



**STANES AMALGAMATED ESTATES LIMITED**

[www.saetea.com](http://www.saetea.com)

# **76<sup>th</sup> | ANNUAL REPORT**

## **2021-2022**



# STANES AMALGAMATED ESTATES LIMITED

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# STANES AMALGAMATED ESTATES LIMITED

## **Board of Directors**

Mr. A. KRISHNAMOORTHY  
Chairman

Mr. PS WALLIA  
Director

Mr. V. VISWANATHAN  
Director

Mrs. LAKSHMI NARAYANAN  
Director  
(From 22<sup>nd</sup> July 2022)

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## **Auditors**

M/s. K.S AIYAR & Co., COIMBATORE

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## **Bankers**

M/s. CENTRAL BANK OF INDIA

M/s. UNION BANK OF INDIA

M/s. HDFC BANK LTD.

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## **Registrar and Share Transfer Agent**

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

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

STANES AMALGAMATED ESTATES LIMITED - 120600

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## **Registered Office**

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

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# STANES AMALGAMATED ESTATES LIMITED

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

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## SEVENTY SIXTH ANNUAL GENERAL MEETING

### NOTICE TO SHAREHOLDERS

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**NOTICE is hereby given that the SEVENTY SIXTH (76<sup>th</sup>) Annual General Meeting of the members of Stanes Amalgamated Estates Limited will be held on Monday, 22<sup>nd</sup> August 2022 at 10.30 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 2022 and the Auditors' Report attached thereto.
2. To appoint a Director in place of Mr. A. Krishnamoorthy, Chairman (DIN 00001778) who retires by rotation. He is eligible for re-election.
3. Appointment of Statutory Auditors

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 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, and to hold office from the conclusion of this meeting, up to the conclusion of the 81<sup>st</sup> Annual General Meeting on the remuneration and terms and conditions as may deem fit between the Company and the Statutory Auditors."

#### **SPECIAL BUSINESS:**

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

"Resolved that Mrs. Lakshmi Narayanan (DIN 02539061) who was appointed as an Additional Director of the Company by the Board of Directors with effect from 22<sup>nd</sup> July 2022 in terms of Section 161(1) of the Companies Act, 2013 and Articles of Association of the Company and whose term of office expires at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of Director, be and is hereby appointed as Director of the Company liable to retire by rotation".

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

### **Item No. 4**

Mrs. Lakshmi Narayanan (DIN 02539061) was appointed as an additional director on 22<sup>nd</sup> July 2022 by the Board of Directors of the Company. According to the provisions of Section 161(1) of the Companies Act, 2013, she may hold office as director only upto the date of ensuing annual general meeting.

As required by Section 160 of the Companies Act, 2013, a notice has been received from a member signifying his intention to propose appointment of Mrs. Lakshmi Narayanan (DIN 02539061) as a director. The Board considers that it is desirable that the company continues to avail her services and recommends her appointment and for passing suitable resolution.

Place : Coimbatore  
Date : 22<sup>nd</sup> July 2022

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

## IMPORTANT NOTES

- 1) In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed, and pursuant to Circular No. 02/2022 dated 5<sup>th</sup> May 2022 issued by the Ministry of Corporate Affairs("MCA"), Circular No. 02/2021 dated 13<sup>th</sup> January 2021, Circular No. 20/2020 dated 5<sup>th</sup> May 2020, Circular No. 17/2020 dated 13<sup>th</sup> April 2020 and Circular No. 14/2020 dated 8<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) Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and other relevant circulars issued by the Ministry of Corporate Affairs , the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. 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. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL, on all the resolutions set forth in this Notice.
- 3) Pursuant to the Circular No. 14/2020 dated 8<sup>th</sup> April 2020 issued by the MCA, 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. However, the body corporates are entitled to appoint authorized representatives to attend the AGM through VC/OAVM and participate at the meeting and cast their votes through e-voting.
- 4) The Members can join the AGM through VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large shareholders (shareholders holding 2% or more shareholding). Promoters, Institutional Investors, Directors, Key Managerial Personnel, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
- 5) The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
- 6) An explanatory statement pursuant to Section 102(1) of the Act, relating to special business to be transacted at the AGM, is annexed hereto.
- 7) The Members' Register and Share Transfer books of the company will remain closed from 16<sup>th</sup> August 2022 to 22<sup>nd</sup> August 2022 (both days inclusive).
- 8) 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.
- 9) In case of joint holder attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- 10) 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 13<sup>th</sup> August 2022.

- 11) 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.
12. Mr. S. Kasi Viswanathan, Partner, Gopalaiyer & Subramanian, Chartered Accountants, Coimbatore has been appointed by the Board of Directors as the Scrutinizer for voting at 76<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.
13. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated 13<sup>th</sup> April 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.saetea.com](http://www.saetea.com) and also on the website of National Securities Depository Limited ("NSDL") at [www.evoting.nsdl.com](http://www.evoting.nsdl.com). 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.
14. 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 **19<sup>th</sup> August 2022** at 9.00 A.M and ends on **21<sup>st</sup> August 2022** at 05.00 P.M. During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on **13<sup>th</sup> August 2022** 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:**

#### **1) 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   |
|--|--|
| <p>Individual Shareholders holding securities in DEMAT mode with NSDL.</p> | <ol style="list-style-type: none"> <li>1. Existing IDeAS user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the "<b>Beneficial Owner</b>" icon under "<b>Login</b>" which is available under '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 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 e-Voting service provider i.e. NSDL and you will be re-directed to <b>e-Voting website of NSDL</b> for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>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>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 "<b>Login</b>" which is available under "<b>Shareholder/Member</b>" 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>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.</li> </ol> <div style="text-align: center;"> <p><b>NSDL Mobile App is available on</b></p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>App Store</p> </div> <div style="text-align: center;">  <p>Google Play</p> </div> </div> <div style="display: flex; justify-content: space-around; margin-top: 10px;"> <div style="text-align: center;">  </div> <div style="text-align: center;">  </div> </div> </div> |



| Type of shareholders   | Login Method   |
|--|--|
| Individual Shareholders holding securities in DEMAT mode with CDSL.                                    | <ol style="list-style-type: none"> <li>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 “<b>Myeasi</b>”.</li> <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 & 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@cdslindia.com">helpdesk.evoting@cdslindia.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 e-services 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<br/>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.<br><br>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.<br><br>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.<br><br>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/emailupdatation.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/emailupdatation.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 19<sup>th</sup> August, 2022 (9:00A.M.IST) to 21<sup>st</sup> August, 2022 (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., 13<sup>th</sup> August 2022, 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 2014-15 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 : 22<sup>nd</sup> July 2022

