371.49</b>

15.3 Trade Receivable secured represents amount secured against value of building available as security from a customer. Such building had been disposed off by the Liquidator of the said customer in earlier years. The sale proceeds thereof had been withheld by the liquidator and is expected to be realised on resolution of various cases concerning legal ownership of said building.

15.4 Refer Note no.26 to the consolidated financial statements in respect of charge created against borrowings.

**16. CASH AND CASH EQUIVALENTS**

(₹ in Lakhs)

Particulars	Refer Note no.	As at 31st March 2023	As at 31st March 2022
Balance with banks in Current Accounts	16.1	943.74	1,014.51
Cash on hand		447.06	1,491.50
		<b>1,390.80</b>	<b>2,506.01</b>

16.1 Includes Rs. 1.91 lakhs (31st March 2022: Nil) being remittance in transit relating to fund transfer from Head Office by the Parent.

16.2 Refer Note no. 26 to the consolidated financial statements in respect of charge created against borrowings.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**
**17. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS**

(₹ in Lakhs)

Particulars	Refer Note no.	As at 31st March 2023	As at 31st March 2022
<b>Earmarked Balance with banks:</b>			
- In Dividend Accounts	17.1	37.69	77.12
- In Escrow Accounts	17.2	0.07	3.26
- In Fixed Deposits	11.1	45.47	97.58
- In Escrow Accounts/Fractional Share Sale Proceeds Account	17.1	0.16	0.16
		<b>83.39</b>	<b>178.12</b>

17.1 Amount is not due for transfer to Investor Education and Protection Fund.

17.2 The Parent has entered into a Memorandum of Understanding with certain Tea Auction Brokers whereby the parent receives advance against future sales which is repaid from the said bank account on realisation of sale proceed of Tea directly credited to the said account.

17.3 Refer Note no. 26 to the consolidated financial statements in respect of charge created against borrowings.

**18. CURRENT TAX ASSETS (NET)**

(₹ in Lakhs)

Particulars	Refer Note no.	As at 31st March 2023	As at 31st March 2022
Advance Tax - Agricultural Income Tax	31.1	810.50	810.50
[Net of Provision Rs. 17,140.38 lakhs (31st March 2022: Rs. 17,127.44 lakhs)]			
Advance Tax - Income Tax		1,460.04	1,431.47
[Net of Provision: Nil (31st March 2022: Rs. 0.36 lakhs)]			
Advance Tax - Fringe Benefit Tax		78.97	78.97
[Net of Provision Rs. 274.07 lakhs (31st March 2022: Rs 274.07 lakhs)]			
		<b>2,349.51</b>	<b>2,320.94</b>

**19. OTHER CURRENT ASSETS**

(₹ in Lakhs)

Particulars	Refer Note no.	As at 31st March 2023	As at 31st March 2022
Balance with Government Authorities- GST, etc.		2,312.38	1,934.44
Advances to Suppliers, Service Providers etc.	59		
Considered Good	19.3	3,102.51	3,944.60
Considered Doubtful	19.4	1,656.08	256.08
Less: Allowance for Doubtful Advances	19.1	(1,656.08)	(256.08)
Advance for Employee Benefits	42		
- Superannuation Fund		144.33	35.57
Advance to Employees			
Considered Good		221.04	140.97
Considered Doubtful		108.85	113.51
Less: Allowance for Doubtful Advances	19.1	(108.85)	(113.51)
Prepaid Expenses		517.12	500.74
Others	19.2	433.21	2,000.00
		<b>6,730.59</b>	<b>8,556.32</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**
**19.1 Movement of Impairment Allowances for doubtful advances**
**(₹ in Lakhs)**

Particulars	Advances to Suppliers, Service Providers etc.		Advances to Employees	
	Year ended 31st March 2023	Year ended 31st March 2022	Year ended 31st March 2023	Year ended 31st March 2022
Opening	256.08	265.08	113.51	51.89
Recognised during the year (Refer Note no. 19.4)	1,400.00	-	-	61.62
Reversal during the year	-	9.00	4.66	-
<b>Closing</b>	<b>1,656.08</b>	<b>256.08</b>	<b>108.85</b>	<b>113.51</b>

19.2 The proceedings initiated in the earlier year under “Insolvency and Bankruptcy Code, 2016” (IBC) pursuant to a petition filed by a corporate lender having an outstanding balance of Rs. 10,000.00 lakhs had been closed following a settlement arrived at towards the amount payable in this respect. Rs. 12,000.00 lakhs had been paid to said corporate lender by certain parties on behalf of the Parent and differential of Rs. 2,000.00 lakhs pending payment of entire amount and finalisation of necessary terms etc. and non-recognition of interest as stated in Note no. 37.3 had been carried forward in the consolidated financial statement. During the year, as stated in Note no 26.5, consequent to the ratification of such payment by the Board of Directors, the amount paid over and above has been recognised as finance cost, pending discharge of the balance obligations and finalisation of the related terms and conditions of such settlement.

19.3 Advances to Suppliers includes Nil (31st March 2022: Rs. 23.47 Lakhs) in the case of a subsidiary relating to amount recoverable/adjustable for fertilisers and other related materials supplied to farmers for cultivation.

19.4 Includes Rs. 1,400.00 lakhs outstanding from a party against advance given in earlier years by the parent and lying outstanding for a considerable period of time, recoverability whereof in absence of required details and confirmations etc., being considered remote, has been fully provided for and shown as exceptional item in these financial statement.

19.5 Refer Note no. 26 to the consolidated financial statements in respect of charge created against borrowings.

**20. EQUITY SHARE CAPITAL**
**(₹ in Lakhs)**

Particulars	Refer Note no.	As at 31st March 2023	As at 31st March 2022
<b>Authorised</b>			
12,00,00,000 (31st March 2022: 12,00,00,000) Equity Shares of Rs. 5/- each		6,000.00	6,000.00
<b>Issued, subscribed and paid-up</b>			
10,44,55,735 (31st March 2022: 10,44,55,735) Equity Shares of Rs. 5/- each fully paid up		5,222.79	5,222.79
		<b>5,222.79</b>	<b>5,222.79</b>

**20.1 Reconciliation of number of Equity Shares outstanding**
**(No. of Shares)**

Particulars	As at 31st March 2023	As at 31st March 2022
As at beginning of the year	10,44,55,735	10,44,55,735
Changes in Equity Share Capital during the year	-	-
At the end of the year	10,44,55,735	10,44,55,735



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**
**20.2 Rights, preferences and restrictions attached to Shares**

The Parent has one class of shares referred to as Equity Shares having a par value of Rs. 5.00 each. Each Holder of Equity Shares is entitled to one vote per share. In the event of liquidation of the Parent, the equity shareholders will be entitled to receive assets of the Parent remaining after distribution of all preferential amounts, in proportion of their shareholding.

**20.3 Buy Back of Shares**

During the year ended 31st March, 2019, pursuant to the approval of the Board of Directors the Parent had bought back 5,000,000 equity shares at an aggregate consideration of Rs. 6,901.28 Lakhs.

**20.4 Shareholders holding more than 5% of the Equity Shares:**

Particulars	As at 31st March 2023		As at 31st March 2022	
	(No. of Shares)	%	(No. of Shares)	%
Carbon Resources (P) Limited	52,50,000	5.03	-	-

**20.5 Shareholding of Promoter:**
**For year ended 31st March 2023**

Particulars	As at 31st March 2023		As at 31st March 2022		%ge Change
	(No. of Shares)	%	(No. of Shares)	%	
LATE BRIJ MOHAN KHAITAN	36,588	0.04	36,588	0.04	0.00
ADITYA KHAITAN	17,272	0.02	17,272	0.02	0.00
AMRITANSHU KHAITAN	15,000	0.01	15,000	0.01	0.00

**For year ended 31st March 2022**

Particulars	As at 31st March 2022		As at 31st March 2021		%ge Change
	(No. of Shares)	%	(No. of Shares)	%	
LATE BRIJ MOHAN KHAITAN	36,588	0.04	36,588	0.04	0.00
ADITYA KHAITAN	17,272	0.02	17,272	0.02	0.00
AMRITANSHU KHAITAN	15,000	0.01	15,000	0.01	0.00

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**
**21. OTHER EQUITY**

(₹ in Lakhs)

Particulars	Reserves and Surplus							Other Comprehensive Income			Total	Non Controlling	Total
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	Other Reserve	Revaluation Surplus	Re-measurement of Defined Benefit Plan	Foreign Currency Translation Reserve	Equity Investments through FVTOCI				
<b>As at 1st April 2021</b>	<b>201.68</b>	<b>4,402.30</b>	<b>1,03,969.20</b>	<b>24,236.00</b>	<b>19,209.20</b>	<b>28,544.64</b>	-	<b>(8,091.41)</b>	<b>4,632.74</b>	<b>1,77,104.35</b>	-	<b>1,77,104.35</b>	
Profit/(Loss) for the year	-	-	(18,092.48)	-	-	-	-	-	-	(18,092.48)	-	(18,092.48)	
Other Comprehensive Income	-	-	-	-	-	-	(856.53)	607.42	887.19	638.08	-	638.08	
<b>Total Comprehensive Income for the year</b>	-	-	-	<b>(18,092.48)</b>	-	-	<b>(856.53)</b>	<b>607.42</b>	<b>887.19</b>	<b>(17,454.40)</b>	-	<b>(17,454.40)</b>	
Transfer on account of depreciation on amount added on Revaluation of Property, Plant and Equipment	-	-	1,165.07	-	-	(1,165.07)	-	-	-	-	-	-	
Transfer to Retained Earnings	-	-	(856.53)	-	-	-	856.53	-	-	-	-	-	
<b>As at 31 March 2022</b>	<b>201.68</b>	<b>4,402.30</b>	<b>1,05,134.27</b>	<b>5,286.99</b>	<b>19,209.20</b>	<b>27,379.57</b>	-	<b>(7,483.99)</b>	<b>5,519.93</b>	<b>1,59,649.95</b>	-	<b>1,59,649.95</b>	
Profit/(Loss) for the year	-	-	(1,05,651.15)	-	-	-	-	-	-	(1,05,651.15)	-	(1,05,651.15)	
Other Comprehensive Income	-	-	-	-	-	-	(1,589.71)	277.95	(976.29)	(2,288.05)	-	(2,288.05)	
<b>Total Comprehensive Income for the year</b>	-	-	-	<b>(1,05,651.15)</b>	-	-	<b>(1,589.71)</b>	<b>277.95</b>	<b>(976.29)</b>	<b>(1,07,939.20)</b>	-	<b>(1,07,939.20)</b>	
Transfer on account of depreciation on amount added on Revaluation of Property, Plant and Equipment	-	-	1,148.38	-	-	(1,148.38)	-	-	-	-	-	-	
Transfer to Retained Earnings	-	-	(1,589.71)	-	-	-	1,589.71	-	-	-	-	-	
<b>As at 31 March 2023</b>	<b>201.68</b>	<b>4,402.30</b>	<b>1,06,282.65</b>	<b>(1,01,953.87)</b>	<b>19,209.20</b>	<b>26,231.19</b>	-	<b>(7,206.04)</b>	<b>4,543.64</b>	<b>51,710.75</b>	-	<b>51,710.75</b>	

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**
**Nature and Purpose of Reserve**
**21.1 Capital Reserve**

Represents the amount transferred from the transferor company pursuant to Scheme of Arrangement effected in earlier years.

**21.2 Securities Premium**

Securities Premium represents the amount received in excess of par value of securities and is available for utilisation as specified under Section 52 of Companies Act, 2013.

**21.3 General Reserve**

General reserve is a free reserve which is created by transfer of profits from retained earnings. As the general reserve is created by a transfer from one component to another and is not an item of Other Comprehensive Income, items included in the general reserve is generally not reclassified subsequently to Statement of Profit and Loss.

**21.4 Other Reserves**

Represents the balance amount of reserve which had arisen on transfer of Bulk Tea Division of Eveready Industries India Limited pursuant to Scheme of Arrangement.

**21.5 Retained Earnings**

Retained earnings generally represents the amount of accumulated surplus/deficit of the Group. This includes Other Comprehensive Income of (Rs. 7,565.54 lakhs) (31st March 2022: (Rs. 5,975.83 lakhs)) relating to remeasurement of defined benefit plans (net of tax) which cannot be reclassified to Statement of Profit and Loss.

**21.6 Revaluation Surplus**

Represents differential arising on revaluation of Property, Plant and Equipment carried out by the erstwhile Bulk Tea Division of Eveready Industries Limited demerged to the Parent with effect from 1st April 2004 pursuant to the Scheme of Arrangement. The said reserve has been carried over being part of PPE, recognised at carrying value as per previous GAAP as deemed cost on the date of transition to Ind AS. The amount of depreciation attributable to the said revaluation is transferred from the said reserve to general reserve as per the practice followed in this respect.

**21.7 Other Comprehensive Income**

The Group has elected to recognise changes in the fair value of non-current investments in Equity Instruments. This reserve represents the cumulative gains and losses arising on equity instruments measured at fair value. The group transfers amounts from this reserve to retained earnings when the relevant equity securities are disposed. This also includes gain/losses on defined benefit obligations which is transferred to retained earnings as stated in Note 21.5 above.

**22. NON CURRENT BORROWINGS**
**(₹ in Lakhs)**

Particulars	Refer Note No.	As at 31st March 2023		As at 31st March 2022	
		Current	Non-Current	Current	Non-Current
<b>SECURED</b>					
<b>Term Loans from Banks</b>					
<b>1) INR Loan</b>		656.54	-	656.54	-
<b>ICICI Bank Limited</b>					
a) Nature of Security					
Secured by first pari passu charge of certain tea estates by way of mortgage over immovable fixed assets and hypothecation of movable fixed assets of the Parent.					
b) Rate of Interest					
Interest is payable on monthly basis at base rate plus 0.40% p.a.					
<b>ICICI Bank Limited</b>		3,993.00	-	3,993.00	-
a) Nature of Security					
Secured by first pari passu charge of certain tea estates by way of mortgage over immovable fixed assets and hypothecation of movable fixed assets of the Parent.					

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**

(₹ in Lakhs)

Particulars	Refer Note No.	As at 31st March 2023		As at 31st March 2022	
		Current	Non-Current	Current	Non-Current
b) Rate of Interest					
Interest is payable on monthly basis at 1 year MCLR plus 1.70% p.a					
<b>HDFC Bank Limited</b>		2,300.00	-	2,300.00	-
a) Nature of Security					
Secured by extension of exclusive charge over certain tea estates of the parent.					
b) Rate of Interest					
Interest is payable on monthly basis at HDFC bank 1 year MCLR plus 1.40% p.a.					
<b>HDFC Bank Limited</b>	22.3	4,500.00	-	4,500.00	-
a) Nature of Security					
(i) Subservient charge on the entire present and future moveable fixed assets of the parent.					
b) Rate of Interest					
Interest is payable on monthly basis at 3-month MCLR plus 3.00% p.a.					
<b>RBL Bank Limited</b>		4,752.33	-	4,752.33	-
a) Nature of Security					
Subservient charge by way of hypothecation/mortgage over moveable fixed assets of the Parent both present and future.					
b) Rate of Interest					
Interest is payable on monthly basis at RBL Bank's 1 year MCLR plus 1.10%.					
<b>2) Foreign Currency Loan</b>					
<b>Uganda Development Bank</b>		-	3,913.38	-	3,802.17
a) Nature of Security					
Loan is secured by Legal mortgage over property title LRV 599 Folio 12 and untitled agricultural land at Kisaru Tea Estate and fixed and floating charge over present and future movable and immovable assets in respect of the above property.					
b) Rate of Interest					
Interest is payable at the rate of 12%.					
c) Terms of Repayment					
Repayable in 48 equal instalments after a moratorium of three years (i.e. from 17th February 2025).					
<b>ABSA Bank (Former Barclays Bank (U) limited)</b>		2,770.14	3,286.84	1,806.75	5,616.52
a) Nature of Security					
i. Term Loan of USD 30.00 lakhs taken is secured by Mortgage over property title LRV 578 folio 24, LRV 1903 folio 8, LRF 593 folio 2, LRV 2672 folio 17 and LRV 515 folio 20 located at Bugambe, Bugahya, KIsita, Holma and Bunlyoro, registered in the name of a subsidiary, MRUL.					
ii. Term Loan of USD 150.00 lakhs is secured by a Mortgage over property title LRV 546 folio 17, LRV 569 folio 13 & 14 at Tororo (Uganda) registered in the name of a subsidiary, MRUL.					

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**

(₹ in Lakhs)

Particulars	Refer Note No.	As at 31st March 2023		As at 31st March 2022	
		Current	Non-Current	Current	Non-Current
b) Rate of Interest					
Interest is payable at 3 month's LIBOR plus base rate for USD 30.00 lakhs and 1 month's LIBOR plus base rate for USD 150.00 lakhs.					
c) Terms of Repayment					
1. Term loan of USD 30.00 lakhs is repayable in a quarterly instalment of USD 187,500 (Equivalent INR 154.04 lakhs as on 31st March 2023) for 4 years from January 2019.					
2. Term loan of USD 150.00 lakhs is repayable in monthly instalment of USD 250,000 (Equivalent INR 205.39 lakhs as on 31st March 2023) for 5 years from August 2019."					
<b>Stanbic Bank (U) Limited</b>		402.22	-	254.58	362.93
a) Nature of Security					
The Loan is Secured by a Mortgage over property title LRV 547 folio 2 at Muzizi, Uganda and debenture charge over all fixed and floating assets of a subsidiary, MRUL.					
b) Rate of Interest					
Interest is payable at 3 month's LIBOR plus base rate.					
c) Terms of Repayment					
Term loan of USD 20.00 lakhs is repayable after a year moratorium period in quarterly instalment of USD 166,667 (Equivalent INR 136.93 lakhs as on 31st March 2023) for 3 years from June 2020.					
<b>DFCU Bank Limited</b>		-	-	425.11	2,464.88
a) Nature of Security					
The loan was secured by a Mortgage over property title LRV 560 Foili 15, LRV 589 Foilo 15 and LRV 503 folio 21 at Ankole, Uganda and Debenture charge over present and future movable and immovable assets in respect of the above property of a subsidiary, MRUL.					
b) Rate of Interest					
Interest was payable at prime lending rate less 4.9%.					
c) Terms of Repayment					
The said loan has been fully paid during the year					
<b>Term Loan from Others</b>					
<b>J. C. Flowers Asset Reconstruction Private Limited</b>	22.3 and 22.2	4,375.00	-	4,375.00	-
a) Nature of Security					
Subservient charge on all the Moveable Fixed assets of certain tea estates of the Parent both present and future.					
b) Rate of Interest					
Interest is payable on monthly basis at 1 year MCLR plus 1.15% per annum.					
<b>Housing Development Finance Corporation Limited</b>		894.82	-	894.82	-
a) Rate of Interest					
Interest is payable on monthly basis at HDFC CORP-PLR plus 2.10% p.a.					
		<b>24,644.05</b>	<b>7,200.22</b>	<b>23,958.13</b>	<b>12,246.50</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**

**22.1** The Parent in terms of the sanction letter of the loan has been in default for the repayment of principal and interest thereof to the lenders (banks & others). The period and amount of such defaults as on balance sheet date read with Note no. 58 are as follows:

(₹ in Lakhs)

