





# STANES AMALGAMATED ESTATES LIMITED

## CONTENTS

			<b>Page</b>
<b>Board of Directors and other Information</b>	..	..	<b>3</b>
<b>Notice of Meeting</b>	..	..	<b>4</b>
<b>Directors' Report</b>	..	..	<b>16</b>
<b>Auditors' Report</b>	..	..	<b>23</b>
<b>Balance Sheet</b>	..	..	<b>30</b>
<b>Statement of Profit and Loss</b>	..	..	<b>31</b>
<b>Cash Flow Statement</b>	..	..	<b>32</b>
<b>Statement of Changes in Equity</b>	..	..	<b>34</b>
<b>Notes on the Financial Statements</b>	..	..	<b>36</b>



# STANES AMALGAMATED ESTATES LIMITED

## **Board of Directors**

Mr. A. KRISHNAMOORTHY  
Chairman

Mr. N. VENKATARAMANI  
Director  
(Upto 1<sup>st</sup> August 2020)

Mr. PS WALLIA  
Director

Mr. V. VISWANATHAN  
Director

---

## **Auditors**

M/s. FRASER & ROSS, COIMBATORE

---

## **Bankers**

M/s. CENTRAL BANK OF INDIA  
M/s. UNION BANK OF INDIA (Erstwhile Corporation Bank)

---

## **Registrar and Share Transfer Agent**

M/s. INTEGRATED REGISTRY MANAGEMENT SERVICES PRIVATE LIMITED,  
CHENNAI

---

## **Even For E-voting (NSDL)**

STANES AMALGAMATED ESTATES LIMITED - 116287

---

## **Registered Office**

8/23-24, RACE COURSE ROAD, COIMBATORE - 641 018

---

## **Administrative Office**

"SAE GARDENS", 3A & B, KAMARAJ ROAD, RED FIELDS, COIMBATORE - 641 018

# STANES AMALGAMATED ESTATES LIMITED

Registered Office:  
8/23-24, Race Course Road,  
COIMBATORE - 641018  
Corporate Identification Number (CIN): U01132TZ1946PLC000180  
Tel: 0422 2223942; Fax: 0422 2223941  
Email: saeteaadmin@saetea.com, Website: www.saetea.com

---

## SEVENTY FIFTH ANNUAL GENERAL MEETING

### NOTICE TO SHAREHOLDERS

---

**NOTICE is hereby given that the SEVENTY FIFTH (75<sup>th</sup>) Annual General Meeting of the members of Stanes Amalgamated Estates Limited will be held on Wednesday, 04<sup>th</sup> August 2021 at 11.00 A.M through Video Conferencing (VC) / Other Audio Visual Means (OAVM) to transact the following business:**

#### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Directors' Report and the Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March 2021, and the Auditors' Report attached thereto.
2. To appoint a Director in place of Mr. V. Viswanathan, Director (DIN 00010777) who retires by rotation. He is eligible for re-election.

#### **SPECIAL BUSINESS:**

3. To consider and if thought fit, to pass with or without modification(s) the following Resolution as "Ordinary Resolution":

"Resolved that subject to the provisions of Section 196,197 read with Schedule V of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof, for the time being in force) Mr. V.Viswanathan, Director (DIN 00010777) be and is hereby re - appointed as Whole time Director of the company for a period of one year from 30<sup>th</sup> November 2020 on the following terms, conditions and remuneration as approved by the Board of Directors of the Company at their meeting held on 30<sup>th</sup> October 2020 with an authority to the Board to vary / modify his remuneration from time to time within the overall ceiling limits of Section II of Part II of Schedule V to the Companies Act, 2013".

#### **TERMS AND CONDITIONS :**

##### **i) SALARY**

- a) Salary: Rs.1,20,000/- p.m. as from 30<sup>th</sup> November 2020.
- b) House Rent Allowance: 40% of Basic Salary per month.
- c) Special Allowance: Rs.56,000/- per month.
- d) Performance Incentive: Rs. 1,50,000/- per annum (payable annually).

##### **ii) PERQUISITES**

- a) Medical Benefits: Medical Expenses incurred by the Director for self and his family will be reimbursed subject to his one-month's salary for every year of service.
- b) Free use of Company's car with driver, the monetary value of which will be evaluated as per Income Tax Rules, 1962.

- c) Free use of Telephone at residence and also re-imburement of mobile charges.
- d) Free Gas, Water and Electricity at the residence of the Director
- e) Fee for one club provided that no life membership fee or admission fee is paid.
- f) Personal Accident Insurance for self and Mediclaim Insurance for Self and his Wife.
- g) Reimbursement of Entertainment Expenses as may be approved by the Board from time to time.
- h) Leave Travel Assistance: For self and Family once a year in accordance with the Company's Rules.

All the above perquisites shall be evaluated as per the Income Tax Rules, 1962, wherever applicable. In the absence of any such Rule, Perquisites shall be evaluated at actuals.

- iii) **LEAVE** - As per Company's Rules.
- iv) **TERMINATION OF APPOINTMENT** - Three Months' Notice on either side. Also three months' salary in lieu of notice for termination by the company.
- v) **MINIMUM REMUNERATION** - In the event of absence or inadequacy of profits in any financial year during the tenure of the Whole Time Director, the salary (i), and perquisites (ii), as specified above would be admissible as MINIMUM REMUNERATION subject to the ceiling under Clause (A) of Section II of Part II of Schedule V to the Companies Act, 2013 on the basis of "effective capital" computed for each financial year with an authority to the Board to vary / modify his remuneration from time to time within the overall ceiling limits of Clause(A) of Section II of Part II of Schedule V to the Companies Act, 2013.

#### **MEMORANDUM OF CONCERN OR INTEREST**

No other Director other than Mr. V.Viswanathan (DIN 00010777) is concerned or interested in the resolution.

#### **4. Appointment of Statutory Auditors to fill casual vacancy**

To consider and if thought fit, to pass with or without modification the following resolution as an "Ordinary Resolution":

"RESOLVED THAT pursuant to provision of Section 139(8) and other applicable provisions, if any, of the Companies Act, 2013 as amended from time to time or any other law for the time being in force (including any statutory modification or amendment thereto or re-enactment thereof for the time being in force) M/s. K.S Aiyar & Co., Chartered Accountants, Coimbatore, having Firm Registration No. 100186W, be and are hereby appointed as Statutory Auditors of the Company, to fill casual vacancy caused by resignation of M/s. Fraser & Ross, Chartered Accountants, Coimbatore (having firm registration no. 000829S), as Statutory Auditors of the Company for the year 2021-22, to hold office upto the conclusion of the 76<sup>th</sup> Annual General Meeting on the remuneration and terms and conditions as may deemed fit between the Company and the Statutory Auditors.

RESOLVED FURTHER THAT Mr. V. Viswanathan Director be hereby authorised to do all such acts, things and deeds as may be necessary to give effect to this resolution."

Place : Coimbatore  
Date : 24<sup>th</sup> June 2021

(By Order of the Board)  
**V. VISWANATHAN**  
Director

## **EXPLANATORY STATEMENT UNDER SECTION 102(1) OF THE COMPANIES ACT, 2013:**

### **Item No. 3:**

#### **Re – Appointment of Mr.V.Viswanathan (DIN 00010777), as Whole Time Director (Ordinary Resolution)**

Mr. V.Viswanathan (DIN 00010777), Whole Time Director of the Company, is in the employment of the Company for the past 44 years. He has served the Company in various capacities both as General Manager (Finance & Accounts) and also as the Company Secretary of the company.

He is overall in-charge of finance, accounts, taxation, secretarial and legal matters of the Company subject to superintendence, control and directions of the Board of Directors of the Company.

At the Board Meeting held on 30<sup>th</sup> October 2020, Mr. V.Viswanathan (DIN 00010777) was re - appointed as the Whole Time Director for a period of 1 year from 30<sup>th</sup> November 2020 pursuant to Sections 196, 197 and other applicable provisions read with Schedule V to the Companies Act, 2013.

The remuneration payable to Mr. V.Viswanathan (DIN 00010777) on his re - appointment as Whole Time Director of the Company, as approved by the Board of Directors of the Company, require the approval of the Shareholders by means of passing a Special Resolution at a General Meeting of the Company, in term of requirements of Section II of Part II of the Schedule V to the Companies Act, 2013. Hence the Special Resolution is proposed for consideration of the members.

Mr. V. Viswanathan (DIN 00010777), Director, is liable to retire by rotation under Section 152(6) of the Companies Act, 2013.

Full particulars of the remuneration and perquisites proposed to be paid / allowed to him are set out in the list of the resolution and are within the limits permissible under Schedule V to the Companies Act, 2013.

However, Mr.V.Viswanathan, resigned from service as a Whole Time Director and Company Secretary, effective from 1<sup>st</sup> April 2021. He would continue as a Director of the company.

### **ITEM NO: 4:**

#### **Appointment of Statutory Auditors to fill casual vacancy (Ordinary Resolution):**

M/s. Fraser & Ross, Chartered Accountants, Coimbatore (having firm registration no. 000829S), due to their operational reasons, have expressed their inability to continue as the Statutory Auditors of the Company for the year 2021-22 on 24<sup>th</sup> June 2021. In their casual vacancy caused by the resignation the Board of Directors of the Company have proposed to appoint, subject to shareholders' approval, M/s. K.S Aiyar & Co., Chartered Accountants, Coimbatore (having Firm Registration No: 100186W), as the Statutory Auditors of the Company under Section 139(8)(i) and such other applicable provisions of the Companies Act, 2013, to hold office from the conclusion of this meeting upto the conclusion of the 76<sup>th</sup> Annual General Meeting of the Company.

Accordingly, the Ordinary Resolution is submitted for the consideration and approval of members.

None of the Directors or their relatives are concerned or interested in the said resolutions.

Place : Coimbatore  
Date : 24<sup>th</sup> June 2021

(By Order of the Board)  
**V. VISWANATHAN**  
Director



## IMPORTANT NOTES

- 1) In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circular dated 13<sup>th</sup> January 2021 read with circulars dated 5<sup>th</sup> May 2020, 8<sup>th</sup> April 2020 and 13<sup>th</sup> April 2020 and all the relevant circulars issued from time to time (collectively referred to as “MCA Circulars”) permitted the holding of the Annual General Meeting (“AGM” or “Meeting”) through VC /OAVM, without the physical presence of the Members.
- 2) In compliance with the provisions of Section 108 of the Companies Act, 2013 (“Act”), read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time and MCA Circulars, the AGM of the Company is being held through VC/OAVM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency and the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by NSDL, on all the resolutions set forth in this Notice.
- 3) An explanatory statement pursuant to Section 102(1) of the Act, relating to special business to be transacted at the AGM, is annexed hereto.
- 4) Pursuant to the Circular No. 14/2020 dated 8<sup>th</sup> April 2020 issued by the MCA, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars on AGM through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
- 5) The Members’ Register and Share Transfer books of the company will remain closed from 29<sup>th</sup> July 2021 to 04<sup>th</sup> August 2021 (both days inclusive).
- 6) In compliance with the aforesaid MCA Circulars, Notice of the AGM along with the Annual Report is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members participating through the VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013. Members may also note that the Notice and the Annual Report will also be available on the Company’s website <https://www.saetea.com> and also on the website of National Securities Depository Limited (NSDL) at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- 7) Corporate members intending to authorize their representatives to attend the Meeting are requested to send a scanned certified copy of the board resolution (pdf/jpeg format) authorizing their representative to attend and vote on their behalf at the Meeting.
- 8) In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- 9) The voting rights of Members shall be in proportion of their shares of the paid up equity share capital of the company as on the cut-off date of 28<sup>th</sup> July 2021.
- 10) The Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting, but shall not be entitled to cast their vote again.

- 11) Mr. S. Kasi Viswanathan, Partner, Gopalaiyer & Subramanian, Chartered Accountants, Coimbatore has been appointed by the Board of Directors as the Scrutinizer for voting at 75<sup>th</sup> Annual General Meeting, e-voting process. The Scrutinizer will scrutinize the e-voting process (both before the AGM and on the AGM date) in a fair and transparent manner.
12. Considering the above, we urge the members to update their e-mail ID, Bank account details & Permanent Account Number (PAN) with the Company / RTA to ensure receipt of Annual Report and / or any other communications from the Company.

## VOTING OPTIONS

### A. REMOTE E-VOTING THROUGH ELECTRONIC MEANS

The e-voting period commences on 1<sup>st</sup> August 2021 at 9.00 A.M and ends on 3<sup>rd</sup> August 2021 at 05.00 P.M. During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on 28<sup>th</sup> July 2021 may cast their vote electronically. The e-voting module shall be disabled by NSDL for e-voting thereafter. Once the vote on a resolution is cast, the Member shall not be allowed to change it subsequently.

#### The Instructions for e-voting are as under:

#### A. In case of a member receives an e-mail from NSDL (for members whose e-mail addresses are registered with the Company/Depositories):

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

**Step 1: Log-in to NSDL e-voting system at <https://www.evoting.nsdl.com/>**

**Step 2: Cast your vote electronically on NSDL e-voting system.**

#### Details on Step 1 is mentioned below:

#### I) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in DEMAT mode :

In terms of SEBI circular dated 9<sup>th</sup> December 2020 on e-Voting facility provided by 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.	1. Existing IDeAS 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 “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ 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

Type of shareholders	Login Method
<p>Individual Shareholders holding securities in DEMAT mode with NSDL.</p>	<p>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.</p> <ol style="list-style-type: none"> <li data-bbox="507 470 1425 619">2. If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select “<b>Register Online for IDeAS Portal</b>” or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li data-bbox="507 651 1425 1151">3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a 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 hold 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.</li> <li data-bbox="507 1183 1425 1332">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. Individual Shareholders holding securities in DEMAT mode with CDSL</li> </ol> <div data-bbox="708 1349 1193 1647" style="text-align: center;"> <p><b>NSDL Mobile App is available on</b></p>    </div>
<p>Individual Shareholders holding securities in DEMAT mode with CDSL.</p>	<ol style="list-style-type: none"> <li data-bbox="507 1704 1425 1896">1. Existing users who have opted for Easi/Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi/Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System “Myeasi”.</li> </ol>

Type of shareholders	Login Method
	<ol style="list-style-type: none"> <li>2. After successful login of Easi/Easiest the user will be also able to see the e-Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</li> <li>3. If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>4. Alternatively, the user can directly access e-Voting page by providing DEMAT Account Number and PAN No. from a link in <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 provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.</li> </ol>
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 or joining virtual meeting and voting during the meeting.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned 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 toll free no.: 1800 1020 990 and 1800 22 44 30.
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@cslindia.com">helpdesk.evoting@cslindia.com</a> or contact at 022- 23058738 or 022-23058542-43.