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

# STANES AMALGAMATED ESTATES LIMITED

## DIRECTORS' REPORT

Your Directors have pleasure in presenting the SEVENTY SIXTH (76<sup>th</sup>) Annual Report and the Accounts of the Company for the year ended 31<sup>st</sup> March 2022 together with the Auditors' Report.

| FINANCIAL RESULTS                                       | 2021-22         | 2020-21         |
|---|-----------------|-----------------|
|   | (Rs. in lakhs)  |                 |
| Profit/(Loss) before Finance Cost, Depreciation and Tax | (171.15)        | (81.64)         |
| Finance Cost  | 2.85            | 3.85            |
| Depreciation  | 35.86           | 42.70           |
| <b>Profit/(Loss) before Tax</b>                         | <b>(209.86)</b> | <b>(128.19)</b> |
| Provision for Taxation (including Deferred Tax)         | 14.69           | 0.55            |
| <b>Profit/(Loss) for the year</b>                       | <b>(224.55)</b> | <b>(128.74)</b> |

### OPERATIONS:

#### TEA: Review of Business operations.

The company harvested 7,81,224 Kg of tea for the year under report.

Export volumes were better at 3,03,090 Kg as against 2,92,956 Kg of last year. Demand for organic teas in the export market was higher compared to the demand for conventional teas. The sales realization was also relatively better compared to last year.

However, these improvements could not percolate into better operating performance due to increase in cost of production owing to revision in wages and also in the cost of shipping.

Cultural and manufacturing operations are being further streamlined to ensure improved cropping with quality. With conducive cropping conditions prevailing in the estates, we expect improved operational performance in the current year.

#### COFFEE:

The Company harvested 2,956 Kg of Coffee as against 1,170 Kg of last year.

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

The impact of COVID-19 (Second wave) was minimal in the estates. The protocols specified by the Government including testing, isolation, inoculation were meticulously carried out to ensure human life safety. With a major portion of the turnover of the company coming from exports and more particularly organic tea with market consisting of leading blenders in Europe, the company continued to serve the requirements of these blenders. 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 2022 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. K.S Aiyar & Co., Chartered Accountants, Coimbatore (Registration No. 100186W) have been re-appointed as Statutory Auditors of the Company for a term of 5 years including the current financial year 2022-23. Their appointment requires the approval of the shareholders at the ensuing 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 2021-22, 4 - Board meetings were held, viz. 24<sup>th</sup> June 2021, 04<sup>th</sup> August 2021, 28<sup>th</sup> October 2021 and 03<sup>rd</sup> February 2022.



**DIRECTORS:**

Mr. A. Krishnamoorthy, Chairman (DIN 00001778) retires by rotation and is eligible for re - appointment.

Mrs. Lakshmi Narayanan (DIN 02539061) was inducted as an Additional Director of the Company pursuant to Section 161(1) of the Companies Act, 2013 with effect from 22<sup>nd</sup> July 2022 at a meeting convened on 22<sup>nd</sup> July 2022. The Company has received a notice under Section 160(1) (amended) of the Companies Act, 2013 proposing her candidature as a Director of the Company. Her appointment as a Director requires the approval of the shareholders at the ensuing Annual General Meeting.

Your Directors recommend passing the necessary resolution as set out in the notice of the Annual General Meeting.

**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 87,702/- to the Investor Education and Protection Fund established by the Central Government during the financial year 2021-22. In terms of Section 125 of the Companies Act 2013, unclaimed dividend or unpaid dividend relating to the financial year 2014 - 15 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 4268 shares during 2021 - 22 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 : 22<sup>nd</sup> July 2022

For and on behalf of the Board

**A. KRISHNAMOORTHY**

CHAIRMAN

## ANNEXURE I

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### 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. The fabrication of the Chimney in Welbeck factory was undertaken for improved fuel efficiency. |
| 2 | The steps taken by the Company for utilising alternate source of energy : | Usage of Briquettes (combustible biomass material) instead of firewood has been increased. Large scale fuel tree planting was undertaken in Cairnhill estate.  |
| 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.<br><br>Two men operated Ochiai harvesters and mechanical weeding machines were deployed for during the year. |
| 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><br>Not Applicable   |
| 4 | The expenditure incurred on research and development :   | <b>Rs. 3.14 Lakhs-</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:<br><br>Total Foreign Exchange<br>Earning From Exports TEA:<br>Used: | <br><br><br><b>Rs. 779.18 Lakhs</b><br><b>Rs. 0.22 Lakhs</b> |
|---|--|--|

## ANNEXURE II

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### 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/<br>(Loss) before<br>Taxation<br>(₹ in lakhs) | Taxation<br>(₹ in lakhs) | Net Profit/<br>(Loss) after<br>Taxation<br>(₹ in lakhs) | Tea Crop (Made Tea) |                     | Coffee<br>Crop<br>(Tonnes) | Dividend<br>% |
|------------------|--|--------------------------|---|---------------------|---------------------|----------------------------|---------------|
|                  |  |                          |   | Own Leaf<br>(Kg)    | Bought Leaf<br>(Kg) |                            |               |
| 2017-2018        | (142.14)   | (9.85)                   | (132.28)  | 7,62,731            | -                   | 1.61                       | 10.00         |
| 2018-2019        | (147.64)   | 0.80                     | (148.44)  | 7,99,743            | -                   | 3.41                       | 10.00         |
| 2019-2020        | (271.72)   | 8.23                     | (279.95)  | 6,65,521            | -                   | 10.81                      | NIL           |
| 2020-2021        | (128.19)   | 0.55                     | (128.74)  | 6,08,012            | -                   | 1.17                       | NIL           |
| <b>2021-2022</b> | <b>(209.86)</b>  | <b>14.69</b>             | <b>(224.55)</b>   | <b>7,81,224</b>     | <b>-</b>            | <b>2.95</b>                | <b>NIL</b>    |

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

| Estate              | Tea in<br>Bearing | Replanted | Immature<br>Tea | Coffee in<br>Bearing | Cardamom     | Roads,<br>Buildings<br>and<br>Spareland | Total<br>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<sup>st</sup> March 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of changes in Equity and the Statement of Cash Flows for the year then ended, notes to the financial statements including 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<sup>st</sup> March 2022, and its loss, other comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. 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 we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

**Key Audit Matters**

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

Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.