Particulars	Period of Default	Principal		Interest	
		As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2023	As at 31st March, 2022
<b>Term Loans from Banks</b>					
ICICI Bank Limited	June 2019 to 31st March, 2023	4,649.54	4,649.54	1,658.37	1,227.54
HDFC Bank Limited	June 2019 to 31st March, 2023	6,800.00	6,800.00	2,636.82	1,922.04
RBL Bank Limited	July 2019 to 31st March, 2023	4,752.33	4,752.33	1,984.69	1,485.97
<b>Term Loan from Others</b>					
Housing Development Finance Corporation Limited	1st January, 2020 to 31st March, 2023	894.82	894.82	289.25	201.95
J. C. Flowers Asset Reconstruction Private Limited	March 2019 to 31st March, 2023	4,375.00	4,375.00	1,594.87	1,186.80
<b>Short Term Loan from Banks</b>					
Axis Bank Limited	July 2019 to 31st March, 2023	25,000.00	25,000.00	10,052.22	7,480.17
RBL Bank Limited	July 2019 to 31st March, 2023	23,500.00	23,500.00	9,605.50	7,088.37
HDFC Bank Limited	May 2019 to 31st March, 2023	17,901.97	17,901.97	6,735.18	4,904.25
IndusInd Bank Limited	December 2019 to 31st March, 2023	7,484.81	7,484.81	3,505.85	2,835.96
<b>Short Term Loan from Others</b>					
J. C. Flowers Asset Reconstruction Private Limited	May 2019 to 31st March, 2023	33,026.61	33,026.61	11,866.40	9,056.39
Ragini Finance Limited	October 2019 to 31st March, 2023	950.00	950.00	-	-
Digvijay Finlease Limited	October 2019 to 31st March, 2023	1,950.00	1,950.00	-	-
P D K Impex Private Limited	March, 2020 to 31st March, 2023	475.00	975.00	-	-
<b>Cash Credit</b>					
Axis Bank Limited	October 2019 to 31st March, 2023	144.07	480.53	150.68	128.14
HDFC Bank Limited	May 2019 to 31st March, 2023	4,268.89	5,579.49	2,302.66	1,114.97
State Bank of India	June 2019 to 31st March, 2023	6,649.02	8,987.41	1,920.01	1,897.29
Punjab National Bank	February 2020 to 31st March, 2023	5,125.14	6,842.02	1,654.09	1,224.73
Indian Bank	29th February 2020 to 31st March 2023	2,846.79	3,784.61	970.74	697.10
J. C. Flowers Asset Reconstruction Private Limited	May 2019 to 31st March 2023	700.88	900.00	-	-
RBL Bank Limited	July 2019 to 31st March 2023	1,839.00	1,839.00	1,571.15	1,180.17
UCO Bank	31st May 2020 to 31st March 2023	1,746.33	2,426.53	625.01	480.21
ICICI Bank Limited	June 2019 to 31st March, 2023	5,773.04	7,763.34	2,828.00	2,178.37
		<b>1,60,853.24</b>	<b>1,70,863.01</b>	<b>61,951.49</b>	<b>46,290.42</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**

- 22.2 During the year ended 31st March 2020, Yes Bank Limited had recalled its entire loan outstanding including interest thereon. Accordingly, such loans had been considered as due for payment. Further, during the year Yes Bank Limited as informed to the parent has assigned the entire loan facilities granted by them to the parent in favor of J C Flowers Asset Reconstruction Private Limited and accordingly has been taken on the record by the parent. Though the loans have been assigned, the charges/ security, amount, terms and conditions etc. are yet to be confirmed/ modified pending completion of the Resolution Process as stated in Note no. 58(a).
- 22.3 In terms of agreement with lenders the above mentioned loans in certain cases were also required as stated in Note no. 26.2.
- 22.4 The Security as disclosed above have been based on the charge documents filed with ROC. Further certain security has been disposed off by the lenders for recovering their dues and accordingly such securities have not been disclosed herein above. As stated in Note no. 58, Resolution Process is under consideration of lenders and thereby terms and conditions including the period and amount of repayment etc. thereof and the security as given herein above will accordingly be modified on completion of resolution process.
- 22.5 The disclosure given herein above has been made on the basis mentioned in note no. 58(b). The default and amount due are therefore subject to confirmation and reconciliation with respective parties and completion of the Resolution Process under consideration by lenders as stated in Note no. 58(a).
- 22.6 Pending completion of resolution process as stated in Note no. 58(a) any further charge or satisfaction as such could not be filed with Registrar of Companies (ROC) and the details of charges as given herein above are based on filings done earlier.
- 22.7 Also Refer Note no. 58 and 37

**23. EMPLOYEE BENEFIT OBLIGATIONS**

(₹ in Lakhs)

Particulars	Refer Note No.	As at 31st March 2023		As at 31st March 2022	
		Current	Non-Current	Current	Non-Current
Provision for Employee Benefits	42				
- Staff Pension		3,701.63	3,076.20	1,744.29	3,701.62
- Gratuity Fund		3,169.45	4,057.32	2,932.93	2,026.23
- Medical Benefit		235.31	257.65	253.90	183.82
- Expatriate Pension		20.34	9.07	23.65	12.36
- Leave		145.44	-	139.38	-
		<b>7,272.17</b>	<b>7,400.24</b>	<b>5,094.15</b>	<b>5,924.03</b>

**24. DEFERRED TAX LIABILITIES (NET)**

(₹ in Lakhs)

Particulars	Refer Note no.	As at	
		31st March 2023	31st March 2022
Deferred Tax Liabilities		23,918.41	25,189.07
Deferred Tax Assets		18,225.13	14,954.26
<b>Deferred Tax Liabilities (Net)</b>		<b>5,693.28</b>	<b>10,234.81</b>



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**
**Components of Deferred tax (Assets)/ Liabilities as at 31st March 2023 are given below:**
**(₹ in Lakhs)**

Particulars	As at 31st March 2022	Forex Adjustment during the year	Charge/ (Credit) recognised in Statement of profit and loss	Charge/ (Credit) recognised in OCI	As at 31st March 2023
<b>Deferred Tax Assets:</b>					
Expenses allowable on payment basis	10,092.46	(5.81)	(3,310.04)	(745.32)	14,153.63
Allowances for Doubtful Debts, Advances etc.	1,325.53	(4.28)	(57.38)	-	1,387.19
MAT Credit Entitlement	2,110.37	-	495.29	-	1,615.08
Unabsorbed Tax Losses	1,247.73	(12.11)	368.78	-	891.06
Others	178.17	-	-	-	178.17
<b>Total Deferred Tax Assets</b>	<b>14,954.26</b>	<b>(22.20)</b>	<b>(2,503.35)</b>	<b>(745.32)</b>	<b>18,225.13</b>
<b>Deferred Tax Liabilities:</b>					
Timing difference with respect to Property, Plant and Equipment and other intangible assets	25,130.55	77.23	(1,549.51)	-	23,658.27
Others	58.52	11.28	190.34	-	260.14
<b>Total Deferred Tax Liabilities</b>	<b>25,189.07</b>	<b>88.51</b>	<b>(1,359.17)</b>	<b>-</b>	<b>23,918.41</b>
<b>NET DEFERRED TAX (ASSETS)/ LIABILITIES</b>	<b>10,234.81</b>	<b>66.31</b>	<b>(3,862.52)</b>	<b>(745.32)</b>	<b>5,693.28</b>

**Components of Deferred tax (Assets)/ Liabilities as at 31st March 2022 are given below:**
**(₹ in Lakhs)**

Particulars	As at 31st March 2021	Forex Adjustment during the year	Charge/ (Credit) recognised in Statement of profit and loss	Charge/ (Credit) recognised in OCI	As at 31st March 2022
<b>Deferred Tax Assets:</b>					
Expenses allowable on payment basis	10,535.03	(3.02)	841.06	(401.51)	10,092.46
Allowances for Doubtful Debts, Advances etc.	1,369.93	(2.82)	41.58	-	1,325.53
MAT Credit Entitlement	3,105.64	-	995.27	-	2,110.37
Unabsorbed Tax Losses	848.60	(14.14)	(413.27)	-	1,247.73
Others	272.43	(0.36)	93.90	-	178.17
<b>Total Deferred Tax Assets</b>	<b>16,131.63</b>	<b>(20.34)</b>	<b>1,558.54</b>	<b>(401.51)</b>	<b>14,954.26</b>
<b>Deferred Tax Liabilities:</b>					
Timing difference with respect to Property, Plant and Equipment and other intangible assets	24,621.99	64.74	443.82	-	25,130.55
Others	89.96	(1.32)	(30.12)	-	58.52
<b>Total Deferred Tax Liabilities</b>	<b>24,711.95</b>	<b>63.42</b>	<b>413.70</b>	<b>-</b>	<b>25,189.07</b>
<b>NET DEFERRED TAX (ASSETS)/ LIABILITIES</b>	<b>8,580.32</b>	<b>83.76</b>	<b>1,972.24</b>	<b>(401.51)</b>	<b>10,234.81</b>

24.1 The ultimate realisation of deferred tax assets, unused tax credit is dependent upon the future taxable income of the companies in the Group. Deferred Tax Assets including MAT Credit entitlement has been recognised on management's assessment of reasonable certainty for reversal/utilisation thereof against future taxable income.

Deferred tax assets in respect of MAT Credit Entitlement amounting to Rs. 2,834.61 lakhs and on provisions including Rs. 13,046.99 lakhs created during the year against intercorporate deposits and others as detailed in Note no. 40 against loans and advances including interest receivable pending determination of the amount thereof considering the principle of prudence has not been recognised.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**
**24.2 The Expiry date for accumulated capital loss unrecognised are as follows:**

Particulars	Year of Expiry	Amount
Long Term Capital Loss	AY 2026-27	5,526.84
Short Term Capital Loss	AY 2028-29	135.13

**25. OTHER NON - CURRENT LIABILITIES**

(₹ in Lakhs)

Particulars	Refer Note no.	As at 31st March 2023	As at 31st March 2022
Deferred Revenue arising from Government Grants	25.1	423.16	454.72
		<b>423.16</b>	<b>454.72</b>

## 25.1 Deferred Income Comprises of Government Grants/Assistance in form of:

Particulars	Opening (Including Non-Current Portion)	Recognised during the year	Transferred to Statement of Profit and Loss	Closing (Including Non-Current Portion)
Financial Assistance under Tea Board Quality Upgradation and Product Diversification Scheme towards Capital expenditure incurred for Tea Plantation. The assistance received/receivable and credited to deferred income has been transferred to Consolidated Statement of Profit and Loss proportionately based on useful lives of respective property, plant and equipment.	486.09	-	31.46	454.63

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**
**26. CURRENT BORROWINGS**

(₹ in Lakhs)

Particulars	Refer Note no.	As at 31st March 2023	As at 31st March 2022
<b>Secured Loans from Banks/Others</b>			
Cash Credit, Packing Credit and Demand Loans			
<b>(1) INR Loan</b>		29,093.16	38,602.93
(a) Nature of Security			
Secured by equitable first mortgage by way of deposit of title deeds of immovable properties of certain tea estates ranking pari passu and hypothecation of tea crop, movable properties and book-debts, present and future of the Parent.			
Secured by second charge on certain tea-estates by way of mortgage over immovable fixed assets and hypothecation of movable fixed assets of the Parent.			
<b>(2) Foreign Currency Loan</b>		6,537.41	5,617.64
(a) Nature of security:			
Overdraft facility pertaining to a subsidiary, MRUL is secured by Mortgage over property title LRV 578 folio 24, LRV 1903 folio 8, LRF 593 folio 2, LRV 2672 folio 17 and LRV 515 folio 20 located at Bugambe, Bugahya, Kisita, Hoima and Buniyoro, registered in the name of the MRUL.			
Overdraft facility pertaining to a subsidiary, MRUL is secured by a Mortgage over property title LRV 547 folio 2 at Muzizi, Uganda and debenture charge over all fixed and floating assets of MRUL.			
Overdraft facilities availed by a subsidiary, Phu ben Tea Company Limited is secured by charge over Property, Plant and Equipment of PBTCL.			
<b>Secured Loans - Short Term</b>			
<b>Axis Bank Limited</b>		7,500.00	7,500.00
(a) Nature of security:			
Secured by first charge on certain tea-estates by way of mortgage over immovable fixed assets and hypothecation of movable fixed assets.			
Personal guarantee of Mr. Aditya Khaitan, Director.			
<b>Axis Bank Limited</b>		7,500.00	7,500.00
(a) Nature of security:			
Secured by first charge on certain tea-estates by way of mortgage over immovable fixed assets and hypothecation of movable fixed assets of the Parent.			
<b>RBL Bank Limited</b>		23,500.00	23,500.00
(a) Nature of security:			
Subservient charge by way of hypothecation / mortgage over movable fixed assets of the Parent both present and future.			
Subservient charge over the current assets of the Parent both present and future.			
<b>IndusInd Bank Limited</b>		7,484.81	7,484.81
(a) Nature of security:			
Subservient charge on all the Moveable Fixed assets, book debts and stock of certain tea estates of the Parent both present and future.			
<b>HDFC Bank Limited</b>	26.2	17,901.97	17,901.97
(a) Nature of security:			
Secured by equitable first mortgage by way of deposit of title deeds of immovable properties of certain tea estates ranking pari passu and hypothecation of tea crop, movable properties and book-debts, present and future of the Parent.			

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**
**26. CURRENT BORROWINGS**

(₹ in Lakhs)

Particulars	Refer Note no.	As at 31st March 2023	As at 31st March 2022
<b>Secured Loans from Others</b>			
<b>J C Flowers Asset Reconstruction Private Limited</b>	22.2	9,636.61	9,636.61
(a) Nature of Security			
Subservient charge on all the Moveable Fixed assets of certain tea estates both present and future.			
<b>Unsecured Loans - Short Term</b>	26.2		
<b>Unsecured Loans from Banks</b>			
Axis Bank Limited		10,000.00	10,000.00
<b>Unsecured Loans from Others</b>			
- J C Flowers Asset Reconstruction Private Limited	22.2	23,390.00	23,390.00
- From Individuals	26.5	3,500.00	3,500.00
- From Body Corporates	26.4, 26.5 and 26.2	7,000.00	6,939.86
- From Related Party	26.4 and 26.5	10,875.19	10,620.19
<b>Current Maturities of Long Term Debts</b>			
<b>Secured Loans from Banks</b>	22		
ICICI Bank Limited		4,649.54	4,649.54
HDFC Bank Limited		6,800.00	6,800.00
RBL Bank Limited		4,752.33	4,752.33
Absa Bank (Former Barclay Bank Limited)		2,770.14	1,806.75
Stanbic Bank Limited		402.22	254.58
DFCU Bank Limited		-	425.11
<b>Secured Loans from Others</b>	22		
Housing Development Finance Corporation Limited		894.82	894.82
J C Flowers Asset Reconstruction Private Limited		4,375.00	4375.00
		<b>1,88,563.20</b>	<b>1,96,152.14</b>

26.1 Refer Note no. 22.1 in respect of default in borrowings

26.2 In terms of agreement with lenders the above mentioned loans in certain cases were also required to be secured against equitable mortgage of specific tea estates of the parent along with other lenders and pledge of entire equity shares of McLeod Russel Uganda Limited (MRUL). However, in view of pending resolution process, such loan could not be fully securitised as required in term of agreement with lenders.

26.3 The Security in respect of parent as disclosed above has been based on the charge documents filed with ROC. Further certain security has been disposed off by the lenders against repayments of their dues and accordingly such securities have not been disclosed herein above. Further, in certain cases Personal guarantee of Mr. Aditya Khaitan, Managing Director was pending execution. As stated in Note no. 58, Resolution Process for restructuring the borrowing are under consideration of lenders and thereby terms and conditions thereof including the security as given herein above will accordingly be modified on completion of resolution process.

26.4 Certain payments made by certain body corporates on behalf of the parent amounting to Rs. 1,105.00 lakhs against settlements directly made by them for repayment of ICDs taken by the parent in earlier years have been disclosed as short term borrowings. Pending finalisation of terms and conditions with respect to these loans, necessary disclosures in this respect have not been made in these consolidated financial statements.

26.5 During the year, the Board of Directors of the Parent have ratified the payment made by Individuals amounting to Rs. 3,500.00 lakhs, from body corporates amounting to Rs. 2,000.00 lakhs and from related parties amounting to Rs. 10,520.19 lakhs against settlements directly made by them for repayment of ICDs taken by the parent in earlier years and invocation of third party securities provided to one of the lender against borrowing made by the parent. Accordingly, disclosures in this respect have been made based on the terms and conditions as ratified and approved by the Board of Directors. This however does not include the payments made as per 26.4 above.

26.6 In respect of unsecured loans as mentioned in Note no. 26.5, the parent had requested to extend the date of payment/ settlement of outstanding amount to December 31, 2023 which has been accepted by the parties and approved by the Board of Directors of the parent and therefore there are no default as on 31st March 2023.

26.7 Pending completion of resolution process as stated in Note no. 58(a) any further charge or satisfaction as such could not be filed with Registrar of Companies (ROC) and the details of charges as given herein above are based on filings done earlier.

26.8 Also refer Note no. 58 and 37.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**
**27. TRADE PAYABLES**

(₹ in Lakhs)

Particulars	Refer Note no.	As at 31st March 2023	As at 31st March 2022
Payable for Goods and Services	59		
a) Total outstanding dues of micro enterprises and small enterprises	26.1	416.45	403.98
b) Total outstanding dues other than micro enterprises and small enterprises		11,750.42	12,450.02
		<b>12,166.87</b>	<b>12,854.00</b>

27.1 Disclosure of Trade payables as required under section 22 of Micro, Small and Medium Enterprises Development (MSMED) Act, 2006, are based on the confirmation and information available with the Parent regarding the status of suppliers. (Also Refer Note no. 59).

(₹ in Lakhs)

Particulars	Refer Note no.	As at 31st March 2023	As at 31st March 2022
a) Principal amount remaining unpaid but not due as at year end		416.45	403.98
b) Interest amount remaining unpaid but not due as at year end			
c) Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year		-	-
d) 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 Micro, Small and Medium Enterprises Development Act, 2006		-	-
e) Interest accrued and remaining unpaid as at year end			
f) 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		-	-

27.2 Trade Payable ageing schedule to the extent possible based on the outstanding balance as computed from date of transaction are as follows: (Also Refer Note no. 59).

(₹ in Lakhs)

Particulars	Refer Note no.	As at 31st March 2023	As at 31st March 2022
<b>Undisputed - Non MSME</b>			
Less than 1 year		4,371.48	7,666.30
1-2 years		2,597.40	1,227.56
2-3 years		604.66	438.59
More than 3 years		4,176.88	3,117.57
		<b>11,750.42</b>	<b>12,450.02</b>
<b>Undisputed - MSME</b>			
Less than 1 year		288.69	299.51
1-2 years		110.60	45.53
2-3 years		6.70	24.77
More than 3 years		10.46	34.17
		<b>416.45</b>	<b>403.98</b>
<b>Disputed - MSME</b>			
Less than 1 year		-	-
1-2 years		-	-
2-3 years		-	-
More than 3 years		-	-
		-	-
<b>Disputed - Non-MSME</b>			
Less than 1 year		-	-
1-2 years		-	-
2-3 years		-	-
More than 3 years		-	-
		-	-

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**
**27.3 Unbilled amount included above being less than 1 year are as follows:**
**(₹ in Lakhs)**

Particulars	Refer Note no.	As at 31st March 2023	As at 31st March 2022
Undisputed - Non MSME		292.02	81.97
Undisputed - MSME		-	-
		<b>292.02</b>	<b>81.97</b>

**28. OTHER FINANCIAL LIABILITIES**
**(₹ in Lakhs)**

Particulars	Refer Note no.	As at 31st March 2023		As at 31st March 2022	
		Non-Current	Current	Non-Current	Current
Interest accrued and due on borrowings	22.1, 28.2 and 28.3	-	58,725.86	-	43,883.29
Interest accrued but not due on borrowings		-	651.35	-	150.91
Unpaid Dividends	28.1	-	37.69	-	77.12
Unclaimed Fractional Share Sale Proceeds	28.1	-	0.16	-	0.16
Deposits Received from Agents/ Customers	59	-	107.96	-	106.59
Employee Benefits Payable		-	8,315.05	-	7,002.89
Payable against Fair Trade Premium		-	138.40	-	235.82
Book overdraft			293.56		-
		-	<b>68,270.03</b>	-	<b>51,456.78</b>

28.1 There are no amounts due for payment to the Investor Education and Protection Fund as at the year end.

28.2 The liability in relation to borrowings of Parent have been stated based on the provisions and appropriations stated in Note no. 37, pending completion of resolution process and confirmation/reconciliation of balances etc. by the lenders (Refer Note no. 58(b)).