**II) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in DEMAT mode and shareholders holding securities in physical mode.**

**How to Log-into NSDL e-Voting website?**

1. Visit the e-voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> 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 ‘Shareholders’ section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification code as shown on the screen.

*Alternatively, if you are registered for NSDL e-services, i.e., **IDEAS**, you can log-in at <https://eservices.nsdl.com/> 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.*

4. Your User ID details are given below:

<b>Manner of holding shares i.e. DEMAT (NSDL/CDSL) or Physical</b>	<b>Your User ID is:</b>
a) For Members who hold shares in DEMAT account with NSDL	8 Character DP ID followed by 8 Digit Client ID.  For example, if your DP ID is IN300*** and Client ID is 12***** then your User ID is IN300***12*****
b) For Members who hold shares in DEMAT account with CDSL	16 Digit Beneficiary ID.  For example, if your Beneficiary ID is 12***** then your ID is 12*****
c) For Members holding shares in Physical form	EVEN Number followed by Folio Number registered with the company.  For example, if your folio number is 001*** and EVEN is 101456 then User ID is 101456001***

5. In case of joint holders, since one of the several joint holders is entitled to exercise voting power, in case of e-voting the User ID & Password is sent to first holder. Accordingly the vote casted using the User ID and password sent to first holder is recognized on behalf of all the joint holders, as the shareholder who casts the vote through the e-Voting services of NSDL is construed to be doing so on behalf of all joint holders.

6. Your password details 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'?
    - a. 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".
    - b. If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose e-mail ID are not registered.
7. If you are unable to retrieve or have not received the 'Initial Password' or have forgotten your password:
  - a. Click on "Forgot User Details/Password?" (If you are holding shares in your DEMAT account with NSDL/CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com)
  - b. "Physical User Reset Password?" (if you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com)
  - c. 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 .
  - d. Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of the NSDL.
8. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
9. Now, you will have to click on "Login" button.
10. After you click on the "Login" button, Home page of the e-Voting will open.

## **Details on Step 2 is mentioned below:**

### **How to cast your vote electronically on NSDL e-Voting system?**

1. 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 and General Meeting is in active status
2. Select "EVEN" of company i.e 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 General Meeting"
3. Now you are ready for e-Voting as the voting page opens.

4. 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.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution(s) you will not be allowed to modify your vote.

**B. In case Members whose email addresses are not registered with the Company / Depositories:**

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) and e-mail address at <https://www.integratedindia.in/emailupdation.aspx> on the RTA website.
2. In case shares are held in DEMAT mode, please provide Name, DP ID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), PAN, mobile number and email address at <https://www.integratedindia.in/emailupdation.aspx> on the RTA website.
3. Alternatively shareholder/ may send an e-mail request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for obtaining User ID and Password by providing the details mentioned in Point (1) or (2) above as the case may be.
4. Please follow all steps given in detail on Step 2 above, to cast vote.
5. 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 Password' option available on the site to reset the password.

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM**

1. Members will be able to attend the AGM through VC/OAVM or view the live webcast of AGM provided by NSDL at <https://www.evoting.nsdl.com> by using their remote e-voting login credentials and selecting the EVEN for Company's AGM.
2. 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. Further Members can also use the OTP based login for logging into the e-voting system of NSDL.
3. The Facility of joining the AGM through VC/OAVM shall open 15 minutes before the time scheduled for the AGM and will be available for Members on first come first served basis.
4. Shareholders are encouraged to join the Meeting through Laptops/iPads for better experience. Further shareholders will be required to switch on the video facility and use Internet connection with a good speed to avoid any disturbance during the Meeting.
5. Please note that participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuations in their respective networks. It



is therefore recommended to use stable Wi-Fi or LAN connection to minimise/mitigate any kind of aforesaid glitches.

6. Members who need assistance before or during the AGM, can contact NSDL on [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)/ 1800-222-990
7. In case of any grievance in connection with remote e-voting, Members may contact Ms. Sarita Mote, NSDL, 4th Floor, "A" Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400013, e-mail: [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in), Tel:1800-222-990.
8. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number to [saeteaadmin@saetea.com](mailto:saeteaadmin@saetea.com) from 1<sup>st</sup> August 2021 (9:00 A.M.IST) to 3<sup>rd</sup> August 2021 (5:00 P.M. IST). Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM.
9. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

## **INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE MEETING**

1. Procedure for e-Voting on the day of the AGM is same as the Remote e-voting as mentioned above.
2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not cast their votes on the Resolutions through remote e-Voting and are not otherwise barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
3. If any votes are cast by shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the Meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the Meeting is available only to the shareholders attending the Meeting.

## **OTHER INSTRUCTIONS**

1. 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](http://www.evoting.nsdl.com) to reset the password.
2. 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](http://www.evoting.nsdl.com) or call on toll free No.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
3. Shareholders are encouraged to download the user manual available in <https://www.evoting.nsdl.com> well in advance to have a better understanding of the login and voting process.
4. Any person who acquires shares of the Company and becomes member of the Company after despatch of the Notice of AGM and holding shares as on the cut-off date i.e., 28<sup>th</sup> July 2021, may obtain login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). However, if you are already



registered with NSDL for remote e-voting, then you can use your existing password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/ Password” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

5. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer’s Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.
6. The Chairman will declare the results of voting forthwith upon receipt of report from Scrutinizer and the same shall be immediately placed on the Company’s website [www.saetea.com](http://www.saetea.com) and on the website of NSDL [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
7. The resolutions shall be deemed to be passed on the date of the AGM, subject to receipt of sufficient votes through a compilation of Voting results (i.e. remote e-Voting and the e-Voting held at the AGM).
8. In terms of Section 124 of the Act read with MCA General Circular No. 16/2020 dated 13<sup>th</sup> April 2020 and other relevant circulars, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of transfer to the unpaid dividend account is required to be transferred to the Investor Education and Protection Fund (IEPF). Accordingly, the Company will be transferring the final dividend for the financial year 2013-14 and corresponding shares to IEPF. Members are requested to ensure that they claim the dividends and shares referred above, before they are transferred to the said Fund.
9. Since the AGM will be held through VC/OAVM, the route map to the venue is not annexed to this Notice.

Place : Coimbatore  
Date : 24<sup>th</sup> June 2021

(By Order of the Board)  
**V. VISWANATHAN**  
Director

# STANES AMALGAMATED ESTATES LIMITED

## DIRECTORS' REPORT

Your Directors have pleasure in presenting the SEVENTY FIFTH (75<sup>th</sup>) Annual Report and the Accounts of the Company for the year ended 31<sup>st</sup> March 2021 together with the Auditors' Report.

FINANCIAL RESULTS	2020-21	2019-20
	(Rs. in lakhs)	
Profit/(Loss) before Finance Cost, Depreciation and Tax	(81.64)	(227.55)
Finance Cost	3.85	1.53
Depreciation	42.70	42.64
<b>Profit/(Loss) before Tax</b>	<b>(128.19)</b>	<b>(271.72)</b>
Provision for Taxation (including Deferred Tax)	0.55	8.23
<b>Profit/(Loss) for the year</b>	<b>(128.74)</b>	<b>(279.95)</b>

### OPERATIONS:

#### TEA: Review of Business operations.

The impact of COVID-19 on the performance of the company was severe affecting 'crop and realization' as a whole.

The company harvested 608,012 Kg the lowest in recent past.

Sales were lower due to lockdown in many countries, non-availability of transport facilities and disruption in auctions.

These factors led to an operational loss of Rs. 128.74 lakhs for the year under report.

The current year has begun with COVID-19 second wave; though operationally it is less severe, it will have a bearing on the performance.

#### COFFEE:

The Company harvested 1,170 Kg of Coffee as against 10,816 Kg of last year.

#### IMPACT OF COVID-19 ON THE COMPANY:

The Board of Directors have analyzed the existing and anticipated effect of persisting COVID-19 and also broadly their impact on current economic and market conditions prevailing on the company. A major portion of the turnover of the company is from export and more particularly organic tea with market consisting of leading blenders in Europe. The company continues to serve the requirements of these blenders before, during COVID-19 and post easement of lockdown period. The manufacturing continues, subject to applicable fetters and the teas available are in the process of sampling and also contracted for export. Evidently, the cycle proves to be unbroken and continue as continued last year. Therefore the impact of COVID-19 and resultant uncertainties are not material and do not affect the company.

In view of the continuing COVID-19 pandemic, the Annual General Meeting is being held through Video Conferencing/Other Audio Visual Means without the physical presence of the members. This is permitted by the Ministry of Corporate Affairs by their circulars.

**DIVIDEND:**

Considering the loss in operation, the Directors are not recommending any dividend for the year.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The information pertaining to Conservation of energy, technology absorption and foreign exchange earnings and outgo as required under the Companies Act, 2013 read with Companies (Accounts) Rules 2014 is given as per *Annexure I* forming part of Directors' Report.

**DIRECTORS' RESPONSIBILITY STATEMENT:**

The Board of Directors acknowledges the responsibility for ensuring compliance with the provisions of Section 134(3)(c) read with Section 134(5) of The Companies Act 2013 in the preparation of Financial Statements for the year ended 31<sup>st</sup> March 2021 and state that:

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures
- 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 the 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 this Act 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; and
- e) 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.

**AUDITORS:**

M/s. Fraser and Ross, Chartered Accountants, Coimbatore were appointed as the Statutory Auditors of the company for a period of 5 years from the conclusion of the Seventy First Annual General Meeting until the Conclusion of the Seventy Sixth Annual General Meeting by the members at the Annual General Meeting held on 8<sup>th</sup> August 2017.

For operational reasons, M/s. Fraser & Ross, Chartered Accountants, Coimbatore conveyed their inability to continue as Statutory Auditors of the Company for 2021-22 and submitted their resignation on 24<sup>th</sup> June 2021.

In their casual vacancy, the Board of Directors have proposed to appoint M/s. K. S Aiyar & Co., Chartered Accountants, Coimbatore (Registration No. 100186W) as the Statutory Auditors of the Company for 2021-22 subject to shareholders' approval at the general meeting. Your directors recommend to pass the necessary resolution as set out in the notice of the Annual General Meeting.

**AUDITORS' REPORT:**

The auditors' report issued by the statutory auditors on the financial statements does not contain any qualifications, reservations or adverse remarks.

**BOARD MEETING:**

During the year 2020-21, 6 - Board meetings were held, viz. 1<sup>st</sup> June 2020, 15<sup>th</sup> July 2020, 04<sup>th</sup> September 2020, 30<sup>th</sup> October 2020, 28<sup>th</sup> January 2021 and 19<sup>th</sup> March 2021.

**DIRECTORS:**

Mr.N.Venkataramani (DIN 00001639), Director, ceased to be a Director with effect from 1<sup>st</sup> August 2020 on account of his demise and the Board of Directors place on record their appreciation for the immense contribution rendered by Mr.N.Venkataramani during his tenure as a Director of the company.

Mr. PS Wallia (DIN 00010755), Managing Director, on completion of his service contract on the 31<sup>st</sup> March 2021, stepped down from his position as the Managing Director of the company. The Board records its appreciation for his long association, dedicated service and contribution during his association with the company. He however continues as a director of the company.

The service contract of Mr.V.Viswanathan (Din 00010777), Whole Time Director was renewed on the 30<sup>th</sup> October 2020 subject to shareholders' approval for a period of one year from 30<sup>th</sup> November 2020. Your Directors recommend to pass the necessary resolution as set out in the notice. During his tenure as Whole Time Director, Mr.V.Viswanathan stepped down as Whole Time Director and Company Secretary effective from 1<sup>st</sup> April 2021 and would continue as a Director of the company.

Mr.V.Viswanathan (DIN 00010777), Director retires by rotation and is eligible for re – appointment.

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

The Company has not given any loans or guarantees covered under the provisions of Section 186 of the Companies Act, 2013. The details of the investments made by Company are given in the financial statements.

**DEPOSITS FROM PUBLIC:**

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

**RISK MANAGEMENT POLICY:**

The major risks identified by the Company are systematically addressed through mitigating actions on a continuous basis.

**CORPORATE SOCIAL RESPONSIBILITY:**

The regulations governing Corporate Social Responsibility will not apply to the Company.

**RELATED PARTY TRANSACTIONS:**

The particulars are given in *Annexure II forming part of Directors' Report*.

**ANNUAL RETURN:**

The annual return of the company as required under the Companies Act, 2013 will be available on the website of the company at <http://www.saetea.com/investors/>.

**DISCLOSURE REQUIREMENTS:**

The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively.

**DISCLOSURE UNDER THE SEXUAL HARASSMENT OF THE WOMEN AT WORK PLACE (PREVENTION, PROHIBITION AND RE-DRESSAL) ACT, 2013:**

The Company has duly complied with the requirements under the Act and no complaints were reported during the year.

**Transfer of Un-claimed Dividend to Investors Education and Protection Fund:**

The Company has transferred an amount of Rs.39,468/- to the Investor Education and Protection Fund established by the Central Government during the financial year 2020-21. In terms of Section 125 of the Companies Act, 2013, unclaimed dividend or unpaid dividend relating to the financial year 2013 – 14 will be transferred to the Investors Education and Protection Fund within the stipulated time.

**Transfer of unclaimed shares to IEPF Authority:**

The company has transferred 760 shares during 2020 – 21 to the Investors Education and Protection Fund Authority to those shareholders whose dividend remained unclaimed for more than seven years .

**ACKNOWLEDGEMENT:**

The Directors gratefully acknowledge the continued support of the Shareholders.

The Directors also wish to place on record their appreciation for the valuable services rendered by the employees of the Company during the year under review.