**Other matter**

The comparative financial information included in the financial statements are based on the previously issued financial statements for the year ended 31<sup>st</sup> March 2021 which were audited by the predecessor auditors, who vide their report dated 24<sup>th</sup> June 2021, expressed an unmodified opinion.

Our Opinion is not modified in respect of this matter.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Director's Report including its related annexures, 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 is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and Cash flows 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors 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 the Board of Directors 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 misstatements, 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 in the financial statements made by the management and Board of Directors.

- Conclude on the appropriateness of Management and Board of Directors 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 the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act and on the basis of such checks of the books and records of the Company, as we considered appropriate to the information and explanations given to us, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable
2. As required by Section 143(3) of the Act, 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, Statement of Changes in Equity and the Cash Flows dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2022 from being appointed as a director in terms of Section 164(2) of the Act.



- f) With respect to the adequacy of the internal financial controls with reference to financial statement of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, According to the information and explanations given to us and based on the examination of the records of the company, no managerial remuneration is paid/ provided by the company.
- 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) Rule, 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 litigation 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.
  - iv.
    - a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
    - b) The Management has represented, that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
    - c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
  - v. The Company has not declared or paid any dividend during the year ended 31<sup>st</sup> March 2022.

For **K.S Aiyar & Co.,**  
*Chartered Accountants*  
(Firm's Registration No. 100186W)

**S. KALYANARAMAN**  
(Partner)

Membership No. 200565  
UDIN: 22200565ANOPTQ1589

Place : Coimbatore  
Date : 22<sup>nd</sup> July 2022

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

**[Referred to in paragraph 1 under 'Report on other Legal and Regulatory Requirements' section of our report to the members of Stanes Amalgamated Estates Limited of even date]**

To the best of our information and according to the explanations provided to us by the management of the Company and the books of account and records examined by us in the normal course of audit we state that

- i) (a) A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment;  
B) The Company has no intangible assets and hence paragraph 3(i)(B) of the order is not applicable.
- b) The Property, Plant and Equipment have been physically verified during the year by the Management in accordance with a programme of verification which, in our opinion provides for physical verification of all the Property, Plant and Equipment at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed/transfer deed/ conveyance deed provided to us, we report that, the title deeds of all the immovable properties of freehold land & buildings are held in the name of the Company as at the balance sheet date.
- d) According to the information and explanations given to us and as shown by the records verified by us, the company has not revalued its Property, Plant and Equipment during the year.
- e) According to the information and explanations given to us and, no proceedings have been initiated or pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made there under.
- ii) a) The inventories (excluding stocks with third parties) has been physically verified by the Management during the year at reasonable intervals. In respect to inventory of tea lying at third party warehouses, the Company has obtained confirmations from such warehouses for the inventory held by them. In our opinion, the coverage and procedure for such verification is appropriate considering the size and nature of the business of the company. As per information and explanations given to us, no material discrepancies of 10% or more in the aggregate for each class of inventory were noticed on the said physical verification carried out by the management.
- b) According to the records of the Company examined by us and the information and explanation given to us, the company has not been sanctioned any working capital limits in excess of Rs. 5.00 Crores any time during the year, from any banks or financial institutions on the basis of security of current assets and hence reporting under this clause 3 (ii) (b) is not applicable.
- 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 Act. Hence reporting under this clause 3 (iii) is not applicable.
- iv) In our opinion, and according to the information and explanations given to us, the Company has not granted any loans or provided guarantees and hence provisions of Section 185 and 186 of the Companies Act are not applicable. Hence reporting under this clause 3 (iv) is not applicable

- v) According to the information and explanations given to us, the Company has not accepted any deposits from the public and it does not have any amounts which are deemed to be deposits within the provisions of Sections 73 to 76 of the Act read with The Companies (Acceptance of Deposits) Rules, 2014 and other relevant provisions of the Act. Hence reporting under this clause 3 (v) is not applicable.
- vi) The maintenance of cost records specified by the Central Government under section 148 (1) of the Companies Act, 2013 is not applicable to the company. Hence reporting under this clause 3 (vi) is not applicable.
- vii) According to the information and explanations given to us and the records of the Company examined by us, in respect of statutory dues:

- a) The Company has generally been regular in depositing with appropriate authorities, undisputed statutory dues, including Goods and Service Tax, Provident Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Service Tax, Duties of customs, Duties of Excise, Value Added Tax, cess and other material statutory dues applicable to it. According to the information and explanations given to us and the records of the Company examined by us, there are no undisputed amount payable in respect of Goods and Service Tax, Provident Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Service Tax, Duties of customs, Duties of Excise, Value Added Tax, Cess and any other material statutory dues applicable to it, were outstanding, as on the last day of the financial year, for a period of more than six months from the date they became payable;
- b) According to the information and explanation given to us, the statutory dues referred to in (vii)(a) above, which have not been deposited on account of any dispute are given below:

| Name of the Statute      | Nature of the dues   | Amount not deposited in Rs. | Period to which the amount relates | Forum where dispute is pending       |
|--------------------------|----------------------|-----------------------------|------------------------------------|--------------------------------------|
| The Income-tax Act, 1961 | Income-tax - Penalty | 2,10,660                    | AY 2014-15                         | Commissioner of Income Tax (Appeals) |