28.3 Interest accrued and due is net of Rs. 3,225.63 lakhs (31st March 2022: Rs. 2,893.59 lakhs) pertaining to certain debit balances lying with banks which had been appropriated against their outstanding dues pending confirmation and reconciliation as detailed in Note no. 58(b).

**29. OTHER CURRENT LIABILITIES**
**(₹ in Lakhs)**

Particulars	Refer Note no.	As at 31st March 2023	As at 31st March 2022
Advances- Customers, Selling Agents and others	59 and 29.2	5,941.99	5,232.76
Statutory Payables (including Provident Fund and Tax deducted at Source)		7,952.27	4,313.34
Advances against Sale of Fixed Assets	29.1 and 59	1,532.01	1,479.25
Deferred Revenue arising from Government Grants	25.1	31.47	31.37
		<b>15,457.74</b>	<b>11,056.72</b>

29.1 The Parent had received advance of Rs. 1,413.87 lakhs related to Sale of Specified Assets of Boro Tea Estates and Assam Valley School (Net book Value: Rs. 3,236.96 lakhs). However pursuant to the injunction imposed vide the order of Hon'ble High Court of Delhi as stated in Note no. 54(b), such transaction could not materialise and as such have been disclosed under Advance against Sale of Fixed Assets. Pending this, the related assets remain included and have been disclosed under respective heads of Property, Plant and Equipment. The possibilities of sale etc, in this respect will be reviewed and considered based on completion of resolution process and consequential withdrawal of injunction.

29.2 Includes advance of Rs. 5,000.00 lakhs (31st March 2022: Rs. 5,000.00 lakhs) received in earlier years against sale of tea, pending finalisation of terms and conditions thereof (Also refer Note no. 37.2).

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**
**30. PROVISIONS**
**(₹ in Lakhs)**

Particulars	Refer Note no.	As at 31st March 2023	As at 31st March 2022
Provision for Tax on Proposed Dividend (Net of Payment of Rs. 343.37 lakhs (31st March 2022: Rs. 343.37 lakhs))	30.1	1.40	1.40
Provision for Other Retirement Benefits	30.2	662.35	662.35
Provision for Others	30.3	1,605.00	2,020.36
		<b>2,268.75</b>	<b>2,684.11</b>

30.1 The Hon'ble Supreme Court vide its judgement dated 20th September 2017 held that the provisions of Rule 8 of Income Tax Act, 1961 is not applicable while making payment of dividend distribution tax as per section 115-O of the Income Tax Act, 1961. No fresh proceedings/ demands has been made by the tax authorities in response to the aforesaid judgement passed by the Hon'ble Court. However, the Parent has made full provision for tax in its financial statements in earlier years. In earlier years, the tax authorities have appropriated the amount demanded against the refund order for Assessment year 2007-2008 against which the Parent has preferred an appeal. In the event of the said demand being quashed by taxation authorities following the order of Hon'ble Supreme Court, Rs. 343.37 lakhs so adjusted in this respect will be refunded to the Parent.

30.2 Shortfall in value of investments held by Employee Provident Fund Trust of the Parent covered under defined benefit plan, as estimated by the management has been provided for in the consolidated financial statements.

30.3 Provision for others include Rs. 105.00 lakhs (31st March 2022: Rs. 105.00 lakhs) which relates to various demands raised by the buyer's of Specified Assets of Tea Estates in respect of expenditure incurred by them in relation to period prior to hand over of such tea estates, pending reconciliation and finalisation of the same with the books of accounts. Further, provision of Rs. 1,500.00 lakhs (31st March 2022: Rs. 1,915.36 lakhs ) made in earlier year, being the estimated cost to be incurred in relation to Sale of Specified Assets of Tea Estates as reviewed during the year has been carried forward in these consolidated financial statements.

30.4 Movement in the Provisions are as follows :

**(₹ in Lakhs)**

Particulars	Provision for Tax on Proposed Dividend	Provision for Other Retiral Benefits	Provision for Other
As on 1st April 2021	1.40	662.35	2,020.36
Provided during the Year	-	-	-
Reversal during the Year	-	-	-
<b>As on 31st March 2022</b>	<b>1.40</b>	<b>662.35</b>	<b>2,020.36</b>
Provided during the Year	-	-	-
Reversal during the Year	-	-	415.36
<b>As on 31st March 2023</b>	<b>1.40</b>	<b>662.35</b>	<b>1,605.00</b>

**31. CURRENT TAX LIABILITIES (NET)**
**(₹ in Lakhs)**

Particulars	Refer Note no.	As at 31st March 2023	As at 31st March 2022
Provision for Income Tax		1,985.14	2,782.85
[Net of Advance Tax Rs. 19,266.53 lakhs (31st March 2022: Rs. 17,127.44 lakhs)]			
		<b>1,985.14</b>	<b>2,782.85</b>

31.1 Provision for taxation and advance payment thereagainst are reviewed and adjusted on assessment by the tax authorities. Unresolved matters contested unprovided for are disclosed as contingent liabilities depending upon the past trend, judicial pronouncements and amount involved therein.



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**
**32. REVENUE FROM OPERATIONS**
**(₹ in Lakhs)**

Particulars	Refer Note no.	Year ended 31st March 2023	Year ended 31st March 2022
Sale of Products - Tea	32.2	1,32,913.46	1,32,933.12
<b>Other Operating Revenues</b>			
Licence Fees		243.51	275.25
Government Grants	32.1		
- Subsidy on Orthodox Tea		334.07	267.24
- Replantation Subsidy		-	477.19
- Transport Subsidy		144.18	38.84
- Subsidy- Capital Items	25.1	31.46	31.37
- Accrued duty exemption entitlement and other benefits relating to exports		335.83	84.14
Liabilities/ Provisions no Longer Required Written Back	32.4	2,281.65	1,045.55
Profit on Compulsory acquisition of Leasehold Land by Government	32.3	612.73	362.72
Scrap sales and other income from operations		60.34	67.95
		<b>1,36,957.23</b>	<b>1,35,583.37</b>

32.1 Government grant relates to incentives and assistances provided against replantation, production of orthodox tea, duty exemption, transportation and other export benefits made available to Tea Industry under various Tea Development and promotion Schemes by Government of India. There are no unfulfilled conditions or other contingencies attached to these grants.

**32.2 Disaggregate Revenue**

The Revenue has been recognised based on point of sale. The break up with respect to from geographical location revenue stream of the Company are as follows:

**(₹ in Lakhs)**

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
<b>Sale of Tea</b>		
Within India	76,631.11	85,698.14
Outside India	55,872.17	46,796.29
Tea Waste Sales- Within India	410.18	438.69
	<b>1,32,913.46</b>	<b>1,32,933.12</b>

32.3 Profit on compulsory acquisition of leasehold land of Parent by government relates to certain portion of undivided land of certain tea estates acquired by the government for highway projects and is being accounted for on determination of amount thereof.

32.4 Certain old provisions and liabilities being no longer payable and/or required on review being carried out in the current year have been written back in these consolidated financial statements.

**33. OTHER INCOME**
**(₹ in Lakhs)**

Particulars	Refer Note no.	Year ended 31st March 2023	Year ended 31st March 2022
Interest on Financial assets carried at amortised cost			
Deposits with banks and NABARD		27.04	19.86
Loans	33.2	218.46	258.94
Others		44.16	50.40
Interest on Tax Refunds		111.57	149.00
Insurance Claims		156.65	182.47
Profit on Disposal of Property, Plant and Equipment (Net)		-	50.30
Liabilities/provision no longer required written back		924.26	35.00
Derivative Instruments at Fair Value through Profit and Loss		-	19.18
Sundry Income	33.1	222.01	243.94
		<b>1,704.15</b>	<b>1,009.09</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**

33.1 Includes Rs. 70.22 Lakhs (31st March 2022: Rs. 65.41 lakhs) rental income derived from Properties given on short-term lease by subsidiary and its one step-down subsidiary.

33.2 The Parent received request in earlier years as well as in current year from various bodies corporate to whom Loans were given and outstanding as on 31st March 2023 for waiver of Interest. Interest on unsecured loan given to various companies as given in Note no. 57(a), considering the uncertainty with respect to recoverability thereof and also that companies have requested to waive the interest pending finalisation of terms thereof has not been accrued. Such interest at the rate applicable for the previous period works out to be Rs. 1,35,728.41 lakhs (including Rs. 33,101.76 lakhs for the year). As stated in Note no. 57(a), terms and conditions for repayment of loans including interest thereon shall be specified and outstanding amount shall be recovered/ adjusted and/or restructured depending upon the outcome of recovery proceedings of those companies pursuant to CIRP or otherwise and completion of the resolution process of the Parent. Further, in respect of interest accrued in earlier years and outstanding as on 31st March 2023, provision of Rs.9,941.50 lakhs (including Rs.1,942.16 lakhs created during the year) has been made and adjustments if any needed in this respect will be given effect to on the recovery proceedings pursuant to CIRP or otherwise and on completion of the resolution process of the parent.

**34. COST OF MATERIALS CONSUMED**
**(₹ in Lakhs)**

Particulars	Refer Note no.	Year ended 31st March 2023	Year ended 31st March 2022
Green Leaf (Consumed)	34.1	7,617.99	17,911.54
		<b>7,617.99</b>	<b>17,911.54</b>

34.1 Cost of materials consumed includes green leaf purchased from external sources

**35. CHANGES IN INVENTORIES OF FINISHED GOODS**
**(₹ in Lakhs)**

Particulars	Refer Note no.	Year ended 31st March 2023	Year ended 31st March 2022
Stock of Tea at the beginning of the year		9,698.71	13,312.55
Less: Stock of Tea at the end of the year		(7,589.88)	(9,698.71)
<b>(Increase)/Decrease</b>		<b>2,108.83</b>	<b>3,613.84</b>

**36. EMPLOYEE BENEFITS EXPENSE**
**(₹ in Lakhs)**

Particulars	Refer Note no.	Year ended 31st March 2023	Year ended 31st March 2022
Salaries, Wages and Bonus etc.		59,903.39	52,530.97
Contribution to Provident and Other Funds	42	6,553.42	6,058.42
Staff and Workers Welfare Expenses		5,771.78	5,127.66
		<b>72,228.59</b>	<b>63,717.05</b>

36.1 In case of Parent, Employee Benefit Expenses for the year ended 31st March 2023 include:

a) Rs. 735.60 lakhs pertaining to the period from 01st April 2021 to 31st March 2022 and Rs. 78.42 Lakhs for the period from 1st January 2022 to 31st March 2022 provided (since paid) pursuant to revision made during the year in respect of remuneration payable to Staff in tea estates of Assam and Workers in tea estate of West Bengal respectively.

b) Rs. 900.40 lakhs for the period from 1st April 2020 to 31st March 2022 being the amount paid to Managing Director and Wholtime Director on account of their remuneration and carried forward earlier as advance. These amounts on being approved in the meeting dated 10th May, 2022 of the banks and financial institutions based on legal advice have been charged during the year to the Statement of Profit and Loss.

**37. FINANCE COSTS**
**(₹ in Lakhs)**

Particulars	Refer Note no.	Year ended 31st March 2023	Year ended 31st March 2022
Interest Expense			
On financial liabilities measured at amortised cost	37.1, 37.2 and 37.3	19,950.77	16,450.32
Other borrowing cost		100.66	98.69
		<b>20,051.43</b>	<b>16,549.01</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**

- 37.1 Pending completion of debt resolution process, Interest on borrowings in case of Parent have been provided for as stated in Note no. 58(b).
- 37.2 Short term borrowings include unsecured loan of Rs 21,375.19 lakhs taken by the parent against which interest to the extent of Rs. 9,185.82 Lakhs (including Rs. 2,469.03 Lakhs (net of provision) for the year) has not been recognised pending final settlement/completion of resolution process as stated in Note no. 58(b). This includes Rs. 1,105.00 lakhs in respect of which pending finalisation of terms and conditions, amount of interest thereagainst has been computed based on similar rate as ratified and approved by the Board of Directors in other such cases during the year. Interest in this respect as stated in Note no. 37.1 above have been determined on simple basis at stipulated rate or otherwise advised from time to time. This however does not include interest if any on outstanding advances of Rs. 5,000.00 lakhs from customers as stated in Note no. 29.2, pending acceptance as Inter Corporate Deposits and finalisation of terms and conditions thereof. Further, Interest including compound/ penal interest if any payable with respect to these are currently not determinable and as such the amount in this respect have not been disclosed and included in the above amount.
- 37.3 Finance Cost includes Rs. 2,000.00 lakhs being the amount paid by a third party on behalf of the parent in settlement of the dues of a corporate lender in earlier year as stated in Note no. 19.2. This represents differential amount over and above the principle amount so far paid in terms of the said settlement. Pending discharge of balance obligations and finalisation of related terms and conditions, further adjustments required if any in this respect are presently not ascertainable.

**38. DEPRECIATION AND AMORTISATION EXPENSE**

(₹ in Lakhs)

Particulars	Refer Note no.	Year ended 31st March 2023	Year ended 31st March 2022
Depreciation on Property, Plant and Equipment	5	6,679.80	7,167.82
Amortisation of Other Intangible Assets	7	309.25	312.99
		<b>6,989.05</b>	<b>7,480.81</b>

**39. OTHER EXPENSES**

(₹ in Lakhs)

Particulars	Refer Note no.	Year ended 31st March 2023	Year ended 31st March 2022
Consumption of Stores and Spare Parts		4,536.25	2,364.37
Consumption of Manure, Fertiliser, Chemicals etc.		4,161.06	6,656.20
Consumption of Packing Materials		871.67	1,244.45
Power and Fuel		15,920.68	15,440.22
Electricity Charges		214.78	95.39
Rent	53	237.43	25.03
Lease Rent	53	40.27	3.31
Repairs to			
- Buildings		864.08	608.62
- Machinery		2,355.86	2,544.70
- Others		562.48	581.19
Insurance		445.77	462.57
Rates and Taxes		474.00	363.48
Travelling		611.14	656.01
Legal and Professional Fees		1,586.67	1,232.76
Royalty fee / License fee		429.01	409.84
Freight, Shipping and Selling Expenses		6,088.34	5,960.26
Brokerage on Sales		761.86	784.77
Loss on Disposal of PPE (net)		154.03	-
Provision for Doubtful Receivable/Advance/ Claims etc.		161.49	-
Net loss on forex derivatives at fair value through profit and loss		59.51	-
Bad Debts/ Sundry balances written off		16.37	411.39
Net Loss on Foreign Currency Transaction and Translation		205.65	375.33
Changes in Fair Value of Biological Assets	14.1	245.26	(142.25)
Director's Fees		24.80	12.40
Miscellaneous Expenses	39.1 and 39.2	1,628.70	1,988.23
		<b>42,657.16</b>	<b>42,078.27</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**

39.1 Expenditure on Research and Development Rs. 164.76 lakhs (31st March 2022: Rs. 173.20 lakhs) represent subscription to Tea Research Association.

39.2 Miscellaneous Expenditure includes Payment to Auditor.

(₹ in Lakhs)

Particulars	Refer Note no.	Year ended 31st March 2023	Year ended 31st March 2022
Audit Fees		104.86	97.19
Tax Audit Fees		15.00	15.00
Limited review and other certification etc.		33.00	33.00
Other reports and certification etc.		19.00	17.00

**40. EXCEPTIONAL ITEMS**

(₹ in Lakhs)

Particulars	Refer Note no.	Year ended 31st March 2023	Year ended 31st March 2022
Provision against Loans	40.1(a)	90,000.00	-
Provision against Interest Receivable	40.1(a)	1,942.16	-
Provision against Advances to Suppliers	40.1(b)	1,400.00	-
		<b>93,342.16</b>	-

40.1 Exceptional Item includes:

- Provision of Rs. 91,942.16 lakhs made against Inter-Corporate Deposits (ICDs) including interest thereon given to Promoter group and certain other companies by the parent as stated in Note no. 57(a) and
- Provision of Rs. 1,400.00 lakhs made against advance given to a body corporate by the parent as stated in Note no. 19.4.

**41. SCHEMES OF AMALGAMATION/SCHEME OF ARRANGEMENT GIVEN EFFECT TO IN EARLIER YEARS**

Pending completion of the relevant formalities of transfer of certain assets and liabilities acquired pursuant to the Schemes, such assets and liabilities remain included in the books of the Company under the name of the transferor companies (including other companies which were amalgamated with the transferor companies from time to time).

**Note 42. EMPLOYEE BENEFITS**
**I. Defined Contribution Plan**
**Provident Fund:**

The Parent makes contributions to Provident Fund and Pension Scheme for eligible employees. Under the schemes, the Parent is required to contribute a specified percentage / fixed amount of the payroll costs to fund the benefits. The contributions as specified under the law are paid to the respective fund set up by the government authority. Contributions towards provident funds are recognised as an expense for the year. Further, the Parent has also set up Provident Fund Trusts in respect of certain categories of employees which is administered by Trustees. Both the employees and the Parent make monthly contributions to the Funds at specified percentage of the employee's salary and aggregate contributions along with interest thereon are paid to the employees/nominees at retirement, death or cessation of employment. The Trusts invest funds following a pattern of investments prescribed by the Government. The interest rate payable to the members of the Trusts is not lower than the rate of interest declared annually by the Government under The Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, on account of interest is to be made good by the Parent.

The Actuary has carried out actuarial valuation of plan's liabilities and interest rate guarantee obligations as at the balance sheet date as per the principle laid down in Ind AS19 issued by Ministry of corporate affairs and guidelines GN26 issued by the Institute of Actuaries of India. Based on such valuation, there is no future anticipated shortfall with regard to interest rate obligation of the Parent as at the balance sheet date. The Parent's contribution of Rs. 184.11 lakhs (31st March 2022: Rs. 172.87 lakhs) to the Provident Fund Trust in this respect has been expensed under the 'Contribution to Provident and Other Funds'.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**
**Expense recognised for Defined Contribution Plans for the year is as under:**

(₹ in Lakhs)

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Employer's Contribution to Provident and Pension Fund	4,706.44	4,440.26

**II. Post Employment Defined Benefit Plans:**

The Post Employment defined benefit scheme are managed by Life Insurance Corporation of India Limited/Trust is a defined benefit plan. The present value of obligation is determined based on independent actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. Details of such fund are as follows:

**a) Gratuity (Funded)**

The Parent gratuity scheme, a defined benefit plan is as per the Payment of Gratuity Act, 1972, covers the eligible employees and is administered through certain gratuity fund trusts. Such gratuity funds, whose investments are managed by insurance companies/trustees themselves, make payments to vested employees or their nominees upon retirement, death, incapacitation or cessation of employment, of an amount based on the respective employee's salary and tenure of employment subject to a maximum limit of Rs. 20.00 lakhs. Vesting occurs upon completion of five years of service. The amount of gratuity payable is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

**b) Superannuation (Funded)**

The Parent Superannuation scheme, a Defined Benefit plan, is administered through trust funds and covers certain categories of employees. Investments of the funds are managed by insurance companies /trustees themselves. Benefits under these plans had been frozen in earlier years with regard to salary levels then prevailing. Upon retirement, death or cessation of employment, Superannuation Funds purchase annuity policies in favour of vested employees or their spouses to secure periodic pension. Such superannuation benefits are based on respective employee's tenure of employment and salary.