Place : Chennai

Date : 24<sup>th</sup> June 2021

For and on behalf of the Board

**A. KRISHNAMOORTHY**

CHAIRMAN

## ANNEXURE I

---

### A. CONSERVATION OF ENERGY:

- |   |   |   |
|---|---|---|
| 1 | The steps taken or impact on Conservation of Energy :                     | Energy conservation continues to receive top priority in the Company. Efforts are being taken to conserve energy wherever possible and feasible by identifying for elimination of wastages in energy consumption. |
| 2 | The steps taken by the Company for utilising alternate source of energy : | Not Applicable  |
| 3 | The capital investment on energy conservation equipments :                | NIL   |

### B. TECHNOLOGY ABSORPTION:

- |   |  |   |
|---|--|---|
| 1 | The efforts made towards technology absorption :   | Adopting of UPASI's recommendation in addition to improvement in harvesting and manufacturing process.  |
| 2 | The benefits derived like product improvement, cost reduction, product development or import substitution :  | Increase in production and cost reduction by optimisation of inputs. In addition, R&D helped in analysing and suggesting solutions to agricultural problems faced by the Estates from time to time. |
| 3 | In case of imported technology [imported during the last three years reckoned from the beginning of the financial year]<br>a) The details of technology imported :<br>b) The year of import :<br>c) Whether the technology been fully absorbed :<br>d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and | NIL<br><br>Not Applicable   |
| 4 | The expenditure incurred on research and development :   | <b>Rs. 3,14,212/-</b> [UPASI Annual Subscription]   |

### C. FOREIGN EXCHANGE EARNING & OUTGO:

- |   |  |
|---|--|
| 1 | The Foreign Exchange earned in terms of actual inflows during the year & the Foreign Exchange outgo during the year in terms of actual outflows: |
|---|--|

Total Foreign Exchange

Earning From Exports TEA:

**Rs. 7,16,76,888**

Used:

**Rs. 21,674**

## ANNEXURE II

---

### FORM No. AOC - 2

**(Pursuant to Clause (h) of Sub-Section (3) of Section 134 of the Act and Rule 8 (2) of the Companies (Accounts) Rules, 2014)**

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in Sub-Section (1) of Section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto.**

1. Details of contracts or arrangements or transactions not at arms' length basis -

**All transactions entered into by the Company during the year with related parties were on an arm's length basis.**

2. Details of material contracts or arrangement or transactions at arm's length basis -

**All transactions entered into by the Company during the year with related parties on an arm's length basis were not material in nature.**

# STANES AMALGAMATED ESTATES LIMITED

## PROGRESS REPORT AND CROP HARVESTED

Year	Net Profit/ (Loss) before Taxation ₹	Taxation ₹	Net Profit/ (Loss) after Taxation ₹	Tea Crop (Made Tea)		Coffee Crop (Tonnes)	Dividend %
				Own Leaf (Kg)	Bought Leaf (Kg)		
2016 - 2017	1,33,27,664	16,52,566	1,16,75,098	6,94,325	19,159	5.96	20.00
2017 - 2018	(1,42,13,557)	(9,85,109)	(1,32,28,448)	7,62,731	-	1.61	10.00
2018 - 2019	(1,47,64,493)	80,184	(1,48,44,677)	7,99,743	-	3.41	10.00
2019 - 2020	(2,71,72,113)	8,22,622	(2,79,94,735)	6,65,521	-	10.81	NIL
<b>2020 - 2021</b>	<b>(1,28,19,247)</b>	<b>54,604</b>	<b>(1,28,73,851)</b>	<b>6,08,012</b>	<b>-</b>	<b>1.17</b>	<b>NIL</b>

## AREA OF THE ESTATES ARE APPROXIMATELY AS FOLLOWS - AREA IN HECTARES

Estate	Tea in Bearing	Replanted	Immature Tea	Coffee in Bearing	Cardamom	Roads, Buildings and Spareland	Total Area
Kotada	259.60	-	-	10.85	8.60	55.70	334.75
Deepdale & Golfston	72.60	-	-	12.05	13.03	20.32	118.00
Crofton	47.70	-	-	8.59	-	14.96	71.25
Welbeck & Cairnhill	105.01	-	-	-	-	40.99	146.00
<b>TOTAL</b>	<b>484.91</b>	<b>-</b>	<b>-</b>	<b>31.49</b>	<b>21.63</b>	<b>131.97</b>	<b>670.00</b>



**INDEPENDENT AUDITORS' REPORT**  
**To The Members of Stanes Amalgamated Estates Limited**  
**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the accompanying financial statements of Stanes Amalgamated Estates Limited (the "Company"), which comprise the Balance Sheet as at 31 March 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, and its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

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

The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Director's Report, but does not include the financial statements and our auditor's report thereon.

- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Management's Responsibility for the Financial Statements**

The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including Other Comprehensive Income, Cash Flows and Changes in Equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate

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

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

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

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

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

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

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

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

We communicate with those charged with governance regarding, among other matters, the planned scope

and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit we report, that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on 31 March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.
  - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For Fraser & Ross**  
*Chartered Accountants*  
(Firm's Registration No. 000829S)

**Balaji. M.N**  
(Partner)  
(Membership No. 202094)  
(UDIN: 21202094AAAEM5473)

Place : Bengaluru  
Date : 24<sup>th</sup> June 2021

## **ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT**

**(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)**

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

We have audited the internal financial controls over financial reporting of Stanes Amalgamated Estates Limited (the “Company”) as of 31<sup>st</sup> March 2021 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

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

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor’s Responsibility**

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

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

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

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

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal

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

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

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

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material aspects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2021, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Fraser & Ross**  
*Chartered Accountants*  
(Firm's Registration No. 000829S)

**Balaji. M.N**  
(Partner)  
(Membership No. 202094)  
(UDIN: 21202094AAAAEM5473)

Place : Bengaluru  
Date : 24<sup>th</sup> June 2021

## **ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT**

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

- I. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
- b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us no material discrepancies 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 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.
- ii. As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- iii. The company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- iv. The Company has not granted any loans hence provisions of Section 185 is not applicable, the Company has not provided any guarantee, however the Company has made investment which is within limits of Section 186 of the Companies Act, 2013.
- v. According to the information and explanations given to us, the Company has not accepted any deposits during the year, hence the provisions of Sections 73 to 76 or any other relevant provisions of Companies Act, 2013 is not applicable.
- vi. Having regard to the nature of the Company's business/activities, reporting under Clause (vi) of the Order is not applicable.
- vii. According to the information and explanations given to us, in respect of statutory dues:
  - a) The Company has been generally regular in depositing undisputed statutory dues, including Provident Fund, Income-tax, Goods and Service tax, Cess and other material statutory dues applicable to it to the appropriate authorities.
  - b) There were no undisputed amounts payable in respect of Provident Fund, Income-tax, Goods and Service Tax, Cess and other material statutory dues in arrears as at 31<sup>st</sup> March 2021 for a period of more than six months from the date they became payable.
  - c) There are no dues of Income-tax, Goods and Services Tax and Cess which have not been deposited as on 31<sup>st</sup> March 2021 on account of disputes.
- viii. The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under Clause (viii) of the Order is not applicable to the Company.



- ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) as on the balance sheet date. The term loans raised by the Company have been applied by the Company during the year for the purposes for which they were raised, other than temporary deployment pending application of proceeds.
- x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanations given to us, the Company has provided / paid managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. The Company is not a Nidhi Company and hence reporting under Clause (xii) of the Order is not applicable.
- xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under Clause (xiv) of the Order is not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with them and hence provisions of Section 192 of the Companies Act, 2013 are not applicable.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

**For Fraser & Ross**  
*Chartered Accountants*  
(Firm's Registration No. 000829S)

**Balaji. M.N**  
(Partner)  
(Membership No. 202094)  
(UDIN: 21202094AAAAEM5473)

Place : Bengaluru  
Date : 24<sup>th</sup> June 2021

# STANES AMALGAMATED ESTATES LIMITED

## BALANCE SHEET AS AT 31<sup>st</sup> MARCH 2021

Particulars	Note No.	As at 31 <sup>st</sup> March 2021 ₹	As at 31 <sup>st</sup> March 2020 ₹
<b>ASSETS</b>			
<b>Non-current assets</b>			
a) Property, plant and equipment	3	3,76,27,220	3,99,63,008
b) Financial assets			
i) Investments	4	1,61,14,925	1,01,15,585
c) Deferred tax assets (net)	23	10,63,587	3,13,085
d) Other non-current assets	6	10,33,276	11,43,522
<b>Total non-current assets</b>		<b>5,58,39,008</b>	<b>5,15,35,200</b>
<b>Current assets</b>			
a) Inventories	7	2,93,81,674	3,52,32,851
b) Financial assets			
i) Trade receivables considered good - Unsecured	8	75,23,536	1,12,32,401
ii) Cash and cash equivalents	9	77,59,924	1,48,64,713
ii) Bank balances other than (ii) above	9.1	54,86,949	7,29,587
iii) Other financial assets	5	1,26,884	2,48,483
c) Other current assets	6	40,08,716	60,64,408
<b>Total current assets</b>		<b>5,42,87,683</b>	<b>6,83,72,443</b>
<b>Total assets</b>		<b>11,01,26,691</b>	<b>11,99,07,643</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
a) Equity share capital	10	1,10,74,990	1,10,74,990
b) Other equity	11	7,51,56,399	8,50,07,356
<b>Total equity</b>		<b>8,62,31,389</b>	<b>9,60,82,346</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
a) Provisions	12	3,51,355	2,86,173
<b>Total non-current liabilities</b>		<b>3,51,355</b>	<b>2,86,173</b>
<b>Current liabilities</b>			
a) Financial liabilities			
i) Borrowings	31	40,00,000	50,00,000
ii) Trade payables			
- dues of micro enterprises and small enterprises	13	1,19,285	7,68,480
- dues of creditors other than micro enterprises and small enterprises	13	1,03,34,455	1,13,74,262
iii) Other financial liabilities	14	40,83,997	20,14,125
b) Current tax liabilities (net)	12	18,46,999	11,04,905
c) Other current liabilities	15	31,59,211	32,77,352
<b>Total current liabilities</b>		<b>2,35,43,947</b>	<b>2,35,39,124</b>
<b>Total equity and liabilities</b>		<b>11,01,26,691</b>	<b>11,99,07,643</b>
<b>See accompanying notes to the financial statements</b>			

In terms of our report attached

For FRASER & ROSS  
Chartered Accountants  
(Firm's Registration No. 000829S)

BALAJI. M.N  
Partner  
Membership No. 202094

Place : Bengaluru  
Date : 24<sup>th</sup> June 2021

For and on behalf of the Board of Directors

A. KRISHNAMOORTHY  
Chairman  
DIN 00001778

Place : Chennai  
Date : 24<sup>th</sup> June 2021

PS WALLIA  
Director  
DIN 00010755

Place : Coimbatore  
Date : 24<sup>th</sup> June 2021

V. VISWANATHAN  
Director  
DIN 00010777

Place : Coimbatore  
Date : 24<sup>th</sup> June 2021



**STANES AMALGAMATED ESTATES LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2021**

Particulars	Note No.	For the year ended	
		31 <sup>st</sup> March 2021 ₹	31 <sup>st</sup> March 2020 ₹
<b>I</b> Revenue from operations	<b>16</b>	<b>12,77,61,789</b>	10,63,06,749
<b>II</b> Other income	<b>17</b>	<b>12,30,606</b>	16,50,677
<b>III</b> Total income (I+II)		<b>12,89,92,395</b>	10,79,57,426
<b>IV Expenses</b>			
Purchases of tea		<b>23,678</b>	-
Changes in inventories of finished goods	<b>18</b>	<b>57,33,050</b>	(45,14,544)
Employee Benefits Expense	<b>19</b>	<b>9,15,61,941</b>	9,72,03,629
Finance Cost	<b>20</b>	<b>3,85,260</b>	1,53,005
Depreciation Expenses	<b>3</b>	<b>42,70,493</b>	42,64,391
Other Expenses	<b>21</b>	<b>3,98,37,220</b>	3,80,23,058
<b>Total expenses (IV)</b>		<b>14,18,11,642</b>	13,51,29,539
<b>V Loss before tax (III - IV)</b>		<b>(1,28,19,247)</b>	(2,71,72,113)
<b>VI Tax expense:</b>			
Current tax	<b>22</b>	<b>8,39,200</b>	11,60,000
Deferred tax	<b>23</b>	<b>(7,84,596)</b>	(3,37,378)
		<b>54,604</b>	8,22,622
<b>VII Loss for the year (V - VI)</b>		<b>(1,28,73,851)</b>	(2,79,94,735)
<b>VIII Other Comprehensive Income / (Loss)</b>			
Item that will not be reclassified to profit or loss			
- Re-measurement of the defined benefit plans		<b>(12,00,825)</b>	10,04,657
- Equity and debt instruments through Other Comprehensive Income		<b>42,57,813</b>	(48,64,727)
Income tax relating to item that will not be reclassified to profit or loss		<b>(34,094)</b>	(1,77,634)
<b>Other Comprehensive Income / (loss)</b>		<b>30,22,894</b>	(40,37,704)
<b>Total Comprehensive Income / (Loss) (VII + VIII)</b>		<b>(98,50,957)</b>	(3,20,32,439)
<b>IX Earnings per equity share (of ₹ 10/- each)</b>			
Basic and diluted (in ₹)	<b>30</b>	<b>(11.62)</b>	(25.28)
<b>See accompanying notes to the financial statements</b>			

In terms of our report attached

For FRASER & ROSS  
Chartered Accountants  
(Firm's Registration No. 000829S)

BALAJI. M.N  
Partner  
Membership No. 202094

Place : Bengaluru  
Date : 24<sup>th</sup> June 2021

For and on behalf of the Board of Directors

A. KRISHNAMOORTHY  
Chairman  
DIN 00001778

Place : Chennai  
Date : 24<sup>th</sup> June 2021

PS WALLIA  
Director  
DIN 00010755

Place : Coimbatore  
Date : 24<sup>th</sup> June 2021

V. VISWANATHAN  
Director  
DIN 00010777

Place : Coimbatore  
Date : 24<sup>th</sup> June 2021

# STANES AMALGAMATED ESTATES LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2021

Particulars	For the year ended	
	31 <sup>st</sup> March 2021 ₹	31 <sup>st</sup> March 2020 ₹
<b>A. Cash flow from operating activities</b>		
Loss before tax for the year	(1,28,19,247)	(2,71,72,113)
Adjustments for:		
Depreciation expense	42,70,493	42,64,391
Profit on sales of property, plant and equipment (Net)	(52,971)	(49,999)
Interest income on financial assets at amortised cost	(6,79,455)	(5,89,129)
Unrealised foreign exchange gain	-	(2,85,281)
Dividend income on financial assets at FVOCI	(4,58,406)	(8,42,912)
Finance costs recognised in profit or loss	3,85,260	1,53,005
Net gain on financial assets carried at FVTPL	(16,388)	(86,401)
Net gain on sale of investments	(23,386)	(82,236)
<b>Operating loss before working capital changes</b>	<b>(93,94,100)</b>	<b>(2,46,90,675)</b>
<b>Changes in operating assets and liabilities</b>		
(Increase)/decrease in inventories	58,51,177	(60,56,093)
(Increase)/decrease in trade receivables	37,08,865	(1,38,619)
(Increase)/decrease in other current financial assets	-	50,59,266
(Increase)/decrease in other current assets	11,77,642	(26,17,876)
(Increase)/decrease in other non current assets	1,10,246	27,000
Increase/(decrease) in trade payables	(16,89,002)	25,97,870
Increase/(decrease) in other financial liabilities	20,69,872	6,59,181
Increase/(decrease) in other current liabilities	(13,18,966)	(13,99,064)
Increase/(decrease) in provisions	65,182	(65,557)
	<b>99,75,016</b>	<b>(19,33,892)</b>
<b>Net cash used in operations</b>	<b>5,80,916</b>	<b>(2,66,24,567)</b>
Net income tax (paid) / refunds	7,80,944	(47,385)
<b>Net cash flow (used in) operating activities (A)</b>	<b>13,61,860</b>	<b>(2,66,71,952)</b>