- viii) According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessment under the Income tax Act, 1961 as income during the year.
- ix)
  - a) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
  - b) According to the information and explanations given to us and based on the examination of the records, Company has not been declared wilful defaulter by any bank or financial institution or other lender.
  - c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year. Hence reporting under this clause 3 (ix) (c) is not applicable
  - d) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that no funds raised on short term basis have been used for long term purpose by the company.
  - e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its

subsidiaries, associates or joint ventures. Accordingly, reporting under clause 3(ix)(e) of the Order is not applicable

- f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Accordingly, reporting under clause 3(ix)(f) of the Order is not applicable
- x) a) The company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- b) According to the information and explanations given to us and based on our examination of the records, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and hence reporting under clause 3(x)(b) of the Order is not applicable.
- xi) a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, no instances of fraud by the Company or any fraud on the Company has been noticed or reported during the year;
- b) According to the information and explanation given to us, no report under sub-section 12 of Section 143 of the Companies Act, 2013 has been filed in Form ADT-4 as prescribed under rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- c) Whistle blower policy is not applicable to the company and hence paragraph 3(xi)(c) of the order is not applicable.
- xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii)(a), (b) and (c) of the Order are not applicable to the Company.
- xiii) In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, all transactions entered into by the Company with the related parties are in compliance with Sections 188 of the Act where applicable and details of such transactions have been disclosed in the Ind AS Financial Statements, as required by the applicable Indian Accounting Standards. Further, the provisions of Section 177 of the Companies Act, 2013 is not applicable to the company.
- xiv) According to the information and explanations given to us, the provisions of Section 138 of Companies Act, 2013 is not applicable to the company and hence the paragraph 3(xiv)(a) and (b) is not applicable.
- xv) According to the information and explanations given to us and based on our examination of the records, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) (a),(b),(c) and (d) of the Order are not applicable
- xvii) The Company has incurred a cash loss of Rs.1,98,61,560 in the current financial year and Rs.98,01,938 in the immediately preceding financial year.
- xviii) There has been a resignation of the statutory auditors during the year. We have considered the issues, objections or concerns raised by the outgoing auditors.

- xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumption, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing as at the date of balance sheet as and when they fall due within a period of one year from the balance sheet. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx) The provisions of Section 135(5) of the Companies Act, 2013 is not applicable to the company and hence paragraph 3(xx) of the order is not applicable.

For **K.S Aiyar & Co.,**  
*Chartered Accountants*  
(Firm's Registration No. 100186W)

**S. KALYANARAMAN**  
(Partner)

Membership No. 200565  
UDIN: 22200565ANOFTQ1589

Place : Coimbatore  
Date : 22<sup>nd</sup> July 2022

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

**(Referred to in paragraph 2 (f) under ‘Report on other Legal and Regulatory Requirements’ section of our report to the Members of Stanes Amalgamated Estates Limited 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 2022 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 and Board of Director is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting 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 Act 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 respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2022, based on the criteria for internal 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 **K.S Aiyar & Co.,**  
*Chartered Accountants*  
(Firm's Registration No. 100186W)

**S. KALYANARAMAN**  
(Partner)  
Membership No. 200565  
UDIN: 22200565ANOPTQ1589

Place : Coimbatore  
Date : 22<sup>nd</sup> July 2022



# STANES AMALGAMATED ESTATES LIMITED

## BALANCE SHEET AS AT 31<sup>st</sup> MARCH 2022

| Particulars  | Note No.         | As at<br>31 <sup>st</sup> March 2022<br>(₹ in lakhs) | As at<br>31 <sup>st</sup> March 2021<br>(₹ in lakhs) |
|--|------------------|--|--|
| <b>ASSETS</b>  |                  |  |  |
| <b>Non-current assets</b>  |                  |  |  |
| a) Property, plant and equipment   | 3                | 353.28   | 376.27   |
| b) Financial assets  |                  |  |  |
| i) Investments   | 4                | 155.95   | 161.15   |
| ii) Other financial assets   | 5                | 9.83   | 10.33  |
| c) Deferred tax assets (net)   | 23               | 7.86   | 10.63  |
| <b>Total non-current assets</b>  |                  | <b>526.92</b>  | 558.38   |
| <b>Current assets</b>  |                  |  |  |
| a) Inventories   | 7                | 339.50   | 293.81   |
| b) Financial assets  |                  |  |  |
| i) Trade receivables considered good - Unsecured   | 8                | 56.45  | 75.24  |
| ii) Cash and cash equivalents  | 9                | 21.80  | 77.60  |
| ii) Bank balances other than (ii) above  | 9.1              | 6.14   | 54.87  |
| iii) Other financial assets  | 5                | 1.91   | 1.27   |
| c) Other current assets  | 6                | 30.73  | 40.10  |
| <b>Total current assets</b>  |                  | <b>456.53</b>  | 542.89   |
| <b>Total assets</b>  |                  | <b>983.45</b>  | 1,101.27   |
| <b>EQUITY AND LIABILITIES</b>  |                  |  |  |
| <b>Equity</b>  |                  |  |  |
| a) Equity share capital  | 10               | 110.75   | 110.75   |
| b) Other equity  | 11               | 526.82   | 751.56   |
| <b>Total equity</b>  |                  | <b>637.57</b>  | 862.31   |
| <b>Liabilities</b>   |                  |  |  |
| <b>Non-current liabilities</b>   |                  |  |  |
| a) Provisions  | 12               | -  | 3.51   |
| <b>Total non-current liabilities</b>   |                  | -  | 3.51   |
| <b>Current liabilities</b>   |                  |  |  |
| a) Financial liabilities   |                  |  |  |
| i) Borrowings  | 31               | 30.00  | 40.00  |
| ii) Trade payables   |                  |  |  |
| - Total outstanding dues of micro enterprises and small enterprises                      | 13               | 1.27   | 1.19   |
| - Total outstanding dues of creditors other than micro enterprises and small enterprises | 13               | 71.59  | 20.78  |
| iii) Other financial liabilities   | 14               | 65.03  | 40.84  |
| b) Other current liabilities   | 15               | 177.10   | 122.56   |
| c) Current tax liabilities (net)   | 12               | 0.89   | 10.08  |
| <b>Total current liabilities</b>   |                  | <b>345.88</b>  | 235.45   |
| <b>Total equity and liabilities</b>  |                  | <b>983.45</b>  | 1,101.27   |
| <b>See accompanying notes to the financial statements</b>                                | <b>1 &amp; 2</b> |  |  |