**c) Staff Pension – (Unfunded)**

The Parent Staff Pension Scheme, a Defined Benefit plan, covers certain categories of employees. Pursuant to the scheme, monthly pension is paid to the vested employee or his/her nominee upon retirement, death or cessation of service based on the respective employee's salary and tenure of employment subject to a limit on the period of payment in case of nominee. Vesting occurs upon completion of twenty years of service.

**d) Medical Insurance Premium Re-imburement (Unfunded)**

The Parent has a scheme of re-imburement of medical insurance premium to certain categories of employees and their surviving spouses, upon retirement, subject to a monetary limit. The scheme is in the nature of Defined Benefit plan.

**e) Expatriate Pension (Unfunded)**

The Parent has an informal practice of paying pension to certain categories of retired expatriate employees and in certain cases to their surviving spouses. The scheme is in the nature of Defined Benefit plan.

**f) Gratuity Plan (Unfunded) in respect of MRUL, a subsidiary company:**

MRUL's terms and conditions of employment provide for a gratuity to Ugandan nationals employed by the MRUL. The gratuity is payable after completion of five years' service upon resignation, retirement or termination and on condition that the employee leaves honourably. The gratuity is calculated at twenty working days per year of service for employees with five to ten years service and thirty working days per year of service for those with more than ten years service. The provision takes account of service rendered by employees up to the balance sheet date and is based on actuarial valuation.

**g) Gratuity Plan (Unfunded) in respect of MRME, a subsidiary company:**

Provision is made for end-of-service gratuity payable to the staff at the balance sheet date in accordance with United Arab Emirates labour law.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**

The following tables set forth the particulars in respect of aforesaid Defined Benefit plans of the Group for the year ended 31st March 2023 and corresponding figures for the previous year:

(₹ in Lakhs)

Particulars	Year ended 31st March, 2023					
	Gratuity (Funded)	Superannuation (Funded)	Staff Pension (Unfunded)	Medical Benefit Liability (Unfunded)	Expatriate Pension (Unfunded)	Gratuity Fund (MRUL) (Unfunded)
<b>I Components of Defined Benefit Cost</b>						
<b>- Recognised in Profit or Loss</b>						
1 Current Service Cost	898.57	-	412.22	-	-	47.31
2 Past Service Cost	-	-	-	-	-	-
3 Interest Cost	1,273.67	22.94	381.87	30.52	2.60	108.83
4 Expected return on plan assets	(1,039.43)	(137.75)	-	-	-	-
<b>5 Total expense recognised in the Statement of Profit and Loss</b>	<b>1,132.81</b>	<b>(114.81)</b>	<b>794.09</b>	<b>30.52</b>	<b>2.60</b>	<b>156.14</b>
<b>- Re-measurements recognised in Other Comprehensive Income</b>						
6 Return on plan assets (excluding amounts included in Net interest cost)	329.61	34.37	-	-	-	-
7 Effect of changes in demographic assumptions	-	-	-	-	-	-
8 Effect of changes in financial assumptions	301.92	7.50	20.24	0.08	1.01	-
9 Changes in asset ceiling (excluding interest income)	-	-	-	-	-	-
10 Effect of experience adjustments	729.96	(37.26)	831.34	54.61	(10.21)	71.86
<b>11 Total re-measurements included in Other Comprehensive Income</b>	<b>1,361.49</b>	<b>4.61</b>	<b>851.58</b>	<b>54.69</b>	<b>(9.20)</b>	<b>71.86</b>
<b>12 Total defined benefit cost recognised in Profit and Loss and Other Comprehensive Income (5+11)</b>	<b>2,494.30</b>	<b>(110.20)</b>	<b>1,645.67</b>	<b>85.21</b>	<b>(6.60)</b>	<b>228.00</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**

(₹ in Lakhs)

Particulars	Year ended 31st March, 2022					
	Gratuity (Funded)	Superannuation (Funded)	Staff Pension (Unfunded)	Medical Benefit Liability (Unfunded)	Expatriate Pension (Unfunded)	Gratuity Fund (MRUL) (Unfunded)
<b>I Components of Defined Benefit Cost</b>						
<b>- Recognised in Profit or Loss</b>						
1 Current Service Cost	698.32	-	290.34	-	-	46.74
2 Past Service Cost	-	-	-	-	-	-
3 Interest Cost	455.58	26.93	401.02	20.82	0.83	106.07
4 Expected return on plan assets	(996.96)	(132.21)	-	-	-	-
<b>5 Total expense recognised in the Statement of Profit and Loss</b>	<b>156.94</b>	<b>(105.28)</b>	<b>691.36</b>	<b>20.82</b>	<b>0.83</b>	<b>152.81</b>
<b>- Re-measurements recognised in Other Comprehensive Income</b>						
6 Return on plan assets (excluding amounts included in Net interest cost)	109.36	(8.39)	-	-	-	-
7 Effect of changes in demographic assumptions	-	-	-	-	-	-
8 Effect of changes in financial assumptions	(726.23)	(3.92)	(25.37)	(0.26)	1.95	-
9 Changes in asset ceiling (excluding interest income)	-	-	-	-	-	-
10 Effect of experience adjustments	2,218.82	6.41	(516.15)	138.70	21.99	43.14
<b>11 Total re-measurements included in Other Comprehensive Income</b>	<b>1,601.95</b>	<b>(5.90)</b>	<b>(541.52)</b>	<b>138.44</b>	<b>23.94</b>	<b>43.14</b>
<b>12 Total defined benefit cost recognised in Profit and Loss and Other Comprehensive Income (5+11)</b>	<b>1,758.89</b>	<b>(111.18)</b>	<b>149.84</b>	<b>159.26</b>	<b>24.77</b>	<b>195.95</b>

(₹ in Lakhs)

Particulars	As on 31st March, 2023					
	Gratuity (Funded)	Superannuation (Funded)	Staff Pension (Unfunded)	Medical Benefit Liability (Unfunded)	Expatriate Pension (Unfunded)	Gratuity Fund (MRUL) (Unfunded)
<b>II Net Asset/(Liability) recognised in Balance Sheet</b>						
1 Present Value of Defined Benefit Obligation	20,646.26	247.08	6,777.83	492.96	29.41	788.74
2 Fair Value of Plan Assets	14,886.39	1,883.64	-	-	-	-
3 Status [Surplus/(Deficit)]	(5,759.86)	1,636.56	(6,777.83)	(492.96)	(29.41)	(788.74)
4 Restrictions on Asset Recognised	-	-	-	-	-	-



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**

(₹ in Lakhs)

Particulars		As on 31st March, 2022					
		Gratuity (Funded)	Superannuation (Funded)	Staff Pension (Unfunded)	Medical Benefit Liability (Unfunded)	Expatriate Pension (Unfunded)	Gratuity Fund (MRUL) (Unfunded)
<b>II</b>	<b>Net Asset/(Liability) recognised in Balance Sheet</b>						
1	Present Value of Defined Benefit Obligation	17,839.59	381.51	5,445.91	437.72	36.01	719.44
2	Fair Value of Plan Assets	14,396.60	1,907.87	-	-	-	-
3	Status [Surplus/(Deficit)]	(3,442.99)	1,526.36	(5,445.91)	(437.72)	(36.01)	(719.44)
4	Restrictions on Asset Recognised	-	-	-	-	-	-

(₹ in Lakhs)

Particulars		As on 31st March, 2023					
		Gratuity (Funded)	Superannuation (Funded)	Staff Pension (Unfunded)	Medical Benefit Liability (Unfunded)	Expatriate Pension (Unfunded)	Gratuity Fund (MRUL) (Unfunded)
<b>III</b>	<b>Change in Defined Benefit Obligation (DBO)</b>						
1	Present Value of DBO at the beginning of the year	17,839.59	381.51	5,445.91	437.72	36.01	719.44
2	Current Service Cost	898.57	-	412.22	-	-	47.31
3	Past Service Cost	-	-	-	-	-	-
4	Interest Cost	1,273.67	22.94	381.87	30.52	2.60	108.83
5	<b>Remeasurement gains / (losses):</b>						
a.	Effect of changes in demographic assumptions	-	-	-	-	-	-
b.	Effect of changes in financial assumptions	301.92	7.50	20.24	0.08	1.01	-
c.	Changes in asset ceiling (excluding interest income)	-	-	-	-	-	-
d.	Effect of experience adjustments	729.96	(37.26)	831.34	54.61	(10.21)	71.86
6	Curtailement Cost / (Credits)	-	-	-	-	-	-
7	Settlement Cost / (Credits)	-	-	-	-	-	-
8	Liabilities assumed in business combination	-	-	-	-	-	-
9	Exchange difference on foreign plans	-	-	-	-	-	22.19
10	Benefits Paid	(397.45)	(127.61)	(313.75)	(29.97)	-	(180.89)
11	Transfer to buyers of specified assets of certain Tea Estates	-	-	-	-	-	-
12	<b>Present Value of DBO at the end of the year</b>	<b>20,646.26</b>	<b>247.08</b>	<b>6,777.83</b>	<b>492.96</b>	<b>29.41</b>	<b>788.74</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**

(₹ in Lakhs)

Particulars	As on 31st March, 2022					
	Gratuity (Funded)	Superannuation (Funded)	Staff Pension (Unfunded)	Medical Benefit Liability (Unfunded)	Expatriate Pension (Unfunded)	Gratuity Fund (MRUL) (Unfunded)
<b>III Change in Defined Benefit Obligation (DBO)</b>						
1 Present Value of DBO at the beginning of the year	16,248.51	378.75	5,586.41	307.56	11.24	685.29
2 Current Service Cost	698.32	-	290.34	-	-	46.74
3 Past Service Cost	-	-	-	-	-	-
4 Interest Cost	455.58	26.93	401.02	20.82	0.83	106.07
<b>5 Remeasurement gains / (losses):</b>						
a. Effect of changes in demographic assumptions	-	-	-	-	-	-
b. Effect of changes in financial assumptions	(726.23)	(3.92)	(25.37)	(0.26)	1.95	-
c. Changes in asset ceiling (excluding interest income)	-	-	-	-	-	-
d. Effect of experience adjustments	2,218.82	6.41	(516.15)	138.70	21.99	43.14
6 Curtailment Cost / (Credits)	-	-	-	-	-	-
7 Settlement Cost / (Credits)	-	-	-	-	-	-
8 Liabilities assumed in business combination	-	-	-	-	-	-
9 Exchange difference on foreign plans	-	-	-	-	-	79.96
10 Benefits Paid	(1,055.41)	(26.66)	(290.34)	(29.10)	-	(241.76)
11 Transfer to Buyers of specified assets of certain Tea Estates.	-	-	-	-	-	-
<b>12 Present Value of DBO at the end of the year</b>	<b>17,839.59</b>	<b>381.51</b>	<b>5,445.91</b>	<b>437.72</b>	<b>36.01</b>	<b>719.44</b>

**IV Best Estimate of Parents' Expected Contribution for the next year**

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
- Gratuity	2,899.52	1,785.97
- Superannuation	-	-
- Staff Pension Fund	-	-

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**

(₹ in Lakhs)

Particulars	As on 31st March, 2023					
	Gratuity (Funded)	Superannuation (Funded)	Staff Pension (Unfunded)	Medical Benefit Liability (Unfunded)	Expatriate Pension (Unfunded)	Gratuity Fund (MRUL) (Unfunded)
<b>V Change in Fair Value of Assets</b>						
1 Plan Assets at the beginning of the year	14,396.60	1,907.87	-	-	-	-
2 Asset acquired in Business Combination	-	-	-	-	-	-
3 Interest Income	1,039.43	137.75	-	-	-	-
4 Remeasurement Gains / (Losses) on plan assets	(329.61)	(34.37)	-	-	-	-
5 Actual Company Contributions	177.42	-	-	-	-	-
6 Benefits Paid	(397.45)	(127.61)	-	-	-	-
7 Settlement Cost	-	-	-	-	-	-
8 Transfer to buyers of specified assets of certain Tea Estates	-	-	-	-	-	-
<b>9 Plan Assets at the end of the year</b>	<b>14,886.39</b>	<b>1,883.64</b>	-	-	-	-

(₹ in Lakhs)

Particulars	As on 31st March, 2022					
	Gratuity (Funded)	Superannuation (Funded)	Staff Pension (Unfunded)	Medical Benefit Liability (Unfunded)	Expatriate Pension (Unfunded)	Gratuity Fund (MRUL) (Unfunded)
<b>V Change in Fair Value of Assets</b>						
1 Plan Assets at the beginning of the year	13,527.27	1,793.93	-	-	-	-
2 Asset acquired in Business Combination	-	-	-	-	-	-
3 Interest Income	996.96	132.21	-	-	-	-
4 Remeasurement Gains / (Losses) on plan assets	(109.36)	8.39	-	-	-	-
5 Actual Company Contributions	1,037.14	-	-	-	-	-
6 Benefits Paid	(1,055.41)	(26.66)	-	-	-	-
7 Settlement Cost	-	-	-	-	-	-
8 Transfer to Buyers of specified assets of certain Tea Estates	-	-	-	-	-	-
<b>9 Plan Assets at the end of the year</b>	<b>14,396.60</b>	<b>1,907.87</b>	-	-	-	-

**VI Actuarial Assumptions**

Particulars	As on 31st March 2023		As on 31st March 2022	
	Discount Rate (%)	Return on Plan Assets (%)	Discount Rate (%)	Return on Plan Assets (%)
1 Gratuity	7.22	7.22	7.37	7.37
2 Superannuation	7.22	7.22	7.37	7.37
3 Staff Pension	7.22	-	7.37	-
4 Medical Benefit Liability	7.22	-	7.37	-
5 Expatriate Pension	7.22	-	7.37	-
6 Gratuity Fund (MRUL)	17.21	-	16.06	-

The estimates of future salary increases, considered in actuarial valuations take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**
**VII Major Category of Plan Assets as a % of the Total Plan Assets**

	Particulars	As on 31st March 2023		As on 31st March 2022	
		Amount (₹ In Lakhs)	%	Amount (₹ In Lakhs)	%
1	Government Bonds	23.66	0.14	23.61	0.14
2	Investment with Life Insurance Corporation of India	174.87	1.04	245.17	1.50
3	Investment with Other Insurance Companies	16,467.23	98.20	15,996.85	98.12
4	Cash and Cash Equivalents	104.27	0.62	38.84	0.24
	<b>Total</b>	<b>16,770.03</b>	<b>100.00</b>	<b>16,304.47</b>	<b>100.00</b>

Plan assets represent investment in various categories. The return on amounts invested with LIC is declared annually by them. Return on amounts invested with Insurance companies, other than LIC, is mostly by way of Net Asset Value declared on units purchased, with some schemes declaring returns annually. Investment in Bonds and Special Deposit carry a fixed rate of interest. The expected return on plan assets is determined after taking into consideration composition of the plan assets held, assessed risk of asset management and other relevant factors.

**VIII. Sensitivity Analysis**

The sensitivity analysis below is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

Particulars	Impact on Defined Benefit Obligations Year ended 31st March, 2023				
	Gratuity (Funded)	Superannuation (funded)	Staff Pension (Unfunded)	Medical Benefit Liability (Unfunded)	Expatriate Pension (Unfunded)
	%	%	%	%	%
<b>Increase in Assumption of:</b>					
1 Discount Rate by 0.50%	(4.40)	(2.18)	(1.78)	(0.05)	(2.76)
2 Salary Growth Rate by 10%	4.80	2.30	0.02	-	-
3 Attrition Rate by 0.50%	0.02	0.07	1.88	0.15	-
<b>Decrease in Assumption of:</b>					
1 Discount Rate by 0.50%	4.76	2.27	1.86	0.05	2.71
2 Salary Growth Rate by 10%	(4.47)	(2.22)	(0.02)	-	-
3 Attrition Rate by 0.50%	(0.02)	(0.07)	(1.82)	(0.15)	-

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**

Particulars	Impact on Defined Benefit Obligations Year ended 31st March, 2022				
	Gratuity (Funded)	Superannuation (funded)	Staff Pension (Unfunded)	Medical Benefit Liability (Unfunded)	Expatriate Pension (Unfunded)
	%	%	%	%	%
<b>Increase in Assumption of:</b>					
1 Discount Rate by 0.50%	(4.37)	(2.19)	(1.78)	(0.05)	(2.76)
2 Salary Growth Rate by 10%	4.77	-	0.02	-	-
3 Attrition Rate by 0.50%	0.02	-	1.88	0.06	-
<b>Decrease in Assumption of:</b>					
1 Discount Rate by 0.50%	4.73	2.28	1.86	0.05	2.71
2 Salary Growth Rate by 10%	(4.45)	-	(0.02)	-	-
3 Attrition Rate by 0.50%	(0.02)	-	(1.82)	(0.06)	-

**Gratuity Fund of MRUL**

Particulars	Change in Assumption		Impact on Defined Benefit Obligations			
			Increase in Assumption		Decrease in Assumption	
	31st March 2023 %	31st March 2022 %	31st March 2023 %	31st March 2022 %	31st March 2023 %	31st March 2022 %
Discount Rate	1.00	1.00	5.61	5.82	(6.48)	(6.48)

**IX Risk Exposure**

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

**Asset volatility:** The plan liabilities in case of Parent are calculated using a discount rate set with reference to bond yields. If plan assets underperform, this yield will create a deficit. The plan asset investments is in bonds, special deposit, LIC and other insurance companies. The Group has a risk management strategy where the aggregate amount of risk exposure on a portfolio is maintained at a fixed range. Any deviation from the range are corrected by rebalancing the portfolio. The Group intends to maintain the above investment mix in the continuing years.

**Changes in yields:** A decrease in yields will increase plan liabilities.

**Life Expectancy:** The pension and medical plan obligations are to provide benefits for the life of the member, so increases in life expectancy will result in the increase in the plans liabilities. This is particularly significant where inflationary increases result in higher sensitivity to changes in life expectancy.