# STANES AMALGAMATED ESTATES LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2021 (Contd...)

Particulars	For the year ended	
	31 <sup>st</sup> March 2021 ₹	31 <sup>st</sup> March 2020 ₹
<b>B. Cash flow from investing activities</b>		
Payments for property, plant and equipment	(19,34,705)	(64,800)
Proceeds from sale of property, plant and equipment	52,971	49,999
(Payments) for purchase/ sale of investments (net)	(17,01,753)	2,67,61,965
Other bank balances	(47,57,362)	(1,41,841)
Interest received	8,01,054	4,93,663
Dividends received	4,58,406	8,42,912
<b>Net cash flow from investing activities (B)</b>	<b>(70,81,389)</b>	<b>2,79,41,898</b>
<b>C. Cash flow from financing activities</b>		
Dividends paid to equity shareholders including dividend distribution tax	-	(13,35,149)
Proceeds from current borrowings	(10,00,000)	50,00,000
Interest paid	(3,85,260)	(1,53,005)
<b>Net cash flow from / (used in) financing activities (C)</b>	<b>(13,85,260)</b>	<b>35,11,846</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(71,04,789)</b>	<b>47,81,792</b>
Cash and cash equivalents at the beginning of the year	1,48,64,713	1,00,82,921
<b>Cash and cash equivalents at the end of the year</b>	<b>77,59,924</b>	<b>1,48,64,713</b>
<b>See accompanying notes to the financial statements</b>		

In terms of our report attached

For FRASER & ROSS  
Chartered Accountants  
(Firm's Registration No. 000829S)

BALAJI. M.N  
Partner  
Membership No. 202094

Place : Bengaluru  
Date : 24<sup>th</sup> June 2021

For and on behalf of the Board of Directors

A. KRISHNAMOORTHY  
Chairman  
DIN 00001778

Place : Chennai  
Date : 24<sup>th</sup> June 2021

PS WALLIA  
Director  
DIN 00010755

Place : Coimbatore  
Date : 24<sup>th</sup> June 2021

V. VISWANATHAN  
Director  
DIN 00010777

Place : Coimbatore  
Date : 24<sup>th</sup> June 2021

# STANES AMALGAMATED ESTATES LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2021

### a. Equity Share Capital

Particulars	Notes	Equity Share Capital ₹
<b>Balance at 31<sup>st</sup> March 2019</b>	10	<b>1,10,74,990</b>
Changes in equity share capital during the year	-	-
<b>Balance at 31<sup>st</sup> March 2020</b>	10	<b>1,10,74,990</b>
Changes in equity share capital during the year	-	-
<b>Balance at 31<sup>st</sup> March 2021</b>	10	<b>1,10,74,990</b>

### b. Other Equity

Particulars	Reserves and Surplus			Items of Other Comprehensive Income		Total ₹
	General reserve ₹	Capital redemption reserve ₹	Retained earnings ₹	Equity and debt instruments through Other Comprehensive Income ₹	Remeasurements of defined benefit plans ₹	
<b>Balance at the beginning of the reporting period i.e. 1<sup>st</sup> April 2019</b>	<b>9,87,82,884</b>	<b>3,15,640</b>	<b>79,17,087</b>	<b>1,04,57,766</b>	<b>9,01,567</b>	<b>11,83,74,944</b>
Transfer to retained earnings from other comprehensive income on account of realised gains from sale of investments	-	-	1,52,76,020	(1,52,76,020)	-	-
Dividend paid	-	-	(11,07,499)	-	-	(11,07,499)
Tax on dividend	-	-	(2,27,650)	-	-	(2,27,650)
Loss for the year (net of taxes)	-	-	(2,79,94,735)	-	-	(2,79,94,735)
Other Comprehensive Income for the year (net of taxes)	-	-	-	(50,42,361)	10,04,657	(40,37,704)
<b>Balance at the end of the reporting period i.e. 31<sup>st</sup> March 2020</b>	<b>9,87,82,884</b>	<b>3,15,640</b>	<b>(61,36,777)</b>	<b>(98,60,615)</b>	<b>19,06,224</b>	<b>8,50,07,356</b>

# STANES AMALGAMATED ESTATES LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2021 (Contd...)

### b. Other Equity

Particulars	Reserves and Surplus			Items of Other Comprehensive Income		Total
	General reserve	Capital redemption reserve	Retained earnings	Equity and debt instruments through Other Comprehensive Income	Remeasurements of defined benefit plans	
	₹	₹	₹	₹	₹	₹
<b>Balance at the beginning of the reporting period i.e. 1<sup>st</sup> April 2020</b>	<b>9,87,82,884</b>	<b>3,15,640</b>	<b>(61,36,777)</b>	<b>(98,60,615)</b>	<b>19,06,224</b>	<b>8,50,07,356</b>
Transfer to retained earnings from Other Comprehensive Income on account of realised gains from sale of investments	-	-	16,388	(16,388)	-	-
Loss for the year (net of taxes)	-	-	(1,28,73,851)	-	-	(1,28,73,851)
Other Comprehensive Income for the year (net of taxes)	-	-	-	42,23,719	(12,00,825)	30,22,894
<b>Balance at the end of the reporting period i.e. 31<sup>st</sup> March 2021</b>	<b>9,87,82,884</b>	<b>3,15,640</b>	<b>(1,89,94,240)</b>	<b>(56,53,284)</b>	<b>705,399</b>	<b>7,51,56,399</b>

In terms of our report attached

For FRASER & ROSS  
Chartered Accountants  
(Firm's Registration No. 000829S)

BALAJI. M.N  
Partner  
Membership No. 202094

Place : Bengaluru  
Date : 24<sup>th</sup> June 2021

For and on behalf of the Board of Directors

A. KRISHNAMOORTHY  
Chairman  
DIN 00001778

Place : Chennai  
Date : 24<sup>th</sup> June 2021

PS WALLIA  
Director  
DIN 00010755

Place : Coimbatore  
Date : 24<sup>th</sup> June 2021

V. VISWANATHAN  
Director  
DIN 00010777

Place : Coimbatore  
Date : 24<sup>th</sup> June 2021

# STANES AMALGAMATED ESTATES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2021

### 1. Corporate Information.

Stanes Amalgamated Estates Limited (the Company) is a public company domiciled in India and incorporated under the provisions of the erstwhile Companies Act, 1956. The Company is engaged in the manufacturing of Tea. The Company caters to both domestic and international markets. The financial statements were authorized for issuance by the Company's Board of Directors on 24<sup>th</sup> June 2021.

### 2. Significant Accounting Policies.

#### 2.1 Basis of preparation and presentation

##### a) Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 as applicable.

##### b) Basis of measurement

The financial statements have been prepared on a historical cost convention and on an accrual basis, except for the following material items that have been measured at fair value as required by relevant Ind AS:

- i. Certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments);
- ii. Derivative financial instruments;
- iii. Defined benefit and other long-term employee benefits.

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

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- **Level 1** inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- **Level 2** inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- **Level 3** inputs are unobservable inputs for the asset or liability.

# STANES AMALGAMATED ESTATES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

### c) Use of estimates and judgement

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following note:

#### i) Other estimates:

The preparation of financial statements involves estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities at the date of financial statements and the reported amount of revenues and expenses for the reporting period. Specifically, the Company estimates the probability of collection of accounts receivable by analyzing historical payment patterns, customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

**The principal accounting policies are set out below :**

### 2.2 Revenue recognition

**2.2.1** Revenue is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment. The Company is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

However, Goods and Services tax (GST) are not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

#### i) Sale of goods

Revenue from sale of goods is recognised when control of the goods is transferred to the Customers. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates

#### ii) Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably). Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is

# STANES AMALGAMATED ESTATES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

### iii) Other operating revenue

Other export incentives are recognised on accrual basis.

## 2.3 Foreign currencies

### i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which these entities operate (i.e. the "functional currency"). The financial statements are presented in Indian Rupee, the national currency of India, which is the functional currency of the Company.

### ii) Foreign currency transactions and balances

Transactions in foreign currency are translated into the respective functional currencies using the exchange rates prevailing at the dates of the respective transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the exchange rates prevailing at reporting date of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit and loss and reported within foreign exchange gains/(losses). Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

## 2.4 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

## 2.5 Subsidies

Subsidy on Orthodox tea from Tea Board is accounted in the Statement of Profit and Loss on accrual basis.

## 2.6 Employee benefits

The Company participates in various employee benefit plans. Post-employment benefits are classified as either defined contribution plans or defined benefit plans.

The Company has the following employee benefit plans:

### a) Gratuity

In accordance with the Payment of Gratuity Act, 1972, the Company provides for a lump sum payment to eligible employees, at retirement or termination of employment based on the last



# STANES AMALGAMATED ESTATES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

drawn salary and years of employment with the Company. The gratuity fund is managed by the Life Insurance Corporation of India (LIC). The Company's obligation in respect of the gratuity plan, which is a defined benefit plan, is provided for based on actuarial valuation using the projected unit credit method.

Actuarial gains or losses are recognized in Other Comprehensive Income. Further, the profit or loss does not include an expected return on plan assets. Instead net interest recognized in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognized as part of re-measurement of net defined liability or asset through Other Comprehensive Income.

Remeasurements comprising actuarial gains or losses and return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are not reclassified to profit or loss in subsequent periods.

### **b) Compensated absences**

Certain category of employees of the Company are entitled to compensated absences. The employees can carry forward a portion of the unutilised accumulating compensated absences and utilise it in future periods. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The Company recognizes accumulated compensated absences based on actuals. Non-accumulating compensated absences are recognized in the period in which the absences occur.

### **c) Superannuation Fund**

This is a defined contribution plan. The Company contributes a sum equivalent to 15% of eligible employees' salary towards superannuation fund administered by the Trustees and managed by Life Insurance Corporation of India (LIC). The Company has no further obligations for future superannuation benefits other than its annual contributions and recognises such contributions as expense in the year incurred.

### **d) Provident Fund**

This is a defined contribution plan and contributions made to the Fund as per the rules of the Company are charged to Revenue. The Company has no further obligations for future provident fund benefits other than monthly contributions.

## **2.7 Income tax**

Income tax comprises current and deferred tax. Income tax expense is recognized in the Statement of Profit and Loss except to the extent it relates to items directly recognized in Equity or in Other Comprehensive Income.

### **a) Current income tax**

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted by the reporting date and applicable for the period. The Company offsets current tax assets and current tax liabilities, where it has a legally

# STANES AMALGAMATED ESTATES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

enforceable right to set off the recognized amounts and where it intends either to settle on a net basis or to realize the asset and liability simultaneously.

### b) **Deferred income tax**

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred income tax asset are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

Deferred income tax liabilities are recognized for all taxable temporary differences.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

### 2.8 **Biological assets, Property, plant and equipment**

- a) **Recognition and measurement:** Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset.
- b) **Land and buildings :** Land and buildings held for use in the supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.
- c) **Biological Assets :** Biological assets are classified as Bearer biological assets, and agricultural produce. Bearer Biological Assets which are held to bear agricultural produce are classified as Bearer plants. Bearer plants are recognised under Property, Plant and Equipment on fulfilment of the following conditions:
  - 1. Are used in the production or supply of agricultural produce;
  - 2. Are expected to bear produce for more than one period; and has a remote likelihood of being sold as agricultural produce, except for incidental scrap sales.

Tea bushes and other minor produce are recognised as Bearer biological assets. These are classified as Mature Bearer Plants and Immature Bearer Plants. Mature Bearer Plants are those that have attained harvestable stage. Cost incurred for new plantations and immature areas are capitalised. Cost includes cost of land preparation, new planting and maintenance till maturity. The cost of areas coming into 'bearing' is transferred to mature plantations and depreciated over their estimated useful lives.

# STANES AMALGAMATED ESTATES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

Bearer plants relating to Tea bushes and that of Minor Produces attain harvestable stage in about 3-5 years. Bearer biological assets are carried at cost less accumulated depreciation and accumulated impairment loss, if any. Subsequent expenditure on bearer assets are added to its book value only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Mature bearer plants are depreciated over their estimated useful life. Immature bearer plants are tested for impairment /obsolescence.

- d) **Depreciation:** The Company depreciates property, plant and equipment over the estimated useful life on a straight-line basis from the date the assets are ready for intended use. The estimated useful lives of assets for the current and comparative period of significant items of property, plant and equipment are as follows :

### Category and years

Buildings	-	30 years
Computers	-	3 - 6 years
Furniture and fixtures	-	10 years
Electrical installations	-	15 years
Office equipment	-	10 years
Vehicles	-	8 - 10 years
Plant and machinery	-	15 years
Bearer Plants	-	60 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Subsequent expenditure relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the Statement of Profit and Loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or disposition of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss.

Amounts paid towards the acquisition of property, plant and equipment outstanding as of each reporting date and the cost of property, plant and equipment not ready for intended use before such date are disclosed under capital work-in-progress.

### 2.9 Financial instruments:

All financial instruments are recognised initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through profit or loss) are included in the fair value of the financial assets. Purchase or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trade) are recognised on trade date. While payables are recognised net of directly attributable transaction costs.

# STANES AMALGAMATED ESTATES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

For the purpose of subsequent measurement, financial instruments of the Company are classified in the following categories: non-derivative financial assets comprising amortised cost, debt instruments at Fair Value Through Other Comprehensive Income (FVTOCI), equity instruments at FVTOCI or Fair Value Through Profit and Loss account (FVTPL), non derivative financial liabilities at amortised cost or FVTPL and derivative financial instruments (under the category of financial assets or financial liabilities) at FVTPL.

The classification of financial instruments depends on the objective of the business model for which it is held. Management determines the classification of its financial instruments at initial recognition.

### **a) Non-derivative financial assets**

#### **i) Financial assets at amortised cost**

A financial asset shall be measured at amortised cost if both of the following conditions are met:

- a) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- b) The contractual terms of the financial asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Financial assets are measured initially at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest method, less any impairment loss.