In terms of our report attached

For and on behalf of the Board of Directors

For M/s. K.S AIYAR & Co.,  
Chartered Accountants  
(Firm's Registration No. 100186W)

A. KRISHNAMOORTHY  
Chairman  
DIN 00001778

PS WALLIA  
Director  
DIN 00010755

S. KALYANARAMAN  
Partner  
Membership No. 200565

Place : Chennai  
Date : 22<sup>nd</sup> July 2022

Place : Coimbatore  
Date : 22<sup>nd</sup> July 2022

V. VISWANATHAN  
Director  
DIN 00010777

Place : Coimbatore  
Date : 22<sup>nd</sup> July 2022

Place : Coimbatore  
Date : 22<sup>nd</sup> July 2022



**STANES AMALGAMATED ESTATES LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2022**

| Particulars   | Note No.         | For the year ended                          |   |
|---|------------------|---|---|
|   |                  | 31 <sup>st</sup> March 2022<br>(₹ in lakhs) | 31 <sup>st</sup> March 2021<br>(₹ in lakhs) |
| <b>I</b> Revenue from operations  | <b>16</b>        | <b>1,365.98</b>                             | 1,277.62                                    |
| <b>II</b> Other income  | <b>17</b>        | <b>12.31</b>                                | 12.30                                       |
| <b>III</b> Total income (I+II)  |                  | <b>1,378.29</b>                             | 1,289.92                                    |
| <b>IV Expenses</b>  |                  |   |   |
| Purchases of tea  |                  | -   | 0.24  |
| Green Leaf Purchases  |                  | <b>5.59</b>                                 |   |
| Changes in inventories of finished goods                                    | <b>18</b>        | <b>(46.39)</b>                              | 57.33                                       |
| Employee Benefits Expense   | <b>19</b>        | <b>1,047.49</b>                             | 915.62                                      |
| Finance Cost  | <b>20</b>        | <b>2.85</b>                                 | 3.85  |
| Depreciation Expenses   | <b>3</b>         | <b>35.86</b>                                | 42.70                                       |
| Other Expenses  | <b>21</b>        | <b>542.75</b>                               | 398.37                                      |
| <b>Total expenses (IV)</b>  |                  | <b>1,588.15</b>                             | 1,418.11                                    |
| <b>V Loss before tax (III - IV)</b>   |                  | <b>(209.86)</b>                             | (128.19)                                    |
| <b>VI Tax expense:</b>  |                  |   |   |
| Current tax   | <b>22</b>        | <b>16.05</b>                                | 8.39  |
| Deferred tax  | <b>23</b>        | <b>(1.36)</b>                               | (7.84)                                      |
|   |                  | <b>14.69</b>                                | 0.55  |
| <b>VII Loss for the year (V - VI)</b>                                       |                  | <b>(224.55)</b>                             | (128.74)                                    |
| <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>(39.03)</b>                              | (12.01)                                     |
| - Equity and debt instruments through Other Comprehensive Income            |                  | <b>42.97</b>                                | 42.58                                       |
| Income tax relating to item that will not be reclassified to profit or loss |                  | <b>(4.13)</b>                               | (0.34)                                      |
| <b>Other Comprehensive Income / (loss)</b>                                  |                  | <b>(0.19)</b>                               | 30.23                                       |
| <b>Total Comprehensive Income / (Loss) (VII + VIII)</b>                     |                  | <b>(224.75)</b>                             | (98.51)                                     |
| <b>IX Earnings per equity share (of ₹ 10/- each)</b>                        |                  |   |   |
| Basic and diluted (in ₹)  | <b>30</b>        | <b>(20.28)</b>                              | (11.62)                                     |
| <b>See accompanying notes to the financial statements</b>                   | <b>1 &amp; 2</b> |   |   |

In terms of our report attached

For M/s. K.S AIYAR & Co.,  
Chartered Accountants  
(Firm's Registration No. 100186W)

S. KALYANARAMAN  
Partner  
Membership No. 200565

Place : Coimbatore  
Date : 22<sup>nd</sup> July 2022

For and on behalf of the Board of Directors

A. KRISHNAMOORTHY  
Chairman  
DIN 00001778

Place : Chennai  
Date : 22<sup>nd</sup> July 2022

PS WALLIA  
Director  
DIN 00010755

Place : Coimbatore  
Date : 22<sup>nd</sup> July 2022

V. VISWANATHAN  
Director  
DIN 00010777

Place : Coimbatore  
Date : 22<sup>nd</sup> July 2022

# STANES AMALGAMATED ESTATES LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022

| Particulars   | For the year ended                          |   |
|---|---|---|
|   | 31 <sup>st</sup> March 2022<br>(₹ in lakhs) | 31 <sup>st</sup> March 2021<br>(₹ in lakhs) |
| <b>A. Cash flow from operating activities</b>           |   |   |
| Loss before tax for the year                            | (209.86)                                    | (128.19)                                    |
| Adjustments for:  |   |   |
| Depreciation expense                                    | 35.86                                       | 42.70                                       |
| Profit on sales of property, plant and equipment (Net)  | (2.03)                                      | (0.53)                                      |
| Interest income on financial assets at amortised cost   | (3.60)                                      | (6.79)                                      |
| Unrealised foreign exchange gain                        | -   | -   |
| Dividend income on financial assets at FVOCI            | (6.35)                                      | (4.58)                                      |
| Finance costs recognised in profit or loss              | 2.85  | 3.85  |
| Net gain on financial assets carried at FVTPL           | -   | (0.16)                                      |
| Net gain on sale of investments                         | (0.33)                                      | (0.23)                                      |
| <b>Operating loss before working capital changes</b>    | <b>(183.46)</b>                             | <b>(93.93)</b>                              |
| <b>Changes in operating assets and liabilities</b>      |   |   |
| (Increase)/decrease in inventories                      | (45.69)                                     | 58.51                                       |
| (Increase)/decrease in trade receivables                | 18.79                                       | 37.09                                       |
| (Increase)/decrease in other current financial assets   | -   | -   |
| (Increase)/decrease in other current assets             | 11.32                                       | 11.78                                       |
| (Increase)/decrease in other non current assets         | 0.50  | 1.10  |
| Increase/(decrease) in trade payables                   | 50.89                                       | (16.89)                                     |
| Increase/(decrease) in other financial liabilities      | 24.19                                       | 20.70                                       |
| Increase/(decrease) in other current liabilities        | 15.51                                       | (13.19)                                     |
| Increase/(decrease) in provisions                       | (3.51)                                      | 0.65  |
|   | <b>72.00</b>                                | <b>99.75</b>                                |
| <b>Net cash used in operations</b>                      | <b>(111.46)</b>                             | <b>5.82</b>                                 |
| Net income tax (paid) / refunds                         | (27.20)                                     | 7.80  |
| <b>Net cash flow (used in) operating activities (A)</b> | <b>(138.66)</b>                             | <b>13.62</b>                                |