The group actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations. The group has not changed the processes used to manage its risks from previous periods. Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**

**X The average duration of liabilities for all the funds is as follows :**

Particulars	No. of Years	
	As at 31st March 2023	As at 31st March 2022
<b>Defined benefit obligation</b>		
<b>Gratuity Fund (Funded)- Parent</b>		
McLeod Russel India Limited Employees Gratuity Fund	16	16
George Williamson (Assam) Limited Employees Group Gratuity Fund	17	17
The Bisnauth Tea Company Limited Employees Group Gratuity fund	17	17
<b>Gratuity Fund (Unfunded)- Subsidiary</b>		
McLeod Russel Uganda Limited	8	7
<b>Superannuation Fund (Funded)</b>		
George Williamson (Assam) Limited Superannuation Fund	7	7
Williamson Magor & Company Limited Superannuation Fund	4	5
McLeod Russel India Limited Superannuation Fund	5	6
<b>Staff Pension Fund (Unfunded)</b>		
McNeil & Magor and McLeod Russel Group	3	4
<b>Medical Benefit Liability (Unfunded)</b>		
McLeod Russel India Limited	4	4
<b>Expatriate Pension (Unfunded)</b>		
McLeod Russel India Limited	6	6

**XI The expected maturity analysis of undiscounted pension, gratuity and post-employment medical benefits is as follows:**

(₹ in Lakhs)

Particulars	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
<b>As at 31st March 2023</b>					
<b>Defined benefit obligation</b>					
Gratuity Fund - Parent (Funded)	2,899.52	1,490.36	5,198.47	42,064.15	51,652.50
Superannuation Fund (Funded)	34.53	-	126.87	85.68	247.08
Gratuity Fund - Subsidiary (Unfunded)	34.18	133.12	328.78	18,040.77	18,536.85
Staff Pension Fund (Unfunded)	2,327.33	1,246.84	2,646.85	1,815.97	8,036.99
Medical Benefit Liability (Unfunded)	228.56	216.40	628.05	530.87	1,603.88
Expatriate Pension (Unfunded)	6.29	4.27	5.59	9.54	25.69
	<b>5,530.41</b>	<b>3,090.99</b>	<b>8,934.61</b>	<b>62,546.98</b>	<b>80,102.99</b>
<b>As at 31st March 2022</b>					
<b>Defined benefit obligation</b>					
Gratuity Fund - Parent (Funded)	2,475.44	1,463.44	4,357.06	37,065.16	45,361.10
Superannuation Fund (Funded)	35.57	23.89	35.69	129.49	224.64
Gratuity Fund - Subsidiary (Unfunded)	36.51	107.54	333.58	20,228.90	20,706.53
Staff Pension Fund (Unfunded)	1,663.90	631.25	1,530.85	3,284.73	7,110.73
Medical Benefit Liability (Unfunded)	253.94	242.03	699.47	765.13	1,960.57
Expatriate Pension (Unfunded)	11.09	10.33	21.91	-	43.33
	<b>4,476.45</b>	<b>2,478.48</b>	<b>6,978.56</b>	<b>61,473.41</b>	<b>75,406.90</b>

**Note 43.**
**COMMITMENTS**
**(a) Capital Commitments**

Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances) is as follows:

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
<b>(I) Property, Plant and Equipment</b>		
Commitment (Gross)	278.95	37.44
Advances against above commitments	(124.99)	-
<b>Commitment (Net)</b>	<b>153.96</b>	<b>37.44</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**
**(b) Other Commitments**

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Derivative Contracts</b>		
<b>Forward Contract</b>		
USD/Ugx	1,32,00,000	Nil

**Note 44. CONTINGENT LIABILITIES (to the extent not provided for) in respect of :**

- a) Various show cause notices/ demands issued/ raised, which in the opinion of the management are not tenable and are pending with various forums / authorities :

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Parent :</b>		
Electricity Dues- Inappropriate Electricity Withdrawal by the Tea Estates from Assam Power Distribution Company Limited	53.38	53.38
Excise Duty- Availment of refund was erroneous and to be recovered under Section 11A of the Central Excise Act, 1944	42.99	42.99
Income Tax- matters in respect of various exempted income and other disallowances	1,780.34	2,937.12
Service Tax- Demand of Service tax under reverse charge mechanism for royalty, license fee and consultancy fees	527.59	583.72
Land Revenue- Fine for Encroachment of Land declared and finalised as Ceiling Surplus in 2010	9.65	9.65
<b>Subsidiary :</b>		
Claims not acknowledged as Debts	21.85	58.76
- The MRUL is a defendant in various legal actions arising in the normal course of business. In the opinion of the directors, after taking appropriate legal advice, the outcome of such actions will not give rise to any significant loss.		

- b) The Parent has issued various "Letter of Comfort" to lenders against loans taken by promoter group and certain other companies. The aggregate amount of Comfort Letter issued and outstanding as on 31st March 2023 is Rs. 1,13,599.78 Lakhs (31st March, 2022: Rs. 1,13,599.78 Lakhs). The aggregate amount of borrowings by these companies (other than one of the group-companies in respect of which pending CIRP proceedings amount of borrowings pertaining to the year ended 31st March 2023 is not determinable) as on 31st March 2023 is Rs. 52,477.53 Lakhs (31st March, 2022: Rs. 69,139.34 Lakhs).
- c) The Group's pending litigations comprises of claim against the group and proceedings pending with Taxation/ Statutory/ Government Authorities. This includes income tax matter pending before Appellate Authorities where issues involved are similar in nature and in view of the management there is remote possibility for crystallisation of such liabilities. The Group has reviewed all its pending litigations and proceedings and has made adequate provisions, and disclosed contingent liabilities, where applicable, in its consolidated financial statements. The Group does not expect the outcome of these proceedings to have a material impact on its financial position. Future cash outflows, if any is dependent upon the outcome of judgments / decisions which is not practicable to be determined pending resolution of the same.

**Note 45. RELATED PARTY DISCLOSURES**

Related party disclosure as identified by the management in accordance with the Ind AS 24 on 'Related Party Disclosures' are as follows :

**(a) Associate**

D1 Williamson Magor Bio Fuel Limited

**(b) Key Management Personnel**

Mr. Aditya Khaitan (AK)

Mr. Azam Monem (AM)

Mr. Amritanshu Khaitan (AAK)

Ms. Arundhuti Dhar (AD)

Mr. Suman Bhowmik (SB)

Mr. Raj Vardhan (RV)

Mr. Sanjay Ginodia (SG)

Dr. Rupanjana De (RD)

Managing Director and Chairman

Wholetime Director (upto 31st March 2023)

Non-Executive Director

Non-Executive Director (upto 30th September 2022)

Non-Executive Director

Non-Executive Director

Non-Executive Director (w.e.f. 14th November 2022)

Non-Executive Director (w.e.f. 30th December 2022)



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**
**(c) Relatives of Key Management Personnel**

Mrs. Kavita Khaitan (KK)	Wife of Managing Director
Mr. Akhil Khaitan (AKK)	Son of Managing Director

**(d) Entities where KMP or their close member have significant influence or control or Group Enterprises or Companies under common control and with whom transaction have taken place during the year**

Soom Stud Farm Private Limited (SSFPL)  
 Ichamati Investments Limited (IIL)  
 Sunrise Valley Projects Pvt Ltd (SVPPL)  
 R. Ginodia & Co. LLP (RGCLP)

**(e) Employee's Trust**

The Bishnauth Tea Company Limited Employees Group Gratuity Fund (BTCGF)  
 George Williamson (Assam) Limited Employees Gratuity Fund (GWLGF)  
 McLeod Russel India Limited Employees Gratuity Fund (MRILGF)  
 McLeod Russel (India) Limited Staff Provident Fund (MRILPF)  
 George Williamson (Assam) Limited Superannuation Fund (GWLSF)  
 Williamson Magor & Company Limited Superannuation Fund (WMCLSF)  
 McLeod Russel (India) Limited Staff Superannuation Fund (MRILSF)

**(f) Transactions with Key Management Personnel :**
**(i) Key Management Personnel Compensation:**

(₹ in Lakhs)

Particulars	Year ended	Excess Recoverable	Net	Year ended	Excess Recoverable	Net
	31st March 2023	(Refer Note no. 10.1)		31st March 2022	(Refer Note no. 10.1)	
Short- term employment benefits						
AK	310.21	-	310.21	310.00	310.00	-
AM	143.59	-	143.59	149.20	149.20	-
	<b>453.80</b>	<b>-</b>	<b>453.80</b>	<b>459.20</b>	<b>459.20</b>	<b>-</b>
Post-employment benefits						
AK	48.61	-	48.61	48.60	-	48.60
AM	405.35	-	405.35	19.44	-	19.44
	<b>453.96</b>	<b>-</b>	<b>453.96</b>	<b>68.04</b>	<b>-</b>	<b>68.04</b>
<b>Total compensation</b>	<b>907.76</b>	<b>-</b>	<b>907.76</b>	<b>527.24</b>	<b>459.20</b>	<b>68.04</b>

**(ii) Balance at the Year-end- Receivable**

(₹ in Lakhs)

Particulars	Payable		Receivable (Refer Note no. 10.1)	
	As at	As at	As at	As at
	31st March 2023	31st March 2022	31st March 2023	31st March 2022
AK	68.12	-	-	620.00
AM	385.90	-	-	280.40

**(g) Transactions / Balances with associate:**

(₹ in Lakhs)

Particulars	As at	As at
	31st March 2023	31st March 2022
<b>D1 Williamson Magor Bio Fuel Limited</b>		
Short Term Loan taken	355.00	750.00
<b>Balance at the Year-end</b>		
Balance of Short Term Loan	5,310.00	4,955.00
Balance of Investment*	-	-

\* (Cost - Rs.2,184.35 lakhs, fully impaired)

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**
**(h) Transactions with Non-Executive Directors:**
**(₹ in Lakhs)**

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
<b>Sitting Fees</b>		
AAK	6.00	2.20
AD	4.40	3.80
SB	8.40	3.60
RV	5.20	2.80
SG	0.80	-
	<b>24.80</b>	<b>12.40</b>
<b>Sitting Fees payable</b>		
AD	-	0.40
SB	-	0.40
RV	-	0.40
	-	<b>1.20</b>

**(i) Transactions with Enterprise where KMP have significant influence or control and companies under common control:**
**(₹ in Lakhs)**

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
<b>Loan Taken</b>		
IIL	-	5,565.19
	-	<b>5,565.19</b>
<b>Sale of Tea</b>		
SVPPL	17.29	5.63
	<b>17.29</b>	<b>5.63</b>
<b>Closing Payable</b>		
SSFPL	100.00	100.00
IIL	5,565.19	5,565.19
	<b>5,665.19</b>	<b>5,665.19</b>
<b>Closing Receivable</b>		
SVPPL	17.29	-
	<b>17.29</b>	-

**(j) Transactions with Relative of KMP:**
**(₹ in Lakhs)**

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
<b>Remuneration</b>		
KK	30.28	10.60
AKK	18.17	6.22
	<b>48.45</b>	<b>16.82</b>
<b>Closing Payable</b>		
KK	4.71	-
AKK	2.80	-
	<b>7.52</b>	-

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**
**(k) Transactions with Trusts:**
**(₹ in Lakhs)**

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
<b>Contribution to Funds</b>		
BTCGF	18.24	229.65
GWLGF	29.06	455.45
MRILGF	130.12	352.04
MRILPF	517.85	493.42
	<b>695.27</b>	<b>1,530.56</b>
<b>Closing Liability (Net)</b>		
BTCGF	830.84	276.11
GWLGF	2,614.90	1,705.67
MRILGF	2,314.12	1,461.21
	<b>5,759.86</b>	<b>3,442.99</b>
<b>Closing Assets (Net)</b>		
GWLSF	417.01	395.87
WMCLSF	535.89	503.58
MRILSF	683.66	626.91
	<b>1,636.56</b>	<b>1,526.36</b>

**Note :**

- The above related party information is as identified by the management and relied upon by the auditor.
- All transactions from related parties are made in ordinary course of business. For the year ended 31st March 2023, the Group has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year by reviewing the financial position of the related party and the market in which the related party operates.
- In respect of above parties, there is no provision for doubtful debts as on 31st March 2023 and no amount has been written back or written off during the year in respect of debts due from/ to them.
- Post-Employee benefits and other long-term employee benefits have been disclosed/paid on retirement/resignation of services but does not include provision made on actuarial basis as the same is available for all the employees together.

**46. EARNINGS PER SHARE**

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Earnings per share (EPS) has been computed as under:		
(a) Net profit after taxes as per Statement of Profit and Loss (Rs. in lakhs)	<b>(1,05,651.15)</b>	<b>(18,092.48)</b>
(b) Computation of Weighted Average Number of Shares		
Number of equity shares outstanding as on Opening	<b>104,455,735</b>	<b>104,455,735</b>
Changes in Equity Share Capital during the year	-	-
Number of equity shares outstanding as on Closing	<b>104,455,735</b>	<b>104,455,735</b>
(c) Weighted average number of Equity shares outstanding for the purpose of basic and diluted earnings per share	<b>104,455,735</b>	<b>104,455,735</b>
(d) Earnings per share on profit for the year [Face Value Rs. 5.00 per share]		
Basic and Diluted EPS [(a)/(b)](Rs.)	<b>(101.14)</b>	<b>(17.32)</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**
**47. SEGMENT INFORMATION**

(a) The Group is primarily engaged in the business of cultivation, manufacture and sale of tea across various geographical location. In term of Ind AS 108 "Operating Segment", the Group has identified its operating segment based on their geographical locations. The chief operating decision maker uses a measure of segment results, depreciation and amortisation to assess the performance of operating segments.

The geographical segments have been identified as India, Vietnam, Uganda, Rwanda, UK and Others.

**(b) Geographical Information**
**(₹ in Lakhs)**

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
<b>Segment Revenue</b>		
India	1,09,536.72	1,09,929.00
Vietnam	2,748.44	5,578.40
Uganda	20,836.36	17,547.43
UK	243.51	275.25
Others	3,592.20	2,253.29
	<b>1,36,957.23</b>	<b>1,35,583.37</b>
<b>Segment Results</b>		
India	(1,09,390.08)	(12,020.10)
Vietnam	(2,309.14)	(3,516.88)
Uganda	2,446.97	(674.04)
UK	(252.65)	44.28
Others	163.89	(50.36)
<b>Profit before Taxation (including Share of profit of Associate)and Minority Interest</b>	<b>(1,09,341.01)</b>	<b>(16,217.10)</b>
Share of Profit of Associate	-	-
Less : Taxation Charge		
Current Tax	169.27	(140.35)
Income Tax relating to earlier years(net)	3.39	43.49
Deferred Tax - Charge/(Credit)	(3,862.52)	1,972.24
<b>Profit/(Loss) after taxation</b>	<b>(1,05,651.15)</b>	<b>(18,092.48)</b>

**(₹ in Lakhs)**

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
<b>Capital Expenditure relating to segments:</b>		
India	4,325.52	5,914.79
Vietnam	136.86	-
Uganda	1,002.57	0.53
Others	0.49	0.35
	<b>5,465.44</b>	<b>5,915.67</b>
<b>Depreciation and amortisation relating to segments:</b>		
India	5,254.95	5,627.47
Vietnam	500.42	542.33
Uganda	1,175.60	1,247.74
UK	56.37	58.26
Others	1.71	5.01
	<b>6,989.05</b>	<b>7,480.81</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**

(₹ in Lakhs)

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
<b>Segment Assets</b>		
India	3,33,384.35	4,33,850.72
Vietnam	6,750.80	9,443.64
Uganda	28,459.72	27,699.70
UK	4,035.30	4,137.59
Others	1,343.23	1,166.59
	<b>3,73,973.40</b>	<b>4,76,298.24</b>
<b>Segment Liabilities</b>		
India	2,91,588.42	2,84,553.24
Vietnam	4,955.24	5,529.39
Uganda	19,977.22	20,743.04
UK	423.91	514.17
Others	95.07	85.66
	<b>3,17,039.86</b>	<b>3,11,425.50</b>

**Note**

The Group is not reliant on revenues from transactions with any single external customer and does not receive 10% or more of its revenues from transactions with any single external customer.

**Note 48. FAIR VALUE MEASUREMENTS**

(₹ in Lakhs)

The accounting classification of each category of financial instruments, their carrying amount and fair values as follows:

Particulars	As at 31st March 2023					As at 31st March 2022				
	FVTPL	FVTOCI	Amortised Cost	Total Carrying Value	Total Fair Value	FVTPL	FVTOCI	Amortised Cost	Total Carrying Value	Total Fair Value
<b>Financial Assets (Current and Non-Current)</b>										
Investments										
- Equity Instruments	-	5,213.62	-	5,213.62	<b>5,213.62</b>	-	6,189.90	-	6,189.90	<b>6,189.90</b>
Trade Receivables	-	-	3,986.74	3,986.74	<b>3,986.74</b>	-	-	4,921.74	4,921.74	<b>4,921.74</b>
Loans	-	-	44.57	44.57	<b>44.57</b>	-	-	1,285.32	1,285.32	<b>1,285.32</b>
Inter-Corporate Deposits	-	-	1,86,271.37	1,86,271.37	<b>1,86,271.37</b>	-	-	2,76,231.19	2,76,231.19	<b>2,76,231.19</b>
Cash and Cash Equivalents	-	-	1,390.80	1,390.80	<b>1,390.80</b>	-	-	2,506.01	2,506.01	<b>2,506.01</b>
Other Bank Balances	-	-	83.39	83.39	<b>83.39</b>	-	-	178.12	178.12	<b>178.12</b>
Interest Receivable	-	-	203.22	203.22	<b>203.22</b>	-	-	1,942.16	1,942.16	<b>1,942.16</b>
Other Financial Assets	-	-	6,398.87	6,398.87	<b>6,398.87</b>	-	-	5,729.50	5,729.50	<b>5,729.50</b>
<b>Total Financial assets</b>	-	<b>5,213.62</b>	<b>1,98,378.96</b>	<b>2,03,592.58</b>	<b>2,03,592.58</b>	-	<b>6,189.90</b>	<b>2,92,794.04</b>	<b>2,98,983.94</b>	<b>2,98,983.94</b>
<b>Financial liabilities (Current and Non-Current)</b>										
Long Term Borrowings	-	-	31,844.27	31,844.27	<b>31,844.27</b>	-	-	36,204.63	36,204.63	<b>36,204.63</b>
Short Term Borrowings	-	-	1,68,294.15	1,68,294.15	<b>1,68,294.15</b>	-	-	1,76,569.01	1,76,569.01	<b>1,76,569.01</b>
Interest Accrued on Borrowings	-	-	59,377.21	59,377.21	<b>59,377.21</b>	-	-	44,034.20	44,034.20	<b>44,034.20</b>
Trade payables	-	-	12,166.87	12,166.87	<b>12,166.87</b>	-	-	12,854.00	12,854.00	<b>12,854.00</b>
Lease Liabilities	-	-	339.06	339.06	<b>339.06</b>	-	-	484.69	484.69	<b>484.69</b>
Other Financial Liabilities	-	-	8,892.82	8,892.82	<b>8,892.82</b>	-	-	7,422.58	7,422.58	<b>7,422.58</b>
<b>Total Financial liabilities</b>	-	-	<b>2,80,914.38</b>	<b>2,80,914.38</b>	<b>2,80,914.38</b>	-	-	<b>2,77,569.11</b>	<b>2,77,569.11</b>	<b>2,77,569.11</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**
**(i) FAIR VALUATION TECHNIQUES :**

The fair values of the financial assets and liabilities are included at the amount 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 following methods and assumptions were used to estimate the fair values. These assumptions are subject to completion of resolution process and determination of terms and conditions of borrowings and amount given as loans to various parties as stated in note no. 57 and 58:

- a) The fair value of cash and cash equivalents, current trade receivables and payables, current financial liabilities and assets and short term borrowings approximate their carrying amount largely due to the short-term nature of these instruments. The Group considers that the carrying amounts of financial assets and financial liabilities recognised at cost in the consolidated financial statements other than dealt with hereunder approximate their fair values.
- b) The Group's long-term debt from Banks and financial institutions were originally contracted at floating rates of interest. Fair value of variable interest rate borrowings approximates their carrying value subject to adjustments made for transaction cost. Terms and conditions of these loans taken by the parent pending completion of resolution process are yet to be finalised (Note no. 58(b)) and there is a uncertainty in this respect as on this date. Further, there are other unsecured borrowing as stated in note no. 26.4 terms and conditions whereof have not been decided.
- c) The fair value of derivative financial instruments is determined based on observable market inputs including currency spot and forward rates, yield curves, currency volatility etc. The said valuation has been carried out by the counter party with whom the contract has been entered with. Management has evaluated the credit and non-performance risks associated with the counterparties and found them to be insignificant and not requiring any credit adjustments.
- d) The fair value of Inter-Corporate deposits based on Group's evaluation related to the credit and non-performance risks associated with the counterparties is dependent on the outcome of recovery proceedings pursuant to CIRP as stated in Note no. 57(a) or otherwise on completion of the resolution process of the parent as stated in Note no. 58(a) and there is a uncertainty to the extent as stated in the said note.