Amortised cost are represented by trade receivables, security deposits, cash and cash equivalents, employee and other advances and eligible current and non-current assets.

Cash and cash equivalents comprise cash on hand and in banks and demand deposits with banks which can be withdrawn at any time without prior notice or penalty on the principal.

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, in banks and demand deposits with banks, net of outstanding bank overdrafts that are repayable on demand, book overdraft and are considered part of the Company's cash management system.

#### **ii) Debt instruments at FVTOCI**

A debt instrument shall be measured at Fair Value Through Other Comprehensive Income if both of the following conditions are met:

- a) The objective of the business model is achieved by both collecting contractual cash flows and selling financial assets and

# STANES AMALGAMATED ESTATES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

- b) The asset's contractual cash flow represent SPPI

Debt instruments included within FVTOCI category are measured initially as well as at each reporting period at fair value plus transaction costs. Fair value movements are recognised in Other Comprehensive Income (OCI). However, the Company recognises interest income, impairment losses & reversals and foreign exchange gain loss in Statement of Profit and Loss. On de-recognition of the asset, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit and loss. Interest earned is recognised under the Effective Interest Rate (EIR) model.

**iii) Equity instruments at FVTOCI:**

All equity instruments are measured at fair value. Investments in Mutual funds held for trading are classified as FVTPL. For all other equity instruments, the Company has made an irrevocable election to present subsequent changes in the fair value in OCI. The Company made such election on an instrument-by-instrument basis.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividend are recognised in OCI which is not subsequently recycled to Statement of Profit and Loss.

**iv) a) Financial assets at FVTPL**

FVTPL is a residual category for financial assets. Any financial asset which does not meet the criteria for categorization as at amortised cost or as FVTOCI, is classified as FVTPL. In addition the Company may elect to designate the financial asset, which otherwise meets amortised cost or FVOCI criteria, as FVTPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency. The Company has designated investment in Mutual fund for trading (financial asset) as FVTPL.

Financial assets included within the FVTPL category are measured at fair values with all changes in the Statement of Profit and Loss.

**b) Non-derivative financial liabilities**

**i) Financial liabilities at amortised cost**

Financial liabilities at amortised cost represented by trade and other payables are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest rate method.

**ii) Financial assets at FVTPL**

Financial liabilities at FVTPL represented by contingent consideration are measured at fair value with all changes recognised in the Statement of Profit and Loss.

# STANES AMALGAMATED ESTATES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

### c) Derivative financial instruments

The Company holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in foreign exchange rates on foreign currency assets or liabilities and forecasted cash flows denominated in foreign currencies. The counter party for these contracts is generally a bank.

Derivatives are recognized and measured at fair value. Attributable transaction costs are recognized in Statement of Profit and Loss.

### 2.10 Impairment

#### a) Financial assets

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss. The Company follows "simplified approach" for recognition of impairment loss allowance on trade receivable.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12 month ECL.

Lifetime ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- i) All contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- ii) Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. As a practical expedient, the Company uses a provision matrix to determine impairment loss on portfolio of its trade receivable. The provision matrix is based on its historically observed default rates over the expected life of the trade

# STANES AMALGAMATED ESTATES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

receivable and is adjusted for forward- looking estimates. At every reporting date, the historical observed default rates are updated and changes in forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/expense in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

- i) Financial assets measured at amortised cost, contractual revenue receivable.
- ii) ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

### **b) Non-financial assets**

The Company assesses at each reporting date whether there is any objective evidence that a non financial asset or a group of non financial assets is impaired. If any such indication exists, the Company estimates the amount of impairment loss.

An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognised in profit or loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

### **2.11 Provisions**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

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.



# STANES AMALGAMATED ESTATES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. Provisions for onerous contracts are measured at the present value of lower of the expected net cost of fulfilling the contract and the expected cost of terminating the contract.

### **2.12 Earnings per share**

Basic EPS is calculated by dividing the profit and loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. Diluted EPS is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares, as appropriate.

### **2.13 Inventories including Agricultural Produce**

Produce growing on Bearer plant is a Biological asset and are fair valued based on the biological transformation, except where on initial recognition quoted market prices are not available and alternate fair value measures are clearly unreliable in which case biological asset is measured at cost less any accumulated depreciation and impairment loss.

Tea and minor crops are designated as agricultural produce as per Ind AS 41 and are measured at their fair value less cost to sell at the point of harvest. Any changes in fair value are recognised in the Statement of Profit and Loss in the year in which these arise upon harvest. The fair valuation so arrived at becomes the cost of Inventory under Ind AS 2.

- a) Stores and Spares are valued at cost ascertained primarily on weighted average basis.
- b) Nursery stocks are valued at cost incurred in raising and maintaining such stocks till transplanted.
- c) Tea, Coffee and Minor produce is valued at lower of cost and net realizable price.

Net realisable value represents the estimated selling price less all estimated cost of completion and selling expenses. Provision is made for obsolete, slow-moving and defective stocks, where necessary.

### **2.14 Premium from Fair Trade International (FLO)**

Sale of tea under "Fairtrade International Charter" offers a certain premium besides "negotiated price" for the grade, payable to the buyer to the seller.



# STANES AMALGAMATED ESTATES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

The "premium receivable on sale under 'Fairtrade charter' is invoiced separately and collected under an obligation to pay it over to a trust constituted under Fairtrade charter namely Kotada Group Welfare Trust, for the benefits of the workers and community welfare.

### **2.15 Critical estimates and judgements**

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

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

The areas involving critical estimates or judgements is Estimation of defined benefit obligation – **Note 26.**

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

**STANES AMALGAMATED ESTATES LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd...)**

**Note : 3 Property, plant and equipment**

Description of assets	Freehold land ₹	Buildings ₹	Machinery and electrical equipment ₹	Furniture, office and other equipment ₹	Vehicles ₹	Bearer plant ₹	Total ₹
<b>I. Gross block</b>							
<b>Balance as at 1<sup>st</sup> April 2019</b>	66,17,272	1,37,71,681	2,36,73,271	19,27,372	32,72,695	1,08,22,353	6,00,84,644
Additions	-	-	64,800	-	-	-	64,800
Disposals	-	-	-	-	-	-	-
<b>Balance as at 31<sup>st</sup> March 2020</b>	<b>66,17,272</b>	<b>1,37,71,681</b>	<b>2,37,38,071</b>	<b>19,27,372</b>	<b>32,72,695</b>	<b>1,08,22,353</b>	<b>6,01,49,444</b>
Additions	-	-	7,52,916	1,21,826	10,59,966	-	19,34,708
Disposals	-	-	-	1,57,050	7,22,335	-	8,79,385
<b>Balance as at 31<sup>st</sup> March 2021</b>	<b>66,17,272</b>	<b>1,37,71,681</b>	<b>2,44,90,987</b>	<b>18,92,148</b>	<b>36,10,326</b>	<b>1,08,22,353</b>	<b>6,12,04,767</b>
<b>II. Accumulated depreciation and impairment</b>							
<b>Balance as at 1<sup>st</sup> April 2019</b>	-	47,32,966	74,39,363	7,17,406	17,56,137	12,76,173	1,59,22,045
Charge for the year	-	9,78,882	23,64,364	3,08,248	3,58,223	2,54,674	42,64,391
Disposals	-	-	-	-	-	-	-
<b>Balance as at 31<sup>st</sup> March 2020</b>	<b>-</b>	<b>57,11,848</b>	<b>98,03,727</b>	<b>10,25,654</b>	<b>21,14,360</b>	<b>15,30,847</b>	<b>2,01,86,436</b>
Charge for the year	-	9,83,568	23,60,342	2,82,088	3,89,889	2,54,606	42,70,493
Disposals	-	-	-	1,57,048	7,22,334	-	8,79,382
<b>Balance as at 31<sup>st</sup> March 2021</b>	<b>-</b>	<b>66,95,416</b>	<b>1,21,64,069</b>	<b>11,50,694</b>	<b>17,81,915</b>	<b>17,85,453</b>	<b>2,35,77,547</b>
<b>III. Net block (I-II)</b>							
<b>Balance as on 31<sup>st</sup> March 2021</b>	<b>66,17,272</b>	<b>70,76,265</b>	<b>1,23,26,918</b>	<b>7,41,454</b>	<b>18,28,411</b>	<b>90,36,900</b>	<b>3,76,27,220</b>
Balance as on 31 <sup>st</sup> March 2020	66,17,272	80,59,833	1,39,34,344	9,01,718	11,58,335	92,91,506	3,99,63,008
Note: All the above assets are owned by the Company.							

**STANES AMALGAMATED ESTATES LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd...)**

**Note : 4 Non-current investments**

Particulars	Nominal value of Shares/ units ₹	As at 31 <sup>st</sup> March 2021		As at 31 <sup>st</sup> March 2020	
		No. of shares/ Units	Amount ₹	No. of shares/ Units	Amount ₹
<b>A. Investments carried at - Fair Value through Other Comprehensive Income (FVOCI)</b>					
<b>I. Quoted investments (fully paid)</b>					
<b>a) Investments in equity instruments of</b>					
The United Nilgiri Tea Estates Company Limited	10	7,506	22,37,539	7,506	14,47,907
Coal India Limited	10	3,000	3,98,850	3,000	4,20,150
Engineers India Limited	10	2,000	1,53,700	2,000	1,20,100
Indian Oil Corporation Limited	10	10,000	9,15,500	10,000	8,16,500
NHPC Limited	10	23,000	5,76,150	23,000	4,58,850
NMDC Limited	10	7,000	9,27,850	7,000	5,60,000
NTPC Limited	10	1,800	1,93,860	1,800	1,51,560
NLC India Limited	10	7,000	3,59,800	7,000	3,07,300
Oil India Limited	10	12,999	16,11,876	12,999	10,74,368
Oil and Natural Gas Corporation Limited	10	14,000	14,49,000	14,000	9,56,200
Saint Gobain Glass Limited	10	10,000	6,62,000	10,000	3,08,500
Shipping Corporation of India Limited	10	-	-	8,000	3,00,000
SJVN Limited	10	11,500	3,04,750	11,500	2,38,625
Tata Steel Limited	10	-	-	280	75,488
Housing and Urban Development Corporation Limited	10	10,000	4,41,000	10,000	2,00,000
Bharat Heavy Electricals Limited	10	26,000	12,72,700	6,000	1,24,800
Schneider Electric Limited	10	3,000	2,83,200	3,000	1,97,100
ITC Limited	10	3,000	6,43,650	3,000	5,15,100
Sintex Industries Limited	10	-	-	10,000	6,500
Reliance Home Finance Limited	10	-	-	5,000	3,750
<b>b) Investment in bonds &amp; debentures</b>					
NTPC Limited Tax free secured non convertible bonds	1,000	474	5,27,609	474	4,99,122
IRFC Tax free bonds - 2013	1,000	1,000	10,87,100	1,000	12,89,000
NTPC Limited Non-convertible debentures	10	1,500	20,505	1,500	19,665
<b>Total aggregate quoted investments</b>			<b>1,40,66,639</b>		<b>1,00,90,585</b>
<b>II. Unquoted investments (fully paid)</b>					
<b>Investments in equity instruments of</b>					
The Tamilnadu Tea Manufacturers' Service Industrial Co-op.Society Limited	5000	5	25,000	5	25,000
<b>Total unquoted investments</b>			<b>25,000</b>		<b>25,000</b>
<b>Investments carried through FVOCI (A) (I + II)</b>			<b>1,40,91,639</b>		<b>1,01,15,585</b>

**STANES AMALGAMATED ESTATES LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd...)**

**Note : 4 Non-current investments**

Particulars	Nominal value of Shares/units ₹	As at 31 <sup>st</sup> March 2021		As at 31 <sup>st</sup> March 2020	
		No. of shares/Units	Amount ₹	No. of shares/Units	Amount ₹
<b>B. Investments carried at - Fair Value Through Profit and Loss (FVTPL)</b>					
<b>Quoted investments in mutual funds</b>					
Sundaram Short Term Debt Fund Regular Growth	10	<b>31,287</b>	<b>10,12,718</b>		-
SBI Short Term Debt Fund Regular Growth	10	<b>40,387</b>	<b>10,10,568</b>		-
<b>Investments carried at FVTPL [B]</b>			<b>20,23,286</b>		-
<b>C. Total investments carried at fair value [A+B]</b>			<b>1,61,14,925</b>		1,01,15,585
<b>Total investment carrying value [C]</b>			<b>1,61,14,925</b>		1,01,15,585
<b>Other disclosures</b>					
Aggregate carrying amount of quoted investments			<b>1,60,89,925</b>		1,00,90,585
Aggregate market value of quoted investments			<b>1,60,89,925</b>		1,00,90,585
Aggregate amount of unquoted investments			<b>25,000</b>		25,000
Aggregate amount of impairment in value of investments			-		-

**STANES AMALGAMATED ESTATES LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd...)**

Note	Particulars	As at 31 <sup>st</sup> March 2021 ₹	As at 31 <sup>st</sup> March 2020 ₹
<b>5</b>	<b>Other financial assets</b> <i>(Unsecured - considered good, carried at amortized cost)</i>		
	<b>Current</b>		
	Interest accrued on deposits	1,26,884	2,48,483
	<b>Total</b>	<b>1,26,884</b>	<b>2,48,483</b>
<b>6</b>	<b>Other assets</b> <i>(Unsecured - considered good)</i>		
	<b>Non Current</b>		
	Security deposits	10,33,276	11,43,522
	<b>Total</b>	<b>10,33,276</b>	<b>11,43,522</b>
	<b>Current</b>		
	Advances to suppliers	7,36,983	6,40,608
	Advance income tax (net of provisions in the Previous year - ₹ 1,10,000))	1,40,308	10,18,358
	Prepaid expenses	20,52,028	21,70,401
	Advances to employees	90,197	9,60,419
	GST receivable	5,84,060	1,44,379
	Others (Including fair trade premium)	4,05,140	11,30,243
	<b>Total</b>	<b>40,08,716</b>	<b>60,64,408</b>
<b>7</b>	<b>Inventories</b> <i>(at lower of cost and net realizable value)</i>		
	<b>Finished goods</b>		
	Tea	2,36,92,466	2,92,28,865
	Coffee	93,600	3,78,040
	Minor produce	1,77,359	89,570
	Stores and spares	54,18,249	55,36,376
	<b>Total</b>	<b>2,93,81,674</b>	<b>3,52,32,851</b>
<b>8</b>	<b>Trade receivables</b>		
	<b>Other receivables</b>		
	- Unsecured, considered good	75,23,536	1,12,32,401
	<b>Total</b>	<b>75,23,536</b>	<b>1,12,32,401</b>
<b>9</b>	<b>Cash and cash equivalents</b>		
	Balances with banks in current accounts	36,56,982	46,50,519
	Cash in hand	76,524	4,00,508
	Deposit accounts - original maturity less than 3 months	40,26,418	98,13,686
	<b>Total</b>	<b>77,59,924</b>	<b>1,48,64,713</b>
<b>9.1</b>	<b>Bank balance other than above</b>		
	<b>Other bank balances</b>		
	Margin money with earmarked accounts	2,43,200	2,43,200
	Unclaimed / unpaid dividend	4,43,749	4,86,387
	Deposit accounts - original maturity more than 3 months	48,00,000	-
	<b>Total</b>	<b>54,86,949</b>	<b>7,29,587</b>