# STANES AMALGAMATED ESTATES LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2022 (Contd...)

| Particulars   | For the year ended                          |   |
|---|---|---|
|   | 31 <sup>st</sup> March 2022<br>(₹ in lakhs) | 31 <sup>st</sup> March 2021<br>(₹ in lakhs) |
| <b>B. Cash flow from investing activities</b>                             |   |   |
| Payments for property, plant and equipment                                | (12.87)                                     | (19.35)                                     |
| Proceeds from sale of property, plant and equipment                       | 2.03  | 0.53  |
| (Payments) for purchase/ sale of investments (net)                        | 48.51                                       | (17.02)                                     |
| Other bank balances   | 48.73                                       | (47.57)                                     |
| Interest received   | 2.96  | 8.01  |
| Dividends received  | 6.35  | 4.58  |
| <b>Net cash flow from investing activities (B)</b>                        | <b>95.71</b>                                | <b>(70.82)</b>                              |
| <b>C. Cash flow from financing activities</b>                             |   |   |
| Dividends paid to equity shareholders including dividend distribution tax | -   | -   |
| Proceeds from current borrowings  | (10.00)                                     | (10.00)                                     |
| Interest paid   | (2.85)                                      | (3.85)                                      |
| <b>Net cash flow from / (used in) financing activities ( C)</b>           | <b>(12.85)</b>                              | <b>(13.85)</b>                              |
| <b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>     | <b>(55.80)</b>                              | <b>(71.05)</b>                              |
| Cash and cash equivalents at the beginning of the year                    | 77.60                                       | 148.65                                      |
| <b>Cash and cash equivalents at the end of the year</b>                   | <b>21.80</b>                                | <b>77.60</b>                                |
| <b>See accompanying notes to the financial statements 1 &amp; 2</b>       |   |   |

In terms of our report attached

For M/s. K.S AIYAR & Co.,  
Chartered Accountants  
(Firm's Registration No. 100186W)

S. KALYANARAMAN  
Partner  
Membership No. 200565

Place : Coimbatore  
Date : 22<sup>nd</sup> July 2022

For and on behalf of the Board of Directors

A. KRISHNAMOORTHY  
Chairman  
DIN 00001778

Place : Chennai  
Date : 22<sup>nd</sup> July 2022

PS WALLIA  
Director  
DIN 00010755

Place : Coimbatore  
Date : 22<sup>nd</sup> July 2022

V. VISWANATHAN  
Director  
DIN 00010777

Place : Coimbatore  
Date : 22<sup>nd</sup> July 2022

# STANES AMALGAMATED ESTATES LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2022

### a. Equity Share Capital

| Particulars                                     | Notes | Equity Share Capital<br>(₹ in lakhs) |
|---|-------|--------------------------------------|
| <b>Balance at 1<sup>st</sup> April, 2020</b>    | 10    | <b>110.75</b>                        |
| Changes in equity share capital during the year | -     | -                                    |
| <b>Balance at 31<sup>st</sup> March 2021</b>    | 10    | <b>110.75</b>                        |
| Changes in equity share capital during the year | -     | -                                    |
| <b>Balance at 31<sup>st</sup> March 2022</b>    | 10    | <b>110.75</b>                        |

### b. Other Equity

| Particulars   | Reserves and Surplus            |  |                                   | Items of Other Comprehensive Income  |   | Total<br>(₹ in lakhs) |
|---|---------------------------------|--|-----------------------------------|--|---|-----------------------|
|   | General reserve<br>(₹ in lakhs) | Capital redemption reserve<br>(₹ in lakhs) | Retained earnings<br>(₹ in lakhs) | Equity and debt instruments through Other Comprehensive Income<br>(₹ in lakhs) | Remeasurements of defined benefit plans<br>(₹ in lakhs) |                       |
| <b>Balance at the beginning of the reporting period i.e. 1<sup>st</sup> April, 2020</b>                             | <b>987.83</b>                   | <b>3.16</b>                                | <b>(61.37)</b>                    | <b>(98.61)</b>   | <b>19.06</b>  | <b>850.07</b>         |
| Transfer to retained earnings from other comprehensive income on account of realised gains from sale of investments | -                               | -  | 0.16                              | (0.16)   | -   | -                     |
| Dividend paid   | -                               | -  | -                                 | -  | -   | -                     |
| Tax on dividend   | -                               | -  | (128.74)                          | -  | -   | (128.74)              |
| Loss for the year (net of taxes)  | -                               | -  | -                                 | 42.24  | (12.01)   | 30.23                 |
| Other Comprehensive Income for the year (net of taxes)  | -                               | -  | -                                 | -  | -   | -                     |
| <b>Balance at the end of the reporting period i.e. 31<sup>st</sup> March, 2021</b>                                  | <b>987.83</b>                   | <b>3.16</b>                                | <b>(189.95)</b>                   | <b>(56.53)</b>   | <b>7.05</b>   | <b>751.56</b>         |