**(ii) FAIR VALUE HIERARCHY**
**(a) Financial Instruments**

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value (b) measured at amortised 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 prescribed under the Indian Accounting Standard.

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting date.

**Level 2:** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instruments is included in level 3.

During the previous year, the Group has changed its valuation technique in respect of Kilburn Office Automation Limited for reasons stated in Note no. 9.9 of the consolidated financial statements. Accordingly such shares had been valued as per Level 3 Technique whereby the said valuation had been arrived at based on the latest audited financial statements. This however did not have any material impact on the consolidated financial statement. Other than this, there were no transfers between level 1, level 2 and level 3 during the current and previous year.

**Financial assets and liabilities measured at fair value - recurring fair value measurements as at 31st March 2023**
**(₹ in Lakhs)**

Particulars	Notes	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
Financial investment at FVTOCI					
Quoted Equity Investments	9	5,212.91	-	-	5,212.91
UnQuoted Equity Investments	9	-	-	0.71	0.71
<b>Total Financial Assets</b>		<b>5,212.91</b>	<b>-</b>	<b>0.71</b>	<b>5,213.62</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**
**Financial assets which are measured at amortised cost for which fair values are disclosed as at 31st March 2023 (₹ in Lakhs)**

Particulars	Notes	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
Inter-Corporate Deposits	10 and 57			1,86,271.37	1,86,271.37
<b>Total Financial assets</b>		-	-	<b>1,86,271.37</b>	<b>1,86,271.37</b>
<b>Financial liabilities</b>					
Borrowings (including interest accrued)	22, 26, 28 and 58	-	2,59,515.63	-	2,59,515.63
Lease Liabilities	53		339.06	-	339.06
<b>Total Financial liabilities</b>		-	<b>2,59,854.69</b>	-	<b>2,59,854.69</b>

**Note :** The fair value considered for Inter Corporate Deposits and Borrowings are subject to final determination of amount thereof on outcome of CIRP/ Restructuring and other proposals as stated in Note no. 57 and 58.

**Financial assets and liabilities measured at fair value through profit or loss/Other Comprehensive Income recurring fair value measurements as at 31st March 2022 (₹ in Lakhs)**

Particulars	Notes	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
Financial investment at FVTOCI					
Quoted Equity Investments	9	6,189.19	-	-	6,189.19
UnQuoted Equity Investments	9	-	-	0.71	0.71
<b>Total Financial Assets</b>		<b>6,189.19</b>	-	<b>0.71</b>	<b>6,189.90</b>

**Financial assets which are measured at amortised cost for which fair values are disclosed as at 31st March 2022 (₹ in Lakhs)**

Particulars	Notes	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
Inter-Corporate Deposits	10 and 57			2,76,231.19	2,76,231.19
<b>Total Financial assets</b>		-	-	<b>2,76,231.19</b>	<b>2,76,231.19</b>
<b>Financial liabilities</b>					
Borrowings (including interest accrued)	22, 26, 28 and 58	-	2,56,807.84	-	2,56,807.84
Lease Liabilities	53	-	484.69	-	484.69
<b>Total Financial liabilities</b>		-	<b>2,57,292.53</b>	-	<b>2,57,292.53</b>

**Note :** The fair value considered for Inter Corporate Deposits and Borrowings are subject to final determination of amount thereof on outcome of CIRP/ Restructuring and other proposals as stated in Note no. 57 and 58.

**(b) 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 consolidated financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its biological assets other than bearer plants into level 2 in the fair value hierarchy, since no significant adjustments need to be made to the prices obtained from the local markets.



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**
**Biological assets other than bearer plants for which fair value (less cost to sell) are disclosed at 31st March, 2023** (₹ in Lakhs)

Particulars	Notes	Level 1	Level 2	Level 3	Total
Unharvested tea leaves	14	-	395.47	-	395.47
<b>Total</b>		-	<b>395.47</b>	-	<b>395.47</b>

**Biological assets other than bearer plants for which fair value (less cost to sell) are disclosed at 31st March, 2022** (₹ in Lakhs)

Particulars	Notes	Level 1	Level 2	Level 3	Total
Unharvested tea leaves	14	-	640.73	-	640.73
<b>Total</b>		-	<b>640.73</b>	-	<b>640.73</b>

**Note 49. FINANCIAL RISK MANAGEMENT**

The Group's activities exposed it to a variety of financial risks. The key financial risks include Market risk, Credit risk and liquidity risk. The Group's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Board of Directors of the respective companies in the Group reviews and approves policy for managing these risks. The risks are governed by appropriate policies and procedures and accordingly financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. As stated in Note no. 58(a), the Parent has defaulted in repayment of borrowings including interest accrued thereon due to low recovery of amount outstanding in respect of ICD's given by the Parent and restructuring/ other proposals/ settlement of loans etc. are under consideration of lenders. The Parent expects to restructure its borrowings and mitigate the related financial risk. Financial risk management as stated below has been considered based on the assumption of successful outcome of the restructuring/ other proposals which is under consideration of the lenders as stated in the said note. The risk envisaged can materially be different on completion of the resolution process and terms and conditions specified in this respect.

**(A) Credit risk**

Credit risk refers to the risk of financial loss arising from default / failure by the counterparty to meet financial obligations as per the terms of contract. The Group is exposed to credit risk for receivables, cash and cash equivalents, financial guarantees and derivative financial instruments. Loans to group companies given has lead to material concentration of credit risks due to non-recoverability of amount thereagainst including accrued interest.

Credit risk on trade receivables is minimum since sales through different mode (eg. auction, consignment, private - both domestic and export) are made after judging credit worthiness of the customers, deposit from customers, advance payment or against letter of credit by banks. The history of defaults has been minimal and outstanding receivables are regularly monitored. For credit risk on the loans to parties since recoverability thereagainst has been a matter of concern due to non-payment by promoter group and other companies to whom amount have been lent and where in one of the case CIRP as given in Note no. 57(a) has been initiated. The group is expecting to recover/adjust/restructure the outstanding amount and address the risk involved therein in due course of time on outcome of the CIRP proceedings initiated against one of company to whom loan have been advanced by these Group companies and completion of resolution process of the parent.

For derivative and financial instruments, the Group manage its credit risks by dealing with reputable banks and financial institutions.

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The Group establishes an allowance for impairment that represents its estimate of losses in respect of trade and other receivables. Receivables are reviewed/evaluated periodically by the management and appropriate provisions are made to the extent recovery there against has been considered to be remote.

The carrying value of the financial assets (net of impairment losses) represent the maximum credit exposure. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 48.

**Financial assets that are neither past due nor impaired**

Cash and cash equivalents, investment and deposits with banks are neither past due nor impaired. Cash and cash equivalents with banks are held with reputed and credit worthy banking institutions.

**Financial assets that are past due but not impaired**

Certain trade receivables and Inter-Corporate Loans which are past due at the end of the reporting period, no credit losses there against are expected to arise considering the steps being taken for realisation thereof.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**
**(B) Liquidity risk**

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

Management monitors rolling forecasts of the Group's liquidity position and cash and cash equivalents on the basis of expected cash flows. In addition, the Group's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans. The Parent had in earlier years granted loans to Group Companies which created a mismatch in servicing its debt obligations. In this regards necessary restructuring and other proposals are under consideration as detailed in Note no. 58(a) to make these debt sustainable so that the liquidity required in the system does not get affected materially.

**Maturities of financial liabilities**

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for:

- i all non-derivative financial liabilities, and
- ii derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant. The amount of borrowings and interest thereon has been computed on the basis stated in Note no. 58(b) and amount finally payable and terms of repayment thereof will be determinable on completion of resolution process.

**Contractual maturities of financial liabilities as at 31st March 2023**
**(₹ in Lakhs)**

Particulars	Less than 1 year	Between 1-2 years	Between 2-5 years	More than 5 years	Total
<b>Non-derivatives</b>					
Borrowings (including interest accrued)	2,52,315.41	2,465.11	1,355.74	3,379.37	2,59,515.63
Lease Liabilities	76.03	27.62	71.08	164.33	339.06
Trade Payables	12,166.87	-	-	-	12,166.87
Other financial liabilities	8,892.82	-	-	-	8,892.82
<b>Total non-derivative financial liabilities</b>	<b>2,73,451.13</b>	<b>2,492.73</b>	<b>1,426.82</b>	<b>3,543.70</b>	<b>2,80,914.38</b>

**Contractual maturities of financial liabilities as at 31st March 2022**
**(₹ in Lakhs)**

Particulars	Less than 1 year	Between 1-2 years	Between 2-5 years	More than 5 years	Total
<b>Non-derivatives</b>					
Borrowings (including interest accrued)	2,44,561.34	3,388.38	4,954.87	3,903.25	2,56,807.84
Lease Liabilities	444.81	4.66	14.90	20.32	484.69
Trade Payables	12,854.00	-	-	-	12,854.00
Other financial liabilities	7,422.58	-	-	-	7,422.58
<b>Total non-derivative financial liabilities</b>	<b>2,65,282.73</b>	<b>3,393.04</b>	<b>4,969.77</b>	<b>3,923.57</b>	<b>2,77,569.11</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**
**(C) Market risk**
**(i) Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD, EUR and GBP. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Group's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of the hedges is to minimise the volatility of the INR cash flows of highly probable forecast transactions.

The Group has per the risk management policy, hedges foreign currency transactions to mitigate the risk exposure and reviews periodically to ensure that the results from fluctuating currency exchange rates are appropriately managed.

The following table sets forth information relating to foreign currency exposure as at 31st March 2023 :

(₹ in Lakhs)

Particulars	USD	EUR	GBP	Total
<b>Financial Assets (a)</b>				
Cash and Cash equivalents	8.06	-	6.47	14.53
Trade Receivable	1,574.68	143.01	-	1,717.68
Inter-Corporate Deposits	4,260.89	-	-	4,260.89
	<b>5,843.63</b>	<b>143.01</b>	<b>6.47</b>	<b>5,993.11</b>
<b>Financial Liabilities (b)</b>				
Trade Payable	279.75	-	-	279.75
Borrowings	12,036.50	-	-	12,036.50
	<b>12,316.25</b>	<b>-</b>	<b>-</b>	<b>12,316.25</b>
<b>Net Exposure in Foreign Currency (a-b)</b>	<b>(6,472.62)</b>	<b>143.01</b>	<b>6.47</b>	<b>(6,323.14)</b>

10% appreciation of the respective foreign currencies with respect to functional currency (holding all other variables constant) of the Group would result in increase in the Group's profit before tax (having an impact on the consolidated financial statements) by approximately Rs. 599.31 lakhs for financial assets and decrease in the Group's profit before tax by approximately Rs. 1,231.63 lakhs for financial liabilities. 10% depreciation of INR would have an equal and opposite effect on the Group's financial statements.

The following table sets forth information relating to foreign currency exposure as at 31st March 2022:

(₹ in Lakhs)

Particulars	USD	EUR	GBP	Total
<b>Financial Assets (a)</b>				
Cash and Cash equivalents	335.10	-	7.32	342.42
Trade Receivable	2,771.32	-	-	2,771.32
Inter-Corporate Deposits	3,297.05	-	-	3,297.05
	<b>6,403.47</b>	<b>-</b>	<b>7.32</b>	<b>6,410.79</b>
<b>Financial Liabilities (b)</b>				
Trade Payable	182.12	-	-	182.12
Borrowings	16,227.97	-	-	16,227.97
	<b>16,410.09</b>	<b>-</b>	<b>-</b>	<b>16,410.09</b>
<b>Net Exposure in Foreign Currency (a-b)</b>	<b>(10,006.62)</b>	<b>-</b>	<b>7.32</b>	<b>(9,999.30)</b>

10% appreciation of the respective foreign currencies with respect to functional currency (holding all other variables constant) of the Group would result in increase in the Group's profit before tax (having an impact on the consolidated financial statements) by approximately Rs. 641.08 lakhs for financial assets and decrease in the Group's profit before tax by approximately Rs. 1,641.01 lakhs for financial liabilities. 10% depreciation of INR would have an equal and opposite effect on the Group's financial statements.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**
**(ii) 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. Financial instrument at fixed rates of interest exposes the Group to fair value interest rate risk as there is no risk of interest rate volatility.

The Group's main interest rate risk arises from short term and long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. Considering the same, the carrying amount of said borrowings was considered to be at fair value. During 31st March 2023 and 31st March 2022, the Group's borrowings were at variable rate and mainly denominated in INR and USD.

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

The exposure of the Group's financial assets and financial liabilities as at 31st March 2023 and 31st March 2022 to interest rate risk excluding certain ICDs and Deposits as dealt with in Note no. 26.4 are as follows :

(₹ in Lakhs)

Particulars	As at 31st March 2023		As at 31st March 2022	
	Floating Rate	Fixed Rate	Floating Rate	Fixed Rate
Financial Assets	-	1,86,271.37	-	2,76,231.19
Financial Liabilities	1,74,849.85	25,288.57	1,98,976.61	13,797.03
	<b>(1,74,849.85)</b>	<b>1,60,982.80</b>	<b>(1,98,976.61)</b>	<b>2,62,434.16</b>

Increase of 50 basis points (holding all other variables constant) in interest rates at the balance sheet date would result in decrease in net income of Rs. 874.25 lakhs on profit before tax (having an impact on the consolidated financial statements) for the year ended March 31st 2023. A decrease in 50 basis point would have an equal and opposite effect on the Group's consolidated financial statements. This should be read with Note no. 37.2 regarding non-recognition of interest in Inter Corporate Deposits.

Interest risk on financial liabilities as stated above has been considered based on the accounting followed in this respect as stated in note no. 57(a) and 58(b). The rate of interest and amount payable in this respect will finally be determinable on completion of resolution process which as stated in Note no. 58(a) is under consideration of the lenders. The risk envisaged can materially be different on completion of the resolution process and terms and condition specified in this respect.

**(iii) Price risk**

The Group is not an active investor in equity markets; it continues to hold certain investments in equity for long term strategic purpose which are accordingly measured at fair value through Other Comprehensive Income. The value of investments in such equity instruments as at 31st March 2023 is Rs 5,212.91 lakhs (31st March 2022: Rs. 6,189.19 lakhs). Accordingly, fair value fluctuations arising from market volatility is recognised in Other Comprehensive Income.

**(D) Agricultural Risk**

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

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

- i) Sufficient inventory levels of agro chemicals, fertilizers and other inputs are maintained so that timely corrective action can be taken in case of adverse weather conditions.
- ii) Slightly higher level of consumable stores viz packing materials, coal and HSD are maintained in order to mitigate financial risk arising from logistics problems.
- iii) Forward contracts are made with overseas customers as well as domestic private customers, in order to mitigate the financial risk in fluctuation of selling price of tea.
- iv) Sufficient liquidity kept in the system through fund arrangements from banks etc. in such a way that cultivation, manufacture and sale of tea is not adversely affected even in times of adverse conditions. Restructuring and other proposals as stated in Note no. 58(a) is under consideration and outcome thereof as expected is for ensuring sustainability of core agricultural operations of the group.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**
**50. CAPITAL MANAGEMENT**
**(a) Risk Management**

The primary objective of the Group's capital management is to ensure that it maintains a healthy capital ratio in order to support its business and maximize shareholder value. The Group's objective when managing capital is to safeguard its ability to continue as a going concern so that they can continue to provide returns for shareholders and benefits for other stakeholders. The Group is focused on keeping strong total equity base to ensure independence, security, as well as a high financial flexibility for potential future borrowings, if required without impacting the risk profile of the Group.

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

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

Net debt implies total borrowings of the Group as reduced by Cash and Cash Equivalent and Equity comprises all components attributable to the owners of the Parent.

The following table summarises the Net Debt, Equity and Ratio thereof subject to final determination of amount thereof on completion of resolution process as stated in Note no. 58(a).

(₹ in Lakhs)

Particulars	Note	As at	As at
		31st March 20223	31st March 2022
<b>(i) Total Debt</b>			
Borrowings - Non-Current	22	7,200.22	12,246.50
- Current	26	1,68,294.15	1,76,569.01
Current Maturities of Long Term Debt	26	20,269.05	19,583.13
Interest accrued but not due on borrowings	28	58,725.86	43,883.29
Interest accrued and due on borrowings	28	651.35	150.91
		<b>2,55,140.63</b>	<b>2,52,432.84</b>
<b>Less : Cash and Cash Equivalents</b>	16	1,390.80	2,506.01
<b>Net Debt</b>		<b>2,53,749.83</b>	<b>2,49,926.83</b>
<b>(ii) Equity attributable to Shareholders</b>	20 and 21	56,933.54	1,64,872.74
<b>Net debt to equity ratio (i)/(ii)</b>		<b>4.46</b>	<b>1.52</b>

Under the terms of the major borrowing facilities, the parent along with one of the subsidiary has not complied with some of the financial covenants as imposed by the bank and financial institutions.

No changes were made in the objectives, policies or processes for managing capital during the year ended 31st March 2023 considering pending outcome of restructuring and other proposals under consideration of lenders (Refer Note no. 58(a)).

**Note 51. DETAILS OF LOANS, INVESTMENTS AND GUARANTEES GIVEN COVERED UNDER SECTION 186(4) OF THE COMPANIES ACT, 2013**

A) Details of Investments are disclosed in Note no. 8 & 9 of the consolidated financial Statements

B) The Group has given 12% per annum Interest bearing Loans to following parties for their corporate and general purposes as detailed below:

(₹ in Lakhs)

Name of Parties	As on 31st March 2022	Additions	Deduction	As on 31st March 2023
Williamson Magor & Co. Limited	19,221.42	-	-	19,221.42
Babcock Borsig Limited	14,500.00	-	-	14,500.00
Williamson Financial Services Limited	22,200.00	-	-	22,200.00
Seajulie Developers & Finance Limited	1,28,186.31	-	85.00	1,28,101.31
Woodside Parks Limited	91,040.22	-	-	91,040.22
Metal Centre Limited	198.00	-	-	198.00
Kilburn Office Automation Limited	180.00	-	-	180.00
The Hoogly Mills Co. Limited	720.00	-	-	720.00
SLU Holdings*	1,083.87	85.00	-	1,168.87
Kovic Pte Limited*	22.53	4.02	-	26.55
Vinod Enterprises	13.00	-	-	13.00
	<b>2,77,365.35</b>	<b>89.02</b>	<b>85.00</b>	<b>2,77,369.37</b>

\* Addition during the year includes foreign exchange fluctuation of Rs. 25.24 lakhs.

Note: The Parent has not recognised interest income for reasons stated in Note no. 33.2 and 57(a).