**STANES AMALGAMATED ESTATES LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd..)**

Note	Particulars	As at 31 <sup>st</sup> March 2021		As at 31 <sup>st</sup> March 2020	
		Number of Shares	₹	Number of Shares	₹
<b>10 Equity share capital</b>					
	<b>Authorised</b>				
	Equity shares of ₹ 10/- each	<b>15,00,000</b>	<b>1,50,00,000</b>	15,00,000	1,50,00,000
	<b>Issued, subscribed and fully paid-up</b>				
	Equity shares of ₹ 10/- each with voting rights	<b>11,07,499</b>	<b>1,10,74,990</b>	11,07,499	1,10,74,990
			<b>1,10,74,990</b>		1,10,74,990
	<b>a. Reconciliation of the number of shares and amount outstanding at the beginning and at end of the reporting year</b>				
	<b>Equity shares</b>				
	At the beginning of the year	<b>11,07,499</b>	<b>1,10,74,990</b>	11,07,499	1,10,74,990
	Movements during the year	-	-	-	-
	Outstanding at the end of the year	<b>11,07,499</b>	<b>1,10,74,990</b>	11,07,499	1,10,74,990
	<b>b. Rights, preferences and restrictions attached to equity shares</b>				
	As per the provisions of the Companies Act, 2013 and Articles of Association of the Company.	-	-	-	-
	<b>c. Shares held by Holding / Ultimate Holding Company and /or their subsidiaries / associates:</b>				
	Out of equity shares issued by the Company Shares held by its Holding company, Ultimate Holding company and their subsidiaries / associates are as below:				
	<b>1. T. Stanes and Company Limited - the Holding Company</b>				
	Equity shares of ₹ 10/- each fully paid up	<b>5,56,335</b>	<b>55,63,350</b>	5,56,335	55,63,350
	<b>2. Amalgamations Private Limited- the Ultimate Holding Company</b>				
	Equity Shares of ₹ 10/- each fully paid up	<b>1,40,490</b>	<b>14,04,900</b>	1,40,490	14,04,900
	<b>3. The United Nilgiri Tea Estates Company Limited Associate of the Ultimate Holding Company</b>				
	Equity shares of ₹ 10/- each fully paid up	<b>81,783</b>	<b>8,17,830</b>	81,783	8,17,830
	<b>d. Details of shares held by each shareholder holding more than 5% shares in the Company</b>				
	T. Stanes and Company Limited	<b>5,56,335</b>	<b>50.23%</b>	5,54,540	50.23%
	Amalgamations Private Limited	<b>1,40,490</b>	<b>12.69%</b>	1,40,490	12.69%
	The United Nilgiri Tea Estates Company Limited	<b>81,783</b>	<b>7.38%</b>	81,783	7.38%
	Life Insurance Corporation of India	<b>61,552</b>	<b>5.56%</b>	61,552	5.56%
		<b>8,40,160</b>		8,40,160	

**STANES AMALGAMATED ESTATES LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd...)**

Note	Particulars	As at 31 <sup>st</sup> March 2021 ₹	As at 31 <sup>st</sup> March 2020 ₹
<b>11</b>	<b>Other equity</b>		
	<b>General reserve</b> <i>(This represents appropriation of profit by the Company)</i>		
	Balance at beginning of the year	<b>9,87,82,884</b>	9,87,82,884
	Movements during the year	-	-
	Balance at end of the year	<b>9,87,82,884</b>	9,87,82,884
	<b>Capital redemption reserve</b> <i>(This represents a non-distributable reserve)</i>		
	Balance at beginning of the year	<b>3,15,640</b>	3,15,640
	Movements during the year	-	-
	Balance at end of the year	<b>3,15,640</b>	3,15,640
	<b>Retained earnings</b> <i>(Retained earnings comprise of the Company's prior years undistributed earnings after taxes)</i>		
	Balance at beginning of the year	<b>(61,36,777)</b>	79,17,087
	Movements during the year		
	Loss for the year	<b>(1,28,73,851)</b>	(2,79,94,735)
	Transfer of realised gain on sale of investments from Other Comprehensive Income	<b>16,388</b>	1,52,76,020
	Dividend paid	-	(11,07,499)
	Tax on dividend	-	(2,27,650)
	Balance at end of the year	<b>(1,89,94,240)</b>	(61,36,777)
	<b>Other Comprehensive Income / (Loss)</b> <i>(Other items of Other Comprehensive Income consist of remeasurement of net defined benefit liability/asset and Fair value changes on FVOCI financials assets)</i>		
	Balance at beginning of the year	<b>(79,54,391)</b>	1,13,59,333
	Movements during the year	<b>30,22,894</b>	(40,37,704)
	Transfer of realised gain on sale of investments to retained earnings	<b>(16,388)</b>	(1,52,76,020)
	Balance at end of the year	<b>(49,47,885)</b>	(79,54,391)
	<b>Total other equity</b>	<b>7,51,56,399</b>	8,50,07,356

**STANES AMALGAMATED ESTATES LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd...)**

Note	Particulars	As at 31 <sup>st</sup> March 2021 ₹	As at 31 <sup>st</sup> March 2020 ₹
<b>12 Provisions</b>			
	<b>Non-current</b>		
	Provision for compensated absences	<b>3,51,355</b>	2,86,173
	<b>Total</b>	<b>3,51,355</b>	2,86,173
	<b>Current</b>		
	Provision for income tax (Net of advance tax)	<b>18,46,999</b>	11,04,905
	<b>Total</b>	<b>18,46,999</b>	11,04,905
<b>13 Trade payable</b>			
	<b>Other than acceptances</b>		
	- dues of micro enterprises and small enterprises	<b>1,19,285</b>	7,68,480
	- dues of creditors other than micro enterprises and small enterprises	<b>1,03,34,455</b>	1,13,74,262
	<b>Total</b>	<b>1,04,53,740</b>	1,21,42,742
	Trade payables are generally non-interest bearing and are normally settled within a period of 180 days.		
<b>14 Other financial liabilities (carried at amortized cost)</b>			
	<b>Current</b>		
	Unclaimed / unpaid dividend	<b>4,43,749</b>	4,86,387
	Due to gratuity trust	<b>36,40,248</b>	15,27,738
	<b>Total</b>	<b>40,83,997</b>	20,14,125
<b>15 Other current liabilities</b>			
	Statutory remittances	<b>9,02,843</b>	4,13,162
	Other liabilities	<b>22,56,368</b>	28,64,190
	<b>Total</b>	<b>31,59,211</b>	32,77,352



**STANES AMALGAMATED ESTATES LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd...)**

Note	Particulars	For the year ended	
		31 <sup>st</sup> March 2021 ₹	31 <sup>st</sup> March 2020 ₹
<b>16 Revenue from operations</b>			
	Disaggregate revenue information: The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of revenues and cash flows are affected. Accordingly, the disaggregation by type of goods/service & geography is provided in the table below:		
	<b>Revenue from contract with customers:</b>		
	a) Sales of finished goods - Tea	<b>11,87,71,892</b>	9,72,54,288
	b) Income from other planting activities:		
	- Coffee	<b>3,42,160</b>	3,25,080
	- Minor produce	<b>19,94,087</b>	22,42,325
	<b>Total Revenue from contract with customers</b>	<b>12,11,08,139</b>	9,98,21,693
	<b>Other operating revenues</b>		
	Sale of trees	<b>2,49,374</b>	-
	Miscellaneous income	<b>37,59,729</b>	22,20,754
	MEIS income and exchange gain	<b>26,44,547</b>	42,64,302
	Total other operating revenues	<b>66,53,650</b>	64,85,056
	<b>Revenue from operations</b>	<b>12,77,61,789</b>	10,63,06,749
	The Company disaggregate the revenue based on geographic locations and it is disclosed under <b>Note 32</b> 'Segment reporting'.		
<b>17 Other Income</b>			
	Interest income on financial assets at amortised cost	<b>5,97,155</b>	5,07,054
	Interest income on financial assets at FVOCI	<b>82,300</b>	82,075
	Dividend income on financial assets at FVOCI	<b>4,58,406</b>	8,42,912
	Net gain on sale of investments	<b>23,386</b>	82,236
	Net gain on financial assets carried at FVTPL	<b>16,388</b>	86,401
	Profit on sales of Property, Plant and Equipment (Net)	<b>52,971</b>	49,999
	<b>Total</b>	<b>12,30,606</b>	16,50,677
<b>18 Changes in inventories of finished goods</b>			
	<b>Inventories at the end of the year (Finished goods)</b>		
	Tea	<b>2,36,92,466</b>	2,92,28,865
	Coffee	<b>93,600</b>	3,78,040
	Minor produce	<b>1,77,359</b>	89,570
		<b>2,39,63,425</b>	2,96,96,475
	<b>Inventories at the beginning of the year (Finished goods)</b>		
	Tea	<b>2,92,28,865</b>	2,51,54,624
	Coffee	<b>3,78,040</b>	-
	Minor produce	<b>89,570</b>	27,307
		<b>2,96,96,475</b>	2,51,81,931
	<b>Net (increase) / decrease</b>	<b>57,33,050</b>	(45,14,544)

**STANES AMALGAMATED ESTATES LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd...)**

Note	Particulars	For the year ended	
		31 <sup>st</sup> March 2021 ₹	31 <sup>st</sup> March 2020 ₹
<b>19 Employee benefits expense</b>			
	Salaries, wages and bonus	7,82,34,249	8,09,53,291
	Contribution to provident and other funds	64,21,874	84,54,495
	Workmen and staff welfare expenses	69,05,818	77,95,843
	<b>Total</b>	<b>9,15,61,941</b>	<b>9,72,03,629</b>
<b>20 Finance costs</b>			
	Interest expense on borrowings	3,85,260	1,53,005
	<b>Total</b>	<b>3,85,260</b>	<b>1,53,005</b>
<b>21 Other expenses</b>			
	Consumption of stores and spares	93,91,797	66,01,789
	Power and fuel	83,28,071	1,06,49,559
	Transport charges	38,18,968	32,59,710
	Repairs and maintenance		
	- Building	47,47,573	43,41,211
	- Machinery	26,90,745	21,88,943
	- Vehicle	7,63,957	8,98,097
	Rates and taxes	5,73,570	6,24,745
	Insurance	17,26,481	13,21,614
	Brokerage	2,74,001	1,54,621
	Commission	71,394	34,810
	Directors' sitting fees	25,000	40,000
	Payments to auditors (Refer Note below)	2,00,000	2,00,000
	Export tea handling charges	11,37,952	10,16,875
	Freight and other expenses on tea export	21,16,166	11,83,296
	Printing and stationery	5,37,199	7,32,465
	Postage and telephone	2,68,727	3,50,205
	Travelling expenses	1,54,857	8,72,159
	Legal and Professional Charges	6,99,780	6,18,684
	Miscellaneous expenses	23,10,982	29,34,275
	<b>Total</b>	<b>3,98,37,220</b>	<b>3,80,23,058</b>
	Note : Payments to auditors comprise		
	To statutory auditor :		
	For statutory audit	1,75,000	1,75,000
	For tax audit	20,000	20,000
	Reimbursement of expenses	5,000	5,000
	<b>Total</b>	<b>2,00,000</b>	<b>2,00,000</b>

**STANES AMALGAMATED ESTATES LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd...)**

Note	Particulars	For the year ended		
		31 <sup>st</sup> March 2021 ₹	31 <sup>st</sup> March 2020 ₹	
<b>22 Current Tax:</b> Current tax - In respect of current year <b>Total</b> <b>Deferred Tax:</b> Relating to the origination and reversal of temporary differences <b>Tax expense</b> <b>Other Comprehensive Income Section</b> Deferred tax related items recognised in OCI during the year: Net gain / (loss) on investment in equity shares at FVTOCI <b>Total</b> The reconciliation between the provision of income tax of the Company and amounts computed by applying the Indian statutory income tax rate to profit before taxes is as follows: <b>Loss before tax</b> Enacted income tax rate in India <b>Effect of:</b> Others on account of difference in fair trade income and expense On account of timing differences in property, plant and equipment and 43B disallowance Income tax expense recognised in the statement of profit and loss		<b>8,39,200</b>	11,60,000	
		<b>8,39,200</b>	11,60,000	
		<b>(7,84,596)</b>	(3,37,378)	
		<b>54,604</b>	8,22,622	
		<b>(34,094)</b>	(1,77,634)	
		<b>(34,094)</b>	(1,77,634)	
		<b>(1,28,19,247)</b>	(2,71,72,113)	
		<b>25.17%</b>	25.17%	
		<b>8,39,200</b>	11,60,000	
		<b>(7,84,596)</b>	(3,37,378)	
	<b>54,604</b>	8,22,622		
<b>23 Deferred tax</b> Deferred tax assets/(liabilities) as at 31 <sup>st</sup> March, 2020 in relation to:				
<b>Particulars</b>	1 <sup>st</sup> April 2019 ₹	Recognised in Profit and loss ₹	Recognised in Other Compre- hensive Income ₹	31 <sup>st</sup> March 2020 ₹
Property, Plant and Equipment	(11,79,262)	2,28,339	-	(9,50,923)
On account of Sec.43B disallowances	-	28,810	-	28,810
Net gain arising on financial assets designated at FVTPL	(80,229)	80,229	-	-
Remeasurement of defined benefit plans in FVTOCI	5,00,038	-	(5,00,038)	-
Net gain on fair value of equity instruments	9,12,794	-	3,22,404	12,35,198
	1,53,341	3,37,378	(1,77,634)	3,13,085
<b>Deferred tax assets/(liabilities) as at 31<sup>st</sup> March 2021 in relation to:</b>				
<b>Particulars</b>	1 <sup>st</sup> April 2020 ₹	Recognised in Profit and loss credit / (charge) ₹	Recognised in Other Comprehensive Income credit / (charge) ₹	31 <sup>st</sup> March 2021 ₹
Property, Plant and Equipment	<b>(9,50,923)</b>	<b>1,59,245</b>	-	<b>(7,91,678)</b>
On account of Sec. 43B disallowances	<b>28,810</b>	<b>6,27,953</b>	-	<b>6,56,763</b>
Net gain arising on financial assets designated at FVTPL	-	<b>(2,602)</b>	-	<b>(2,602)</b>
Remeasurement of defined benefit plans in FVTOCI	-	-	<b>1,20,889</b>	<b>1,20,889</b>
Net gain on fair value of equity instruments	<b>12,35,198</b>	-	<b>(1,54,983)</b>	<b>10,80,215</b>
	<b>3,13,085</b>	<b>7,84,596</b>	<b>(34,094)</b>	<b>10,63,587</b>