# STANES AMALGAMATED ESTATES LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2022 (Contd...)

### b. Other Equity

| Particulars   | Reserves and Surplus            |  |                                   | Items of Other Comprehensive Income  |   | Total<br>(₹ in lakhs) |
|---|---------------------------------|--|-----------------------------------|--|---|-----------------------|
|   | General reserve<br>(₹ in lakhs) | Capital redemption reserve<br>(₹ in lakhs) | Retained earnings<br>(₹ in lakhs) | Equity and debt instruments through Other Comprehensive Income<br>(₹ in lakhs) | Remeasurements of defined benefit plans<br>(₹ in lakhs) |                       |
| <b>Balance at the beginning of the reporting period i.e. 1<sup>st</sup> April, 2021</b>                             | <b>987.83</b>                   | <b>3.16</b>                                | <b>(189.95)</b>                   | <b>(56.53)</b>   | <b>7.05</b>   | <b>751.56</b>         |
| Transfer to retained earnings from Other Comprehensive Income on account of realised gains from sale of investments | -                               | -  | 6.24                              | (6.24)   | -   | -                     |
| Loss for the year (net of taxes)  | -                               | -  | (224.55)                          | -  | -   | (224.55)              |
| Other Comprehensive Income for the year (net of taxes)  | -                               | -  | -                                 | 38.84  | (39.03)   | (0.19)                |
| <b>Balance at the end of the reporting period i.e. 31<sup>st</sup> March, 2022</b>                                  | <b>987.83</b>                   | <b>3.16</b>                                | <b>(408.26)</b>                   | <b>(23.93)</b>   | <b>(31.98)</b>  | <b>526.82</b>         |

In terms of our report attached

For M/s. K.S AIYAR & Co.,  
Chartered Accountants  
(Firm's Registration No. 100186W)

S. KALYANARAMAN  
Partner  
Membership No. 200565

Place : Coimbatore  
Date : 22<sup>nd</sup> July 2022

For and on behalf of the Board of Directors

A. KRISHNAMOORTHY  
Chairman  
DIN 00001778

Place : Chennai  
Date : 22<sup>nd</sup> July 2022

PS WALLIA  
Director  
DIN 00010755

Place : Coimbatore  
Date : 22<sup>nd</sup> July 2022

V. VISWANATHAN  
Director  
DIN 00010777

Place : Coimbatore  
Date : 22<sup>nd</sup> July 2022

# STANES AMALGAMATED ESTATES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2022

### 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 22<sup>nd</sup> July 2022.

### 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 to the extent sanctioned by the Tea Board.

## 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 drawn salary and years of employment with the Company. The gratuity fund is managed by



# STANES AMALGAMATED ESTATES LIMITED

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

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 building 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 (FVTOCI) 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 derecognition of the asset, 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 FVTOCI, then all fair value changes on the instrument, excluding dividend are recognised in OCI which is not subsequently recycled to the 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 amortized cost or as FVTOCI, is classified as FVTPL. In addition, the Company may elect to designate the financial asset, which otherwise meets amortized 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 charges 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 counterparty 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<br>(₹ in lakhs) | Buildings<br>(₹ in lakhs) | Machinery and electrical equipment<br>(₹ in lakhs) | Furniture, office and other equipment<br>(₹ in lakhs) | Vehicles<br>(₹ in lakhs) | Bearer plant<br>(₹ in lakhs) | Total<br>(₹ in lakhs) |
|--|-------------------------------|---------------------------|--|---|--------------------------|------------------------------|-----------------------|
| <b>I. Gross block</b>                                      |                               |                           |  |   |                          |                              |                       |
| Cost as at 1 <sup>st</sup> April 2021                      | 66.17                         | 137.72                    | 244.91   | 18.92   | 36.11                    | 108.22                       | 612.05                |
| Additions  | -                             | -                         | 8.36   | 3.67  | 0.84                     | -                            | 12.87                 |
| Disposals  | -                             | -                         | -  | -   | -                        | -                            | -                     |
| Cost as at 31 <sup>st</sup> March 2022                     | 66.17                         | 137.72                    | 253.27   | 22.59   | 36.95                    | 108.22                       | 624.92                |
| <b>II. Accumulated depreciation and impairment</b>         |                               |                           |  |   |                          |                              |                       |
| Accumulated depreciation as on 1 <sup>st</sup> April 2021  | -                             | 66.95                     | 121.64   | 11.51   | 17.82                    | 17.86                        | 235.78                |
| Charge for the year  | -                             | 8.02                      | 17.42  | 3.31  | 4.56                     | 2.55                         | 35.86                 |
| Disposals  | -                             | -                         | -  | -   | -                        | -                            | -                     |
| Accumulated depreciation as on 31 <sup>st</sup> March 2022 | -                             | 74.97                     | 139.06   | 14.82   | 22.38                    | 20.41                        | 271.64                |
| <b>III. Net block (I-II)</b>                               |                               |                           |  |   |                          |                              |                       |
| Net Carrying amount as at 31 <sup>st</sup> March 2022      | 66.17                         | 62.75                     | 114.21   | 7.77  | 14.57                    | 87.81                        | 353.28                |
| <b>Description of assets</b>                               |                               |                           |  |   |                          |                              |                       |
| <b>I. Gross block</b>                                      |                               |                           |  |   |                          |                              |                       |
| Cost as at 1 <sup>st</sup> April 2020                      | 66.17                         | 137.72                    | 237.38   | 19.27   | 32.73                    | 108.22                       | 601.49                |
| Additions  | -                             | -                         | 7.53   | 1.22  | 10.60                    | -                            | 19.35                 |
| Disposals  | -                             | -                         | -  | 1.57  | 7.22                     | -                            | 8.79                  |
| Cost as at 31 <sup>st</sup> March 2021                     | 66.17                         | 137.72                    | 244.91   | 18.92   | 36.11                    | 108.22                       | 612.05                |
| <b>II. Accumulated depreciation and impairment</b>         |                               |                           |  |   |                          |                              |                       |
| Accumulated depreciation as on 1 <sup>st</sup> April 2020  | -                             | 57.12                     | 98.04  | 10.26   | 21.14                    | 15.31                        | 201.87                |
| Charge for the year  | -                             | 9.83                      | 23.60  | 2.82  | 3.90                     | 2.55                         | 42.70                 |
| Disposals  | -                             | -                         | -  | 1.57  | 7.22                     | -                            | 8.79                  |
| Accumulated depreciation as on 31 <sup>st</sup> March 2021 | -                             | 66.95                     | 121.64   | 11.51   | 17.82                    | 17.86                        | 235.78                |
| <b>III. Net block (I-II)</b>                               |                               |                           |  |   |                          |                              |                       |
| Net Carrying amount as at 31 <sup>st</sup> March 2021      | 66.17                         | 70.77                     | 123.27   | 7.41  | 18.28                    | 90.37                        | 376.27                |