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**
**52. INCOME TAX EXPENSE**

This note provides an analysis of the Company's income tax expense, and how the tax expense is affected by non-assessable and non-deductible items.

**(a) Income Tax Expense**
**(₹ in Lakhs)**

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
<b>Current Tax</b>		
Current tax for the year	169.27	(140.35)
<b>Total Current Tax (A)</b>	<b>169.27</b>	<b>(140.35)</b>
Provisions for tax relating to earlier years	3.39	43.49
<b>Total provision written back (B)</b>	<b>3.39</b>	<b>43.49</b>
Deferred tax for the year (Refer Note no. 24)	(3,862.52)	1,972.24
<b>Total Deferred Tax (C)</b>	<b>(3,862.52)</b>	<b>1,972.24</b>
<b>Grand Total (A+B+C)</b>	<b>(3,689.86)</b>	<b>1,875.38</b>

**(b) Amount recognised in other comprehensive income**
**(₹ in Lakhs)**

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
<b>Deferred Tax (Refer Note no. 24)</b>		
Income tax relating to items that will not be re-classified to profit or loss	745.32	401.51
<b>Total</b>	<b>745.32</b>	<b>401.51</b>

**(c) Reconciliation of effective tax rate:**
**(₹ in Lakhs)**

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Profit/ (Loss) before tax	(1,09,341.01)	(16,217.10)
Income tax expense calculated at an average rate	(32,380.18)	(4,427.85)
Effect of Tax Holiday under Agriculture Income	19,695.82	2,054.12
Effect of expenses that are deductible/non-deductible in determining taxable profit	264.44	751.53
Effect of Deferred Tax not created on exceptional items	13,046.99	-
Effect of income that is exempt from taxation	(1,778.70)	(316.68)
Effect of differences in WDV of Property, Plant and Equipment	(2,125.64)	-
Effect of differences in expenses allowable on payment basis	(962.12)	-
MAT Credit Utilisation	495.29	995.27
Effect for Interest disallowance not considered for creation of Deferred Tax	-	2,280.25
Others	50.85	495.25
	<b>(3,693.25)</b>	<b>1,831.89</b>

**Notes :**

- (i) The tax rate used in the corporate tax rate payable on taxable profits as per the respective tax laws of the respective countries.
- (ii) The Parent agriculture income is subject to lower tax rates @ 30% under the respective state tax laws. Further, considering the tax holiday granted by the State Government, effect of Deferred Tax reversal during the said tax holiday period has been considered for computing Deferred Tax Assets.
- (iii) The Parent has not exercised the option for paying income tax at concessional rates in accordance with the provisions/conditions as specified under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 as there are unutilised MAT Credit and other entitlement including 33AB and also the resolution process is under active consideration and impact thereof are presently not ascertainable. Necessary decision in this respect will be taken in subsequent period.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**
**Note 53. DISCLOSURE AS PER IND AS 116**

(i) Following are the changes in the carrying value of right of use assets for the year ended March 31:

Particulars	Leasehold Land	Building	Total
<b>As at 1st April 2021</b>	<b>766.08</b>	<b>807.42</b>	<b>1,573.50</b>
Addition	-	-	-
Disposal/ Forex Adjustment	(34.18)	-	(34.18)
Adjustment/ Reclassification	128.67	-	128.67
Depreciation	11.76	397.73	409.49
<b>As at 31st March 2022</b>	<b>917.17</b>	<b>409.69</b>	<b>1,326.86</b>
Addition	333.21	-	333.21
Disposal/ Forex Adjustment	(48.30)	-	(48.30)
Adjustment/ Reclassification	-	-	-
Depreciation	12.11	195.40	207.51
<b>As at 31st March 2023</b>	<b>1,286.57</b>	<b>214.29</b>	<b>1,500.86</b>

(ii) The following is the break-up of current and non-current lease liabilities:

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Current lease liabilities	76.03	444.81
Non-Current lease liabilities	263.03	39.88
	<b>339.06</b>	<b>484.69</b>

(iii) The following is the movement in lease liabilities :

(₹ in Lakhs)

Particulars	Amount
<b>As at 1st April 2021</b>	<b>866.89</b>
Additions	-
Finance cost accrued during the period	68.37
Deletions	-
Payment of lease liabilities	
- Principal	(382.20)
- Interest	(68.37)
<b>As at 31st March 2022</b>	<b>484.69</b>
Additions	-
Finance cost accrued during the period	28.82
Deletions	-
Payment of lease liabilities	
Principal	(145.63)
- Interest	(28.82)
<b>As at 31st March 2023</b>	<b>339.06</b>

(iv) The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis: (₹ in Lakhs)

Particulars	As at 31st March 2023
Not later than one year	51.59
Later than one year and not more than five years	131.86
Later than five years	556.79



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**

- (v) Further to above, the Group has certain operating lease arrangements for office, transit houses, etc. on short-term leases. Expenditure incurred on account of rental payments under such leases during the year and recognized in the Consolidated Statement of Profit and Loss account amounts to Rs. 277.70 lakhs (31st March 2022: Rs. 28.34 lakhs).

**Note 54. SALE OF SPECIFIED ASSETS OF CERTAIN TEA ESTATES**

On 9th August, 2018, the shareholders of the Parent approved to sell specified assets of certain tea estates. In continuation of the steps initiated in this respect in earlier years:

- a) The specified assets of one tea estate had been identified and approved for sale. Memorandum of Understanding/ Term sheet with the proposed buyer for an aggregate consideration of Rs. 2,815.00 Lakhs, subject to due diligence and necessary approvals, etc. had also been entered by the parent. Pending final binding agreement and completion of the transaction, such sales has not been recognised. Advance of Rs 550.00 Lakhs received from the proposed buyer against sale consideration has been shown under 'Other Financial Liabilities'.
- b) The Parent has received advances against sale of estates and certain other assets amounting to Rs. 1,413.87 lakhs (including Rs. 550.00 lakhs dealt in (a) above). There is a stay imposed by Hon'ble High Court of Delhi vide it's order dated 19th December 2019 and thereby these assets cannot be disposed of by the parent. Accordingly, such assets pending final decision of Hon'ble High Court has been continued to be included under Property, Plant and Equipment (PPE) rather than as "Assets held for Sale" and have been depreciated in accordance with other items of PPE.

**Note 55(a) Ageing Schedule of Capital Work in Progress are as follows :**
**As at March 31, 2023**
**(₹ in Lakhs)**

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	2,558.36	377.87	733.89	1,034.53	4,704.65
Projects temporarily suspended	-	-	4.96	24.58	29.54

**As at March 31, 2022**
**(₹ in Lakhs)**

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	2,497.66	551.44	718.10	1,849.24	5,616.44
Projects temporarily suspended	-	-	3.20	19.31	22.51

(b) The expected completion of amount lying under Capital Work in progress whose completion is overdue or has exceeded its cost compared to its original plan are as below:

**As at March 31, 2023**
**(₹ in Lakhs)**

Particulars	Amount in Capital work in progress to be completed in				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	11.54	21.85	-	-	33.39
Projects temporarily suspended	29.54	-	-	-	29.54

**As at March 31, 2022**
**(₹ in Lakhs)**

Particulars	Amount in Capital work in progress to be completed in				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	12.99	-	-	-	12.99
Projects temporarily suspended	22.51	-	-	-	22.51

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**
**Note 56. RELATIONSHIP WITH STRUCK-OFF COMPANIES ARE AS FOLLOWS :**

Based on information available with the parent from the website of Ministry of Corporate Affairs regarding whether the company with whom transaction have been carried out are struck-off is based on identification to the extent possible:

(₹ in Lakhs)

Name of the Struck-off Company & Nature of transaction	Relationship with Struck-off Company	Refer Note No.	As at 31st March 2023	As at 31st March 2022
<b>Advances given</b>				
Sonata Construction Private Limited	Not applicable		1,400.00	1,400.00
<b>Deposits given</b>				
W.H.Targett India Limited	Not applicable		11.26	11.26
<b>Shares held by Struck off company</b>				
Dreams Broking Private Limited	Not applicable	56.1	0.00	0.00
ING Securities Private Limited	Not applicable		0.43	0.43
Kshirode Chandra Ghosh & Sons Private Limited	Not applicable		0.02	0.02
M/S JIC Finance Private Limited	Not applicable		0.01	0.01
Madhur Bharat Private Limited	Not applicable		0.02	0.02
N R I Financial Services Limited	Not applicable	56.1	-	0.00
Overland Finance And Invest Cons	Not applicable	56.1	0.00	0.00
Standard Chartered Bank Trustee E & Executor	Not applicable		0.09	0.09
Vaishak Shares Limited	Not applicable	56.1	0.00	0.00
Victor Properties Private Limited	Not applicable		-	0.15
Arihants Securities Limited	Not applicable		0.25	-
Dreams Broking Private Limited	Not applicable	56.1	0.00	-
Ing Securities Private Limited	Not applicable		0.43	-
Jalan Holdings Private Limited	Not applicable		0.18	-
Vaishak Shares Limited	Not applicable	56.1	0.00	-

**56.1.** Amount is below the rounding off norm adopted by the Group :

**Note 57. Inter-corporate loans given**

- a) In respect of Inter-Corporate Deposits (ICDs) given to Promoter group and certain other companies ('borrowing companies') by the Parent as given in Note no. 51(B), the amount outstanding aggregates to Rs. 2,76,173.95 Lakhs as at 31st March 2023 (31st March 2022: Rs. 2,76,258.95 Lakhs). Further, interest of Rs. 9,941.50 lakhs on these amounts were accrued upto 31st March 2019 and are remaining unpaid in this respect as on 31st March 2023. Interest on such ICDs considering the waiver sought by borrower companies and uncertainties involved with respect to recovery and determination of amount thereof, has not been accrued since 01st April 2019. These borrowing companies which in turn advanced the amount so taken by them to other entities including one of the promoter group company which is under Corporate Insolvency and Resolution Process ('CIRP') as per the Insolvency and Bankruptcy Code, 2016 (IBC) are in the process of recovering these amounts. The claims made by these borrowing companies pursuant to CIRP have not been fully acknowledged and amount as admitted by Resolution Professional ('RP') are stated to be substantially lower than those being claimed by these companies. Whilst CIRP proceeding is yet to be concluded and amount finally recoverable pursuant to the same is yet to be determined, considering the amount so far accepted by the RP in respect of the claims made by the companies, valuation indications, eventuality of recovery in this respect and resultant net worth of these companies, provision of Rs. 1,01,039.50 lakhs (including Rs. 9,097.34 lakhs provided in earlier years) on lumpsum basis without prejudice to parent's legal right to recover the amounts given by it, has been made in these consolidated financial statements. This includes provision of Rs. 9,941.50 lakhs (including Rs. 7,999.34 lakhs provided in earlier years) provided against interest accrued upto 31st March 2019 which has been fully provided for in the consolidated financial statements. The management believes that the outstanding dues, net of provision thereagainst, as mentioned above, shall be recovered/adjusted and/or restructured depending upon the outcome of the recovery proceedings pursuant to CIRP or otherwise and completion of the resolution process of the parent. Impacts if any in this respect will be given effect to on determination of the amount in this respect and no further provision/adjustment is required at this stage.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**

- b) In respect of the Inter-Corporate Deposits to companies as dealt herein above in Note no. 57(a), the predecessor auditors' had issued an adverse opinion on the audited consolidated financial statement for the year ended 31st March 2019. Inter-Corporate Deposits to companies as dealt herein above include amounts reported upon by predecessor auditor being in the nature of book entries. This includes amounts given to group companies whereby applicability of Section 185 of the Companies Act, 2013 and related non-compliances, if any could not be ascertained and commented upon by them. Loan of Rs. 1,85,075.95 Lakhs (net of provision) given to various parties as given in Note no. 57(a) above are outstanding as on 31st March 2023. The issues raised including utilisation of amount of these loans etc. are also being examined by relevant authorities. Replies to the queries sought and information and details required by the authorities have been provided and final outcome and/or directions if any are awaited as on this date.

**Note 58. Going concern and Default in Borrowings**

- a) "The Parent's financial position irrespective of its consistent performance is continued to be under stress. The Inter-Corporate Deposits (ICDs) given to various group and other companies in earlier years along with interest to the extent accrued earlier are lying substantially outstanding as on this date. The ICDs given by the parent were in turn advanced by them to other entities including one of the promoter group company which is under CIRP as on this date. Non-repayment of such ICDs have caused financial constraints resulting in hardship in servicing of the short term and long-term debts and meeting other liabilities.

The CIRP proceeding initiated against the company as stated in Note no. 60(a) above has since been withdrawn. Consequently, the lenders (bankers) have since reinitiated the Resolution process of the parent in terms of circular dated 07th June 2019 issued by the Reserve Bank of India. Inter-Creditor Agreement (ICA) for arriving at and implementing the resolution plan was signed by all the lenders (bankers). In terms of the resolution process undertaken prior to CIRP, the forensic audit for utilisation of funds borrowed in the past conducted on behalf of lenders, Techno Economic Viability (TEV), Valuation of tea estates and other assets and credit rating for draft Resolution Plan prepared by SBI Capital Markets Limited, one of the leading investment banker pursuant to the said process were completed. Meanwhile, lenders in addition to the above also requested for submission of the proposal for one time settlement ('OTS proposal') of their dues and thereby exclusivity agreement with another company to discuss, negotiate and evaluate a mutually agreeable mechanism to offer the OTS proposal was entered into by the parent which during CIRP proceedings has expired on 28th February 2023. The resolution process reinitiated as stated above is under active consideration of the lenders and related plans and proposals are expected to be finalised after due consideration of all the related aspects and once finalised will be placed for necessary approval for implementation."

The management is confident that with the bankers support in restructuring/ settlement of their debt to a sustainable level and resultant rationalisation of cost of borrowing and other costs, induction of additional fund by sale of assets or otherwise etc. and other ameliorative measures taken and/or proposed to be taken, the parent will be able to generate sufficient cashflow to meet its obligations and strengthen its financial position over a period of time. Considering that the required measures are under implementation and/or under active consideration for arriving at a resolution in due course of time, these consolidated financial statements have been prepared on going concern basis.

- b) Pending completion of resolution process as per Note No. 58(a) above and consequential adjustment in this respect, Interest on borrowings from banks and financial institutions have been continued to be provided on simple interest basis based on the rates specified in term sheet or otherwise stipulated/advised from time to time and penal/compound interest if any has not been considered. Further, amount repaid to lenders and/or recovered by them including by invoking securities etc., have been adjusted against principal amount outstanding. The amount payable to the lenders in respect of outstanding amount including interest thereagainst is subject to confirmation and determination and consequential reconciliation thereof in terms of the resolution to be arrived at and approved by the lenders as on this date.
- c) Further, Interest of Rs. 9,185.82 Lakhs (including Rs. 2,469.03 Lakhs (net of provision) for the period) on Inter Corporate Deposits/ Short-Term Borrowings (Rs. 21,375.19 lakhs outstanding as on March 31, 2023) taken by the parent has not been recognised. Interest in this respect in line with (b) above have been determined on simple basis at stipulated rate or otherwise advised from time to time. This however does not include interest if any on outstanding advances of Rs. 5,000.00 lakhs from customers, pending recognition as Inter Corporate Deposits and finalisation of terms and conditions thereof. Further, Interest including compound/ penal interest if any payable with respect to these are currently not determinable and as such the amount in this respect have not been disclosed and included in the above amount.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**

**59 :** In case of parent, certain debit and credit balances including borrowings and interest thereupon dealt with in Note no. 58 above, clearing accounts, trade and other payables, advances from customers, loans and advances (other than as dealt with in Note no. 57(a)), other current assets and certain other liabilities are subject to reconciliation with individual details and balances and confirmation thereof. Adjustments/ Impact/ and related disclosures in this respect are currently not ascertainable. However, certain account balances which were under reconciliation have been reconciled and required adjustments thereof have been given effect to in these consolidated financial statements.

**Note 60. IL&FS Infrastructure Debt Fund ('ILFS-IDF')**

- (a) Subsequent to the balance sheet date, the order dated 10th February 2023 passed by Hon'ble National Company Law Tribunal ('NCLT') on the petition filed by IL&FS Infrastructure Debt Fund ('ILFS-IDF') under "Insolvency and Bankruptcy Code, 2016" (IBC) with Hon'ble National Company Law Tribunal ('NCLT') pursuant to the shortfall undertaking ('undertaking') executed between ILFS-IDF and the parent in connection with Debt Service Reserve Account ('DSRA') obligations pertaining to the secured debentures of Rs. 15,000.00 lakhs and Rs. 9,950.00 lakhs issued respectively by Babcock Borsig Limited ('BBL') and Williamson Magor & Company Limited ('WMCL') to ILFS-IDF has been set-aside pursuant to the Order of Hon'ble National Company Law Appellate Tribunal, Principal Bench, New Delhi ('NCLAT') ('the Order') dated 15th May 2023 ('the Order'). The Order has been passed by the NCLAT following a settlement agreement taken on record. Consequent to the said order, powers of the Board of Directors of the parent which was suspended with effect from 10th February 2023 on initiation of Corporate Insolvency Resolution Process (CIRP) has since been restored. IRP has been discharged with effect from the date of the order from the functioning and responsibilities entrusted upon pursuant to CIRP and necessary powers for managing the affairs of the parent have been vested back with the Board of Directors of the parent.
- (b) The parent as stated above had given shortfall undertaking ('undertaking') to IL&FS Infrastructure Debt Fund ('ILFS-IDF') in connection with Debt Service Reserve Account ('DSRA') obligations pertaining to the secured debentures of Rs. 15,000.00 lakhs and Rs. 9,950.00 lakhs issued respectively by Babcock Borsig Limited ('BBL') and Williamson Magor & Company Limited ('WMCL'). The claims made by ILFS-IDF pursuant to an agreement entered with the party have been settled by Dufflaghur Investment Limited for Rs. 4,967.00 lakhs and CIRP proceedings against the company as stated above have since been set-aside. The parent's obligations in this respect and related terms and condition thereof and consequential impact if any in this respect have presently not been determined and therefore has not been given effect to in these consolidated financial statements.

**61. Additional Information pursuant to amendments (effective April 01, 2021) made in Schedule III to the extent applicable to the Group (Other than those that have been disclosed under the respective Notes to the Consolidated financial statements):**
**A) Utilisation of borrowed funds and share premium**

- (i) The Group has not advanced or loaned or invested funds to any other persons or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- 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.
- (ii) The Group has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- 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.

**(B) Details of crypto currency or virtual currency**

The Group has not traded or invested in crypto currency or virtual currency during the current or previous year.

**(C) Undisclosed income**

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

**(D) Compliance with number of layers of companies**

The Group has complied with number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of layers) Rules, 2017.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**
**Note 62. INTEREST IN OTHER ENTITIES**
**(a) Interest in Subsidiaries**

The Group's subsidiaries as at 31st March, 2023 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

Name of entity	Place of business /country of incorporation	Ownership interest held by the group		Ownership interest held by non controlling interests		Principal Activities
		31st March 2023	31st March 2022	31st March 2023	31st March 2022	
<b>Subsidiary</b>						
i) Borelli Tea Holdings Limited (BTHL)	United Kingdom	100	100	-	-	Investment
<b>Step-Down Subsidiaries of BTHL</b>						
a) Phu Ben Tea Company Limited (Phu Ben)	Vietnam	100	100	-	-	Cultivation and Manufacturing of Tea
b) McLeod Russel Uganda Limited (MRUL)	Uganda	100	100	-	-	Cultivation and Manufacturing of Tea
c) McLeod Russel Middle East DMCC (MRME)	United Arab Emirates	100	100	-	-	Trading in Black Tea
d) McLeod Russel Africa Limited (MRAL)	Kenya	100	100	-	-	Trading in Black Tea

**(b) Interest in Associate**

Set out below are the associates of the Group as at 31st March, 2023, which have share capital consisting solely of equity shares and are held directly by the group. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held. The associate namely D1 Williamson Bio Fuel Limited has incurred losses and thereby the amount of investment held by the Group has been fully impaired in the past. Hence, no further accounting under equity method has been done in the Consolidated Financial Statements.