**STANES AMALGAMATED ESTATES LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd...)**

Note	Particulars	As at 31 <sup>st</sup> March 2021 ₹	As at 31 <sup>st</sup> March 2020 ₹
24	Estimated amount of Contracts remaining to be executed on capital account not provided for (net of advances)	-	-
25	Contingent liability	-	-
26	<b>Employee benefit plans</b>		
	<b>i) Defined contribution plan</b>		
	The Company makes Provident fund contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The same is charged to Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the Schemes.		
	- Contribution to Super annuation fund	54,900	53,100
	- Contribution to Provident fund	40,89,794	60,54,223
	<b>ii) Defined benefit plans</b>		
	Disclosures required under Indian Accounting Standard 19 notified in the Companies (Indian Accounting Standards) Rules 2015, are given below:		
	<b>A. Change in present value of the obligation during the year</b>		
	1. Opening present value of the obligation	3,11,00,035	3,23,41,295
	2. Current service cost	19,85,414	22,01,166
	3. Interest costs	22,54,753	24,25,597
	4. Benefits paid	(63,78,602)	(48,63,366)
	5. Actuarial gain/(loss) on obligation	12,00,825	(10,04,657)
	6. Closing present value of the obligation	3,01,62,425	3,11,00,035
	<b>B. Change in assets during the year</b>		
	1. Opening fair value of plan assets	2,95,72,297	3,14,41,397
	2. Expected return on plan assets	19,62,987	22,79,591
	3. Contribution made	13,65,495	7,14,675
	4. Benefits paid	(63,78,602)	(48,63,366)
	5. Actuarial gain/ (loss) on plan assets	-	-
	6. Closing fair value of plan assets	2,65,22,177	2,95,72,297
	<b>C. Net Asset / (Liability) recognised in the Balance Sheet</b>		
	1. Closing present value of the obligation	3,01,62,425	3,11,00,035
	2. Closing fair value of plan assets	2,65,22,177	2,95,72,297
	3. Funded status surplus/(deficit)	(36,40,248)	(15,27,738)
	4. Net asset/ (liability) recognised in the balance sheet	(36,40,248)	(15,27,738)

**STANES AMALGAMATED ESTATES LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd...)**

Note	Particulars	As at 31 <sup>st</sup> March 2021 ₹	As at 31 <sup>st</sup> March 2020 ₹
	<b>D. Expenses recognised during the year</b>		
	1. Current service cost	19,85,414	22,01,166
	2. Interest cost	22,54,753	24,25,597
	3. Expected return on plan assets	(19,62,987)	(22,79,591)
	4. Actuarial loss/(gain) during the year	12,00,825	(10,04,657)
	5. Total expenses	34,78,005	13,42,515
	6. Expenses recognised in Statement of Profit & Loss	22,77,180	23,47,172
	7. Actuary gain/ (loss) recognised in Other Comprehensive Income	12,00,825	(10,04,657)
	<b>E. Major categories of plan assets as a percentage of total plan</b>		
	Investment with Life insurance Corporation of India*	100%	100%
	<b>F. Actuarial Assumptions</b>		
	1. Discount rate	7.00%	7.25%
	2. Salary escalation	4.00%	4.00%
	3. Attrition rate	1% to 3%	1% to 3%
<p>The details of experience adjustments arising on account of plan assets and liabilities are not readily available in the valuation report, hence not furnished. Further details of sensitivity analysis on discount rate and salary increase are not readily available in the valuation report, hence not furnished.</p> <p>*The details with respect to the composition of investments in the fair value of plan assets managed by LIC have not been disclosed in the absence of the above said information.</p> <p>These plans typically expose the Company to risks such as interest rate risk, longevity risk and salary risk.</p> <p><b>Interest Rate Risk:</b> A decrease in the bond interest rate will increase the plan liability.</p> <p><b>Longevity Risk:</b> The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.</p> <p><b>Salary Risk:</b> The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.</p> <p>Significant actuarial assumptions for the determination of the defined obligation are discount rate, and expected salary increase.</p>			
<b>27</b>	<b>Standing crop:</b> Fair value of the green leaf at the point of harvest is less than the cost of plucking, accordingly the fair value of the green leaf has been considered as Nil.		
Note	Particulars	As at 31 <sup>st</sup> March 2021 ₹	As at 31 <sup>st</sup> March 2020 ₹
<b>28</b>	<b>Provision which are not contingent but provided based on estimation.</b>		
	<b>Nature of expenses - Compensated Absence</b>		
	Provision outstanding at the beginning of the year	2,86,173	3,51,730
	Provision made during the year	65,182	-
	Provision reversed during the year	-	65,557
	Provision at the end of the year	3,51,355	2,86,173

**STANES AMALGAMATED ESTATES LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd...)**

Note	Particulars	As at 31 <sup>st</sup> March 2021 ₹	As at 31 <sup>st</sup> March 2020 ₹
<b>29</b>	The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated August 26, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the 'Micro, Small and Medium Enterprises Development Act, 2006' ('the Act'). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 <sup>st</sup> March 2021 has been made in the financial statements based on information received and available with the Company. Further in view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Company has not received any claim for interest from any supplier as at the balance sheet date.	-	-
	i) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of accounting year:	<b>1,19,285</b>	7,68,480
	ii) The amount of interest paid by the buyer under the Act along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year:	-	-
	iii) The amount of interest due and payable for the year (where the principal has been paid but interest under the Act not paid):	-	-
	iv) The amount of interest accrued and remaining unpaid at the end of accounting year: and	-	-
	v) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23.	-	-
<b>30</b>	<b>Earnings per share:</b> For the purpose of computing the earnings per share, the net profit/ (loss) after tax has been used as the numerator and the weighted average number of shares outstanding has been considered, as the denominator		
	Net Loss attributable to shareholders	<b>(1,28,73,851)</b>	(2,79,94,735)
	Number of shares (Face value of Rs.10)	<b>11,07,499</b>	11,07,499
	Earning per share (Basic and Diluted)	<b>(11.62)</b>	(25.28)
<b>31</b>	<b>Borrowings</b> The Company borrowed from M/s. T.Stanes and Company Limited (Holding Company) for the purpose of working capital which is unsecured and carries interest rate of 8% per annum, payable on demand.	<b>40,00,000</b>	50,00,000
<b>32</b>	<b>Secondary Segment Information - Geographical Segment Revenue</b>		
	India	<b>7,16,76,888</b>	5,38,40,604
	Outside India	<b>5,60,84,901</b>	5,24,66,145
	<b>Segment Assets</b>		
	India	<b>10,29,82,943</b>	11,19,55,875
	Outside India - Trade Receivables	<b>71,43,748</b>	79,51,768
	<b>Additions to Property, plant and equipment</b>		
	India	<b>19,34,708</b>	64,800
	Outside India	-	-

**STANES AMALGAMATED ESTATES LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd...)**

**Note 33**

**Related Party Disclosures**

**i) Names of related parties and nature of related party relationship where control exists are as under :-**

**a) Holding Companies**

M/s. Amalgamations Private Limited\*  
 (Ultimate Holding Company)

M/s. T. Stanes and Company Limited\*  
 (Holding Company)

**b) Fellow Subsidiaries**

M/s. Addison and Company Limited

M/s. Southern Tree Farms Limited \*

M/s. Alpump Limited

M/s. Speed-A-Way Private Limited

M/s. Amalgamations Repco Limited

M/s. Sri Rama Vilas Service Limited

M/s. AMCO Batteries Limited

M/s. Stanes Motors (South India) Limited

M/s. Associated Printers (Madras) Private Limited

M/s. TAFE Access Limited

M/s. Associated Publishers (Madras) Private Limited

M/s. TAFE Motors and Tractors Limited

M/s. Bimetal Bearings Limited

M/s. TAFE Reach Limited

M/s. George Oakes Limited

M/s. TAFE Properties Limited

M/s. Higginbothams Private Limited

M/s. TAFE USA Inc. Delaware U.S.A.

M/s. India Pistons Limited

M/s. TAFE International Traktor VE Tarim Ekipmani  
 Sanayi Ve Ticaret Limited, Sirketi

M/s. IP Rings Limited

M/s. The Madras Advertising Company Private Limited\*

M/s. IP Pins and Liners Limited

M/s. Tractors and Farm Equipment Limited

M/s. IPL Engine Components Private Limited

M/s. TAFE Tractors Changshu Company Limited, China

M/s. IPL Green Power Limited

M/s. W J Groom and Company Limited, London  
 Private Limited

M/s. L.M. Van Moppes Diamond Tools India  
 Private Limited

M/s. Wallace Cartwright and Company Limited, London

M/s. Shardlow India Limited

M/s. Wheel and Precision Forgings India Limited

M/s. Simpson and Company Limited \*

M/s. Simpson and General Finance Company Limited

**c) Associate to Holding / Ultimate Holding Company**

M/s. Amalgamations Valeo Clutch Private Limited

M/s. BBL Daido Private Limited

M/s. The United Nilgiri Tea Estates Company Limited\*

**d) Key Management Personnel**

Mr. A. Krishnamoorthy - Chairman\*

Mr. N. Venkataramani - Director (upto 01.08.2020)

Mr. PS Wallia - Director\*

Mr. V. Viswanathan - Director\*

\*Represents related parties with whom the Company had transactions during theyear.

**STANES AMALGAMATED ESTATES LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd...)**

**Note : 33. DETAILS OF RELATED PARTY TRANSACTIONS DURING THE YEAR ENDED 31<sup>st</sup> MARCH 2021 AND BALANCES OUTSTANDING AS AT 31<sup>st</sup> MARCH 2021**

Description	Holding Companies		Fellow Subsidiary Companies		Associate to Holding / Ultimate Holding Company		Key Management Personnel		Total	
	2020-2021	2019-2020	2020-2021	2019-2020	2020-2021	2019-2020	2020-2021	2019-2020	2020-2021	2019-2020
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
<b>A) Transactions during the year</b>										
<b>Sales</b>										
M/s. Simpson and Company Limited	-	28,749	-	-	-	-	-	-	-	28,749
M/s. T.Stanes and Company Limited	26,875	10,979	-	-	-	-	-	-	26,875	10,979
M/s. Southern Tree Farms Limited	-	-	6,852	11,000	-	-	-	-	6,852	11,000
<b>Interest expense on borrowings</b>										
M/s. T.Stanes and Company Limited	3,85,260	1,53,005	-	-	-	-	-	-	3,85,260	1,53,005
Total	4,12,135	1,92,733	6,852	11,000	-	-	-	-	4,18,987	2,03,733
<b>Sale of investments - (Equity shares)</b>										
M/s. Amalgamations Private Limited	-	70,00,000	-	-	-	-	-	-	-	70,00,000
M/s. Simpson and Company Limited	-	-	-	87,66,000	-	-	-	-	-	87,66,000
Total	-	70,00,000	-	87,66,000	-	-	-	-	-	1,57,66,000
<b>Dividend received from</b>										
M/s. Amalgamations Repco Limited	-	-	-	1,75,000	-	-	-	-	-	1,75,000
Total	-	-	-	1,75,000	-	-	-	-	-	1,75,000
<b>Purchases</b>										
M/s. T.Stanes and Company Limited	45,09,264	49,28,684	-	-	-	-	-	-	45,09,264	49,28,684
Total	45,09,264	49,28,684	-	-	-	-	-	-	45,09,264	49,28,684
<b>Service availed from</b>										
M/s. Amalgamations Private Limited	2,82,780	2,82,780	-	-	-	-	-	-	2,82,780	2,82,780
M/s. The Madras Advertising Company Private Limited	-	-	1,14,080	-	-	-	-	-	1,14,080	-
M/s. Associated Printers (Madras) Private Limited	-	-	-	90,000	-	-	-	-	-	90,000
Total	2,82,780	2,82,780	1,14,080	90,000	-	-	-	-	3,96,860	3,72,780



# STANES AMALGAMATED ESTATES LIMITED

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd...)