Name of entity	Place of business/ country of incorporation	Proportion of Ownership		Carrying Amount	
		31st March 2023 %	31st March 2022 %	31st March 2023 ₹ Lakh	31st March 2022 ₹ Lakh
i) D1 Williamson Magor Bio Fuel Limited	India	34.30%	34.30%	-	-

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**
**Note 63. ADDITIONAL INFORMATION REQUIRED BY SCHEDULE III**

Name of the Entity in the Group	Net Assets (total assets minus liabilities)		Share in profit or loss		Share in Other Comprehensive income		Share in Total Comprehensive income	
	As a % Consolidated Net Assets	Amount (₹ Lakhs)	As a % Consolidated Profit or Loss	Amount (₹ Lakhs)	As a % Consolidated Other Comprehensive Income	Amount (₹ Lakhs)	As a % Consolidated Total Comprehensive Income	Amount (₹ Lakhs)
<b>Parent</b>								
<b>McLeod Russel India Limited</b>								
31st March 2023	71.82%	40,887.27	99.33%	(1,04,942.27)	109.95%	(2,515.70)	99.55%	(1,07,457.97)
31st March 2022	89.98%	1,48,345.24	75.26%	(13,617.14)	9.32%	59.45	77.67%	(13,557.69)
<b>Subsidiaries (Group's Share)</b>								
<b>Outside India</b>								
<b>Borelli Tea Holding Limited &amp; its Subsidiaries</b>								
31st March 2023	26.58%	15,131.65	0.65%	(682.75)	6.19%	(141.61)	0.76%	(824.36)
31st March 2022	9.44%	15,571.13	24.43%	(4,419.93)	-61.24%	(390.75)	27.56%	(4,810.68)
<b>Associates</b>								
<b>D1 Williamson Magor Bio Fuel Limited</b>								
31st March 2023	-	-	-	-	-	-	-	-
31st March 2022	-	-	-	-	-	-	-	-
<b>Non-Controlling Interest</b>								
31st March 2023	-	-	-	-	-	-	-	-
31st March 2022	-	-	-	-	-	-	-	-
<b>Adjustment arising out of consolidation</b>								
31st March 2023	1.61%	914.62	0.02%	(26.13)	-16.14%	369.26	-0.32%	343.13
31st March 2022	0.58%	956.37	0.31%	(55.41)	151.92%	969.38	-5.24%	913.97
<b>Total</b>								
31st March 2023	<b>100.00%</b>	<b>56,933.54</b>	<b>100.00%</b>	<b>(1,05,651.15)</b>	<b>100.00%</b>	<b>(2,288.05)</b>	<b>100.00%</b>	<b>(1,07,939.20)</b>
31st March 2022	<b>100.00%</b>	<b>1,64,872.74</b>	<b>100.00%</b>	<b>(18,092.48)</b>	<b>100.00%</b>	<b>638.08</b>	<b>100.00%</b>	<b>(17,454.40)</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**

64. These consolidated financial statements have been approved by the Board of Directors of the Parent on 30th May 2023, for issue to the shareholders for their adoption.
65. Previous year's figures have been regrouped/ reclassified wherever necessary to make them comparable with current year's classification/disclosure.

As per our report of even date

**For Lodha & Co,**  
*Chartered Accountants*

**R.P. Singh**

*Partner*

Place : Kolkata

Dated : 30th May 2023

**For and on behalf of the Board of Directors**

**Aditya Khaitan** - Chairman and Managing Director

(DIN No: 00023788)

**Pradip Bhar** - Chief Financial Officer

**Alok Kumar Samant** - Company Secretary



**Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Consolidated Financial Results**

**Statement on Impact of Audit Qualifications on Consolidated Results for the Financial Year ended March 31, 2023**

[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

(₹ in Lakh)

I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Audited Figures (audited figures after adjusting for qualifications to the extent ascertainable)
	1	Turnover / Total income	1,38,661	1,38,661
	2	Total Expenditure	1,54,660	1,63,846
	3	Net Profit/(Loss)	(1,05,650)	(1,14,836)
	4	Earnings Per Share	(101.14)	(109.94)
	5	Total Assets	3,73,973	3,73,973
	6	Total Liabilities	3,17,039	3,26,225
	7	Total Equity	56,934	47,748
	8	Any other financial item(s)	-	-

II Audit Qualification (each audit qualification separately) : Qualification-1	
a. Details of Audit Qualification:	Note no. 6(a) of the consolidated financial results dealing with Inter Corporate Deposits (ICD) aggregating to Rs. 2,86,115 lakhs (including interest accrued till March 31, 2019) as on March 31, 2023 given to certain companies which are doubtful of recovery and considering recoverability etc. are prejudicial to the interest of the parent company. Provision of Rs. 1,01,039 lakhs (including Rs. 9,097 lakhs provided in earlier years) has been made against this till March 31, 2023. In absence of provision against the remaining amount, the loss for the year is understated to that extent. Impact in this respect have not been ascertained by the management and recognised in the consolidated financial results.
b. Type of Audit Qualification:	Adverse
c. Frequency of qualification:	Repetitive
d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	In respect of Inter-Corporate Deposits (ICDs) given to Promoter group and certain other companies ('borrowing companies') by the parent company, the amount outstanding aggregates to Rs. 2,76,174 Lakhs as at March 31, 2023. Further, interest of Rs. 9,941 lakhs on these amounts were accrued upto March 31, 2019 and are remaining unpaid in this respect as on March 31, 2023. Interest on such ICDs considering the waiver sought by borrower companies and uncertainties involved with respect to recovery and determination of amount thereof, has not been accrued since April 01, 2019. These borrowing companies which in turn advanced the amount so taken by them to other entities including one of the promoter group company which is under Corporate Insolvency and Resolution Process ('CIRP') as per the Insolvency and Bankruptcy Code, 2016 (IBC) are in the process of recovering these amounts. The claims made by these borrowing companies pursuant to CIRP have not been fully acknowledged and amount as admitted by Resolution Professional ('RP') are stated to be substantially lower than those being claimed by these companies. Whilst CIRP proceeding is yet to be concluded and amount finally recoverable pursuant to the same is yet to be determined, considering the amount so far accepted by the RP in respect of the claims made by the companies, valuation indications, eventuality of recovery in this respect and resultant net worth of these companies, provision of Rs. 1,01,039 lakhs (including Rs. 9,097 lakhs provided in earlier years) on lumpsum basis without prejudice to parent company's legal right to recover the amounts given by it, has been made in these consolidated financial results. This includes provision of Rs. 9,941 lakhs (including Rs. 7,999 lakhs provided in earlier years) provided against interest accrued upto March 31, 2019 which has been fully provided for in the consolidated financial results. The management believes that the outstanding dues, net of provision there against, as mentioned above, shall be recovered/adjusted and/or restructured depending upon the outcome of the recovery proceedings pursuant to CIRP or otherwise and completion of the resolution process of the parent company. Impacts if any in this respect will be given effect to on determination of the amount in this respect and no further provision/adjustment is required at this stage.

<b>Qualification-1</b>	
e. For Audit Qualification(s) where the impact is not quantified by the auditor:	Nil
(i) Management's estimation on the impact of audit qualification:	Not applicable
(ii) If management is unable to estimate the impact, reasons for the same:	The management believes that the outstanding dues, net of provision there against, as mentioned above, shall be recovered/adjusted and/or restructured depending upon the outcome of the recovery proceedings pursuant to CIRP or otherwise and completion of the resolution process of the parent company. Impacts if any in this respect will be given effect to on determination of the amount in this respect and no further provision/adjustment is required at this stage.
(iii) Auditors' Comments on (i) or (ii) above:	
<b>Qualification-2</b>	
a. Details of Audit Qualification:	Note No. 9(b) of the consolidated financial results regarding non-recognition of Interest on Inter Corporate Deposits taken by the parent company and thereby the loss for the year is understated to the extent indicated in said note and non-determination of interest and other consequential adjustments/disclosures in absence of relevant terms and conditions in respect of certain advances being so claimed by customers as stated therein. Further, as stated in Note no. 9(a), penal/compound interest and other adjustments in respect of borrowings from lenders/banks/financial institution have not been recognised and amount payable to banks and financial institutions as recognised in this respect are subject to confirmation from respective parties and consequential reconciliation. Pending final determination of amount in this respect, adjustments and impacts arising therefrom have not been ascertained and as such cannot be commented upon by us.
b. Type of Audit Qualification :	Adverse
c. Frequency of qualification:	Repetitive
d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	The Parent company submits that the resolution process as stated in Note no. 7 of the consolidated financial results are under active consideration of the lenders and related plans and proposals are expected to be finalised after due consideration of all the related aspects. The amount of interest will be determined and recognised based on the proposals once finalised to give effect to all the aspect of the proposal on comprehensive basis.
e. For Audit Qualification(s) where the impact is not quantified by the auditor:	
(i) Management's estimation on the impact of audit qualification:	Not applicable
(ii) If management is unable to estimate the impact, reasons for the same:	Penal interest / compound interest has not yet been confirmed by banks. Further, interest would be restructured/ finalised in accordance with the plans and proposals under consideration of the lenders and amount payable will then be ascertained and given effect to in the accounts
(iii) Auditors' Comments on (i) or (ii) above:	

<b>Qualification-3</b>	
a. Details of Audit Qualification:	Note no 12 of the consolidated financial results regarding non reconciliation/disclosure of certain debit and credit balances with individual details and confirmations etc. including borrowings and interest thereupon dealt with in Note no.9. Adjustments/ Impacts with respect to these are currently not ascertainable and as such cannot be commented upon by us.
b. Type of Audit Qualification :	Adverse
c. Frequency of qualification:	Repetitive
d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	Not quantified
e. For Audit Qualification(s) where the impact is not quantified by the auditor:	
(i) Management's estimation on the impact of audit qualification:	Not quantifiable
(ii) If management is unable to estimate the impact, reasons for the same:	The Parent company submits that it has 33 tea estates/ factories and 2 offices and therefore it is practically not feasible to reconcile the entire balances and such reconciliation is an ongoing process. Impact will thus become ascertainable only upon reconciliations and confirmations. However, during the year certain account balances which were under reconciliation have been reconciled and required adjustments thereof have been given effect to in this year.
(iii) Auditors' Comments on (i) or (ii) above:	

<b>Qualification-4</b>	
a. Details of Audit Qualification:	Note no. 10 of the consolidated financial results regarding non-determination/ recognition of amount payable in respect of claims made pursuant to shortfall undertaking executed between the parent company and debenture holders in respect of the debentures issued by certain group companies as dealt with in the said note and Note no. 11 dealing with parent company's obligation in respect of the settlement arrived at with a corporate lender in earlier year. Pending finalisation of terms and condition with respect to the company's obligations in respect of settlement arrived at with the parties, adjustments required in this respect are currently not ascertainable and as such cannot be commented upon by us
b. Type of Audit Qualification :	Adverse
c. Frequency of qualification:	First time
d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	Not quantified
e. For Audit Qualification(s) where the impact is not quantified by the auditor:	
(i) Management's estimation on the impact of audit qualification:	Not quantifiable
(ii) If management is unable to estimate the impact, reasons for the same:	The parent company as stated in Note no. 2 of the consolidated financial results had given shortfall undertaking ('undertaking') to IL&FS Infrastructure Debt Fund ('ILFS-IDF') in connection with Debt Service Reserve Account ('DSRA') obligations pertaining to the secured debentures of Rs. 15,000 lakhs and Rs. 9,950 lakhs issued respectively by Babcock Borsig Limited ('BBL') and Williamson Magor & Company Limited ('WMCL'). The claims made by ILFS-IDF pursuant to an agreement entered with the party have been settled by Dufflaghur Investment Limited for Rs. 4,967 lakhs and CIRP proceedings as stated in Note no. 2 have since been withdrawn. The settlement obligation in this respect has been fulfilled by the said company. The settlement obligation in this respect has been fulfilled by the said company. The parent company's obligations in this respect and related terms and condition thereof and consequential impact if any in this respect have presently not been determined and therefore has not been given effect to in these consolidated financial results. Finance Cost includes Rs. 2,000 lakhs being the amount paid by a third party on behalf of the parent company in settlement of the dues of a corporate lender in earlier year. This represents differential amount over and above the principle amount so far paid in terms of the said settlement. Pending discharge of balance obligations and finalisation of related terms and conditions, further adjustments required if any in this respect are presently not ascertainable.
(iii) Auditors' Comments on (i) or (ii) above:	

Qualification-5	
a. Details of Audit Qualification:	As stated in Note no. 8 of the consolidated financial results, the predecessor auditor pertaining to financial year ended March 31, 2019 in respect of loans included under qualification 1 above have reported that it includes amounts given to group companies whereby applicability of Section 185 of the Companies Act, 2013 could not be ascertained and commented upon by them. They were not been able to ascertain if the aforesaid promoter companies could, in substance, be deemed to be related parties to the parent company in accordance with paragraph 10 of Ind AS-24 "Related Party Disclosures". Further certain ICDs as reported were in nature of book entries and/or are prejudicial to the interest of the parent company. Moreover, in case of advance to a body corporate as stated in Note no. 6(b) which has now been fully provided appropriate audit evidences were not made available to them. These amounts are outstanding as on this date and included in loans and advances dealt with in Note no. 6(a) and status thereof have remained unchanged and uncertainty and related concerns including utilisation thereof and being prejudicial to the interest of the parent company are valid for periods subsequent to March 31, 2019 including current year also. The matter as reported is under examination and pending before regulatory authorities. Pending final outcome of the matter under examination we are unable to ascertain the impact of non-compliances and comment on the same.
b. Type of Audit Qualification :	Adverse
c. Frequency of qualification:	Repetitive
d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	Not quantified
e. For Audit Qualification(s) where the impact is not quantified by the auditor:	
(i) Management's estimation on the impact of audit qualification:	Not quantifiable
(ii) If management is unable to estimate the impact, reasons for the same:	The matter as reported is pending before regulatory authorities.
(iii) Auditors' Comments on (i) or (ii) above:	

<b>III Signatories :</b> <ul style="list-style-type: none"> <li>● Managing Director</li> <li>● Chief Financial Officer</li> <li>● Audit Committee Chairman</li> <li>● Statutory Auditors</li> </ul>	<p><b>For McLeod Russel India Limited</b> <b>(Aditya Khaitan)</b> <b>(DIN: 00023788)</b></p> <p><b>For McLeod Russel India Limited</b> <b>(Pradip Bhar)</b></p> <p><b>(Raj Vardhan)</b> <b>(DIN: 0008513917)</b></p> <p><b>For Lodha &amp; Co,</b> <b>Chartered Accountants</b></p> <p><b>(R.P. Singh)</b> <b>(Partner)</b> <b>Membership No: 052348)</b></p>
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**Place : KOLKATA**  
**Date : 30th May, 2023**

**Form AOC-1**

Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014

**Statement Containing salient features of the Financial Statements of Subsidiaries/Associate Companies/**
**Joint Ventures for the year ended 31 March, 2023**
**Part "A" : Subsidiaries**

(Information in respect of each subsidiary to be presented with amounts in (Rs. in Lakhs))

Sl. No.	1	2	3	4	5
Name of the Subsidiary	Borelli Tea Holdings Limited	Phu Ben Tea Company Limited	McLeod Russel Uganda Limited	McLeod Russel Africa Limited	McLeod Russel Middle East DMCC
Reporting Currency	British Pound	Vietnamese Dong	Uganda Shillings	Kenya Shillings	US Dollars
	(GBP)	(VND)	(UGX)	(KSH)	(USD)
Year when Subsidiary was acquired	2005	2009	2010	2013	2011
Reporting period for the Subsidiary concerned	Year Ended 31st March 2023	Year Ended 31st December 2022	Year Ended 31st December 2022	Year Ended 31st December 2022	Year Ended 31st December 2022
Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	101.8728	0.0035	0.0219	0.6288	82.1555
	Rs. In Lakhs	Rs. In Lakhs	Rs. In Lakhs	Rs. In Lakhs	Rs. In Lakhs
Share Capital	256.72	19,827.59	1,014.25	0.63	44.77
Reserves and Surplus	1,788.95	(18,067.87)	16,407.09	(245.71)	235.61
Total Assets	10,943.60	6,786.80	37,350.17	1,039.93	571.28
Total Liabilities(including Shareholders' Fund)	10,943.60	6,786.80	37,350.17	1,039.93	571.28
Non Current Investments	9,011.34	-	-	-	-
Turnover	1,098.93	2,882.88	21,438.27	2,396.02	1,647.98
Profit before Taxation	(17,613.51)	(2,384.34)	2,150.08	(1.27)	36.75
Provision for Taxation	178.30	-	661.80	(44.98)	-
Profit after Taxation	(17,791.81)	(2,384.34)	1,488.28	43.71	36.75
Final Dividend paid for last year	-	-	-	-	-
Interim Dividend paid for the current year	-	-	-	-	-
Proposed Dividend for the current year	-	-	-	-	-
% of Shareholding as on financial year end of subsidiary	100%	100%	100%	100%	100%
% of Shareholding as on 31st March, 2023	100%	100%	100%	100%	100%
Country	United Kingdom	Vietnam	Uganda	Kenya	United Arab Emirates

**Part "B": Associates and Joint Ventures**
**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

Name of Associates		D1 Williamson Magor Bio Fuel Ltd
1.	Latest audited Balance Sheet Date	31st March 2023
2.	Date on which the Associate was associated or acquired	June 19, 2008
3.	Shares of Associate held by the Company on the year end	
	No.	7281201
	Amount of Investment in Associates/Joint Venture (Rs. in lakhs) Refer Note 3	2184.36
	Extend of Holding %	34.30%
4.	Description of how there is significant influence	Because of Shareholding
5.	Reason why the associate is not consolidated	Not consolidated since cost of Investment has been fully written down in compliance with Ind-As.
6.	Net worth attributable to Shareholding as per latest audited Balance Sheet (Rs. in lakhs)	-
7.	Loss for the year (Rs. in lakhs)	-
	i. Considered in Consolidation (Rs. in lakhs)	Nil (Note-3 below)
	ii. Not Considered in Consolidation (Rs. in lakhs)	-

**Notes:**

- Names of the Associates or Joint Ventures which are yet to commence operations - Nil.
- Names of the Associates or Joint Ventures which have been liquidated or sold during the year - Nil.
- Cost of Investment has been fully written-down in compliance with Ind-As

**Place : Kolkata**  
**Date : May 30, 2023**

**For and on behalf of the Board of Directors**

**Aditya Khaitan** - Chairman and Managing Director  
(DIN No: 00023788)

**Pradip Bhar** - Chief Financial Officer

**Alok Kumar Samant** - Company Secretary

*If undelivered, please return to :*

**McLEOD RUSSEL INDIA LIMITED**

**Four Mangoe Lane, Surendra Mohan Ghosh Sarani**

**Kolkata - 700 001**