**Note : 33. DETAILS OF RELATED PARTY TRANSACTIONS DURING THE YEAR ENDED 31<sup>st</sup> MARCH 2021 AND BALANCES OUTSTANDING AS AT 31<sup>st</sup> MARCH 2021**

Description	Holding Companies		Fellow Subsidiary Companies		Associate to Holding / Ultimate Holding Company		Key Management Personnel		Total	
	2020-2021	2019-2020	2020-2021	2019-2020	2020-2021	2019-2020	2020-2021	2019-2020	2020-2021	2019-2020
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
<b>Dividend paid to</b>										
M/s. Amalgamations Private Limited	-	1,40,490	-	-	-	-	-	-	-	1,40,490
M/s. Simpson and Company Limited	-	1,696	-	-	-	-	-	-	-	1,696
M/s. T.Stanes and Company Limited	-	5,56,335	-	-	-	-	-	-	-	5,56,335
M/s. Tractors and Farm Equipments Limited	-	-	-	26,530	-	-	-	-	-	26,530
M/s. The United Nilgiri Tea Estates Company Limited	-	-	-	-	-	81,783	-	-	-	81,783
M/s. Sri Rama Vilas Service Limited	-	-	-	4,786	-	-	-	-	-	4,786
M/s. Bimetal Bearings Limited	-	-	-	6,380	-	-	-	-	-	6,380
M/s. Speed-A-Way Private Limited	-	-	-	1,501	-	-	-	-	-	1,501
Total	-	6,98,521	-	39,197	-	81,783	-	-	-	8,19,501
<b>Borrowings from</b>										
M/s. T.Stanes and Company Limited	-	50,00,000	-	-	-	-	-	-	-	50,00,000
Total	-	50,00,000	-	-	-	-	-	-	-	50,00,000
<b>Repayment to</b>										
M/s. T.Stanes and Company Limited	10,00,000	-	-	-	-	-	-	-	10,00,000	-
Total	10,00,000	-	-	-	-	-	-	-	10,00,000	-
<b>Sitting Fees</b>										
Mr. A. Krishnamoorthy	-	-	-	-	-	-	25,000	20,000	25,000	20,000
Mr. N. Venkataramani	-	-	-	-	-	-	-	20,000	-	20,000
Total	-	-	-	-	-	-	25,000	40,000	25,000	40,000
<b>Remuneration (including reimbursements)</b>										
Mr. PS Wallia	-	-	-	-	-	-	32,94,451	33,39,628	32,94,451	33,39,628
Mr. V. Viswanathan	-	-	-	-	-	-	29,55,503	27,95,281	29,55,503	27,95,281
Total	-	-	-	-	-	-	62,49,954	61,34,909	62,49,954	61,34,909

**STANES AMALGAMATED ESTATES LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd...)**

**Note : 33. DETAILS OF RELATED PARTY TRANSACTIONS DURING THE YEAR ENDED 31<sup>st</sup> MARCH 2021 AND BALANCES OUTSTANDING AS AT 31<sup>st</sup> MARCH 2021**

Description	Holding Companies		Fellow Subsidiary Companies		Associate to Holding / Ultimate Holding Company		Key Management Personnel		Total	
	2020-2021	2019-2020	2020-2021	2019-2020	2020-2021	2019-2020	2020-2021	2019-2020	2020-2021	2019-2020
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
<b>B) Balances outstanding at the end of the year</b>										
<b>Equity participation by</b>										
M/s. Amalgamations Private Limited	14,04,900	14,04,900	-	-	-	-	-	-	14,04,900	14,04,900
M/s. Simpson and Company Limited	16,950	16,950	-	-	-	-	-	-	16,950	16,950
M/s. T.Stanes and Company Limited	55,63,350	55,63,350	-	-	-	-	-	-	55,63,350	55,63,350
M/s. The United Nilgiri Tea Estates Company Limited	-	-	-	8,17,830	8,17,830	8,17,830	-	-	8,17,830	8,17,830
M/s. Tractors and Farm Equipments Ltd	-	2,65,300	2,65,300	-	-	-	-	-	2,65,300	2,65,300
M/s. Sri Rama Vilas Service Limited	-	47,860	47,860	-	-	-	-	-	47,860	47,860
M/s. Bimetal Bearings Limited	-	63,800	63,800	-	-	-	-	-	63,800	63,800
M/s. Speed-A-Way Private Limited	-	15,010	15,010	-	-	-	-	-	15,010	15,010
<b>Total</b>	<b>69,85,200</b>	<b>69,85,200</b>	<b>3,91,970</b>	<b>3,91,970</b>	<b>8,17,830</b>	<b>8,17,830</b>	<b>-</b>	<b>-</b>	<b>81,95,000</b>	<b>81,95,000</b>
<b>Equity Participation in</b>										
M/s. The United Nilgiri Tea Estates Company Limited	-	-	-	-	75,060	75,060	-	-	75,060	75,060
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>75,060</b>	<b>75,060</b>	<b>-</b>	<b>-</b>	<b>75,060</b>	<b>75,060</b>
<b>Trade Payable</b>										
M/s. T.Stanes and Company Limited	1,68,055	16,42,200	-	-	-	-	-	-	1,68,055	16,42,200
<b>Current Borrowings</b>										
M/s. T.Stanes and Company Limited	40,00,000	50,00,000	-	-	-	-	-	-	40,00,000	50,00,000
<b>Total</b>	<b>41,68,055</b>	<b>66,42,200</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>41,68,055</b>	<b>66,42,200</b>

**Notes:**

- There is no allowance account for impaired receivables in relation to any outstanding balances, and no expense has been recognised in respect of impaired receivables due from related parties.
- Related party relationship is as identified by the Company on the basis of information available with the Company and relied upon by the Auditors.
- No amount is/has been written off or written back during the year in respect of debts due from or to related party.
- The above transactions are compiled from the date these parties became related which are accounted in the natural head of accounts.
- Terms and conditions: Transactions relating to dividends, subscriptions for new equity shares were on the same terms and conditions that applied to other shareholders.

**STANES AMALGAMATED ESTATES LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd...)**

**Note 34 : Fair value measurements**  
**Financial instruments by category**

Particulars	31 <sup>st</sup> March 2021			31 <sup>st</sup> March 2020		
	FVTPL ₹	FVOCI ₹	Amortised cost ₹	FVTPL ₹	FVOCI ₹	Amortised cost ₹
<b>Financial assets</b>						
Trade receivables	-	-	75,23,536	-	-	1,12,32,401
Investments	20,23,286	1,40,91,639	-	-	1,01,15,585	-
Cash and cash equivalents (including other bank balances)	-	-	1,32,46,873	-	-	1,55,94,300
Other financial assets	-	-	1,26,884	-	-	2,48,483
<b>Total financial assets</b>	<b>20,23,286</b>	<b>1,40,91,639</b>	<b>2,08,97,293</b>	<b>-</b>	<b>1,01,15,585</b>	<b>2,70,75,184</b>
<b>Financial liabilities</b>						
Borrowings	-	-	40,00,000	-	-	50,00,000
Other financial liabilities	-	-	40,83,997	-	-	20,14,125
Trade payables	-	-	1,04,53,740	-	-	1,21,42,742
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>1,85,37,737</b>	<b>-</b>	<b>-</b>	<b>1,91,56,867</b>

**STANES AMALGAMATED ESTATES LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd...)**

**i) Fair value hierarchy**

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 and
- b) measured at amortised cost and for which fair values 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 accounting standard. An explanation of each level follows underneath the table.

**Financial assets and liabilities measured at fair value - recurring fair value measurements as at 31<sup>st</sup> March 2021**

Particulars	Note No.	Level 1 ₹	Level 2 ₹	Level 3 ₹	Total ₹
<b>Financial assets</b>					
Investments	4	1,60,89,925	25,000	-	1,61,14,925
<b>Total Financial Assets</b>		<b>1,60,89,925</b>	<b>25,000</b>	<b>-</b>	<b>1,61,14,925</b>
Financial Liabilities		-	-	-	-
<b>Total Financial Liabilities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Financial assets and liabilities measured at fair value - recurring fair value measurements as at 31<sup>st</sup> March 2020**

Particulars	Note No.	Level 1 ₹	Level 2 ₹	Level 3 ₹	Total ₹
<b>Financial assets</b>					
Investments	4	1,00,90,585	25,000	-	1,01,15,585
<b>Total Financial Assets</b>		<b>1,00,90,585</b>	<b>25,000</b>	<b>-</b>	<b>1,01,15,585</b>
Financial Liabilities		-	-	-	-
<b>Total Financial Liabilities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Level 1 :** The hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

**Level 2 :** The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) 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 instrument is included in level 3. This is the case for unlisted equity securities included in level 3.

There are no transfers between levels 1 and 2 during the year.

The company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

**STANES AMALGAMATED ESTATES LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd...)**

**ii) Valuation technique used to determine fair value**

Specific valuation techniques used to value financial instruments include

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date
- the fair value of certain financial instruments have been determined based on the buy back offer made by the originator of the instrument
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis

All of the resulting fair value estimates are included in level 2 except for unlisted equity securities where the fair values have been determined based on present values and the discount rates used were adjusted for counterparty or own credit risk.

**iii) Valuation processes**

The company performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values.

The main level 3 inputs for unlisted equity securities used by the Company are derived and evaluated as follows :

- Discount rates are determined using a capital asset pricing model to calculate a post tax rate that reflects current market assessments of the time value of money and the risk specific to the asset.
- Risk adjustments specific to the counterparties.
- Earnings growth factor for unlisted equity securities are estimated based on market information for similar types of companies.

The carrying amounts of trade receivables, trade payables, cash and cash equivalents and other current financial assets and liabilities are considered to be the same as their fair values, due to their short-term nature.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

The following methods and assumptions were used to estimate the fair values.

- i) Borrowings are evaluated by the Company based on parameters such as interest rates and specific country risk factors.
- ii) Fair values of the Company's interest-bearing borrowings and loans are determined by using DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at 31<sup>st</sup> March 2021 was assessed to be in significant.

**Note : 35 Financial risk management**

The Company's principal financial liabilities, comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the company's operations and to support its operations. The Company's principal financial assets include trade and other receivables, investments, cash and short-term deposits that derive directly from its operations.

# STANES AMALGAMATED ESTATES LIMITED

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd...)

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk, foreign currency risk and interest rate risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the company is foreign exchange risk.

The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below :

### 1) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including outstanding accounts receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

### 2) Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment.

The following table gives details in respect of percentage of revenues generated from top customer and top 5 customers :

Particulars	For the year ended 31 <sup>st</sup> March 2021 ₹	For the year ended 31 <sup>st</sup> March 2020 ₹
Revenue from customer	12,11,08,139	9,98,21,693
Revenue from Top 5 customers	6,73,76,648	5,22,95,444

The average credit period on sales of goods is 60 days. No interest is charged on trade receivables. Of the trade receivables balance as at 31<sup>st</sup> March 2021, ₹ 70,39,481/- is due from three parties (as at 31<sup>st</sup> March 31 2020 of ₹ 1,01,93,012/- is due from four parties), the Company's largest customers. There are no other customers who represent more than 5% of the total balance of trade receivables.

### 3) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk through credit limits with banks

The Company's finance department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management.

**STANES AMALGAMATED ESTATES LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd...)**

The working capital position of the Company is given below:

Particulars	As at 31 <sup>st</sup> March 2021 ₹	As at 31 <sup>st</sup> March 2020 ₹
Cash and cash equivalents (including other bank balances)	1,32,46,873	1,55,94,300
<b>Total</b>	<b>1,32,46,873</b>	<b>1,55,94,300</b>

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31<sup>st</sup> March 2021 and 31<sup>st</sup> March 2020.

Particulars	As at	Less than 1 year ₹	1-2 years ₹	2 years and above ₹
Borrowings	<b>31<sup>st</sup> March 2021</b>	<b>40,00,000</b>	-	-
	31 <sup>st</sup> March 2020	-	-	-
Trade payables	<b>31<sup>st</sup> March 2021</b>	<b>1,04,53,740</b>	-	-
	31 <sup>st</sup> March 2020	1,21,42,742	-	-
Other financial liabilities	<b>31<sup>st</sup> March 2021</b>	<b>40,83,997</b>	-	-
	31 <sup>st</sup> March 2020	20,14,125	-	-

**4) Foreign currency risk**

The Company's exchange risk arises from its foreign operations and foreign currency expenses, (primarily in U.S. Dollars, Euro and Britain Pounds). A significant portion of the Company's sales are in these foreign currencies, while Company's entire purchases are in Indian rupees. As a result, if the value of the Indian rupee appreciates relative to these foreign currencies, the Company's revenues measured in rupees may decrease. The exchange rate between the Indian rupee and these foreign currencies has changed substantially in recent periods and may continue to fluctuate substantially in the future. The Company's management meets on a periodic basis to formulate the strategy for foreign currency risk management.

The following table presents foreign currency risk of both derivative and non-derivative financial instruments as of 31<sup>st</sup> March 2021 and 31<sup>st</sup> March 2020.

Particulars	As at	USD	EURO	GBP	Total
<b>Assets</b>		Non-derivative	Derivative	Derivative	
	Trade receivables	-	20,77,062	50,66,686	71,43,748
	31 <sup>st</sup> March 2021				
	31 <sup>st</sup> March 2020	1,00,659	19,75,792	58,75,317	79,51,768

# STANES AMALGAMATED ESTATES LIMITED

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd...)

### Foreign currency sensitivity analysis

The Company is mainly exposed to the currency USD, EURO, GBP on account of significant outstanding receivables.

The following table details the Company's sensitivity to a 5% increase and decrease in INR against the USD, EURO, GBP. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. A positive number below indicates an increase in profit or equity where the INR weakens 5% against the relevant currency. For a 5% strengthening of the INR against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be negative.

Particulars	For the year ended 31 <sup>st</sup> March 2021 ₹	For the year ended 31 <sup>st</sup> March 2020 ₹
<b>Impact on profit after tax</b>		
<b>USD sensitivity</b>		
INR/USD increases by 5%*	-	(3,766)
INR/USD decreases by 5%*	-	3,766
<b>EURO sensitivity</b>		
INR/EURO increases by 5%*	<b>(77,713)</b>	(73,924)
INR/EURO decreases by 5%*	<b>77,713</b>	73,924
<b>GBP sensitivity</b>		
INR/GBP increases by 5%*	<b>(1,89,570)</b>	(2,19,825)
INR/GBP decreases by 5%*	<b>1,89,570</b>	2,19,825

\*Holding all other variables constant

### 5) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates and investments.

### Interest rate sensitivity analysis

If interest rates had been 1% higher and all other variables were held constant, the company's profit for the year ended would have impacted in the following manner :

Particulars	For the year ended 31 <sup>st</sup> March 2021 ₹	For the year ended 31 <sup>st</sup> March 2020 ₹
Increase in the profit for the year if interest rate lower by 1%	<b>48,158</b>	19,126
Decrease in the profit for the year if interest rate increase by 1%	<b>(48,158)</b>	(19,126)



**STANES AMALGAMATED ESTATES LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd...)**

If interest rates were 1% lower, the company's profit would have increased by the equivalent amount as shown in the above table.

**6) Capital management**

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company monitors the return on capital. The Company's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value.

**The capital structure is as follows:**

Particulars	As at 31 <sup>st</sup> March 2021 ₹	As at 31 <sup>st</sup> March 2020 ₹
<b>Total equity attributable to the equity share holders of the company</b>	<b>8,62,31,389</b>	9,60,82,346
As percentage of total capital	<b>96%</b>	95%
Current borrowings	<b>40,00,000</b>	50,00,000
<b>Total borrowings</b>	<b>40,00,000</b>	50,00,000
<b>As a percentage of total capital</b>	<b>4%</b>	5%
<b>Total capital (borrowings and equity)</b>	<b>9,02,31,389</b>	10,10,82,346

The Company is predominantly equity financed which is evident from the capital structure table.

**Note 36 :** Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For and on behalf of the Board of Directors

A.KRISHNAMOORTHY  
 Chairman  
 DIN 00001778

Place: Chennai  
 Date : 24<sup>th</sup> June 2021

PS WALLIA  
 Director  
 DIN 00010755

Place: Coimbatore  
 Date : 24<sup>th</sup> June 2021

V.VISWANATHAN  
 Director  
 DIN 00010777

Place: Coimbatore  
 Date : 24<sup>th</sup> June 2021