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 2022 |                     | As at 31 <sup>st</sup> March 2021 |                     |
|--|------------------------------------|-----------------------------------|---------------------|-----------------------------------|---------------------|
|  |                                    | No. of shares/ Units              | Amount (₹ in lakhs) | No. of shares/ Units              | Amount (₹ in lakhs) |
| <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                             | 25.37               | 7,506                             | 22.38               |
| Coal India Limited   | 10                                 | 3,000                             | 5.49                | 3,000                             | 3.99                |
| Engineers India Limited  | 10                                 | 2,000                             | 1.28                | 2,000                             | 1.54                |
| Indian Oil Corporation Limited   | 10                                 | 10,000                            | 11.90               | 10,000                            | 9.15                |
| NHPC Limited   | 10                                 | -                                 | -                   | 23,000                            | 5.76                |
| NMDC Limited   | 10                                 | -                                 | -                   | 7,000                             | 9.28                |
| NTPC Limited   | 10                                 | -                                 | -                   | 1,800                             | 1.94                |
| NLC India Limited  | 10                                 | 7,000                             | 4.38                | 7,000                             | 3.60                |
| Oil India Limited  | 10                                 | 12,999                            | 30.99               | 12,999                            | 16.12               |
| Oil and Natural Gas Corporation Limited  | 10                                 | 14,000                            | 22.95               | 14,000                            | 14.49               |
| Saint Gobain Glass Limited   | 10                                 | 10,000                            | 8.01                | 10,000                            | 6.62                |
| SJVN Limited   | 10                                 | -                                 | -                   | 11,500                            | 3.04                |
| Housing and Urban Development Corporation Limited  | 10                                 | -                                 | -                   | 10,000                            | 4.41                |
| Bharat Heavy Electricals Limited   | 10                                 | 26,000                            | 12.83               | 26,000                            | 12.73               |
| Schneider Electric Limited   | 10                                 | 3,000                             | 3.56                | 3,000                             | 2.83                |
| ITC Limited  | 10                                 | 3,000                             | 7.52                | 3,000                             | 6.44                |
| <b>b) Investment in bonds &amp; debentures</b>   |                                    |                                   |                     |                                   |                     |
| NTPC Limited Tax free secured non convertible bonds                                      | 1,000                              | 474                               | 5.17                | 474                               | 5.28                |
| IRFC Tax free bonds - 2013   | 1,000                              | 1,000                             | 16.05               | 1,000                             | 10.87               |
| NTPC Limited Non-convertible debentures  | 10                                 | 1,500                             | 0.20                | 1,500                             | 0.20                |
| <b>Total aggregate quoted investments</b>  |                                    |                                   | <b>155.70</b>       |                                   | <b>140.67</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                                 | 0.25                | 5                                 | 0.25                |
| <b>Total unquoted investments</b>  |                                    |                                   | <b>0.25</b>         |                                   | <b>0.25</b>         |
| <b>Investments carried through FVOCI (A) (I + II)</b>                                    |                                    |                                   | <b>155.95</b>       |                                   | <b>140.92</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 2022 |                     | As at 31 <sup>st</sup> March 2021 |                     |
|---|------------------------------------|-----------------------------------|---------------------|-----------------------------------|---------------------|
|   |                                    | No. of shares/ Units              | Amount (₹ in lakhs) | No. of shares/ Units              | Amount (₹ in lakhs) |
| <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                                 | -                                 | -                   | 31,287                            | 10.13               |
| SBI Short Term Debt Fund Regular Growth                                       | 10                                 | -                                 | -                   | 40,387                            | 10.10               |
| <b>Investments carried at FVTPL [B]</b>                                       |                                    |                                   | -                   |                                   | 20.23               |
| <b>C. Total investments carried at fair value [A+B]</b>                       |                                    |                                   | <b>155.95</b>       |                                   | 161.15              |
| <b>Total investment carrying value [C]</b>                                    |                                    |                                   | <b>155.95</b>       |                                   | 161.15              |
| <b>Other disclosures</b>  |                                    |                                   |                     |                                   |                     |
| Aggregate carrying amount of quoted investments                               |                                    |                                   | <b>155.70</b>       |                                   | 160.90              |
| Aggregate market value of quoted investments                                  |                                    |                                   | <b>155.70</b>       |                                   | 160.90              |
| Aggregate amount of unquoted investments                                      |                                    |                                   | <b>0.25</b>         |                                   | 0.25                |
| Aggregate amount of impairment in value of investments                        |                                    |                                   | -                   |                                   | -                   |

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

| Note       | Particulars  | As at<br>31 <sup>st</sup> March 2022<br>(₹ in lakhs) | As at<br>31 <sup>st</sup> March 2021<br>(₹ in lakhs) |
|------------|--|--|--|
| <b>5</b>   | <b>Other financial assets</b><br><i>(Unsecured - considered good, carried at amortized cost)</i> |  |  |
|            | <b>Non Current</b>   |  |  |
|            | Security deposits  | 9.83   | 10.33  |
|            | <b>Total</b>   | <b>9.83</b>  | 10.33  |
|            | <b>Current</b>   |  |  |
|            | Interest accrued on deposits   | 1.91   | 1.27   |
|            | <b>Total</b>   | <b>1.91</b>  | 1.27   |
| <b>6</b>   | <b>Other assets</b> <i>(Unsecured - considered good)</i>   |  |  |
|            | <b>Current</b>   |  |  |
|            | Advances to suppliers  | 5.07   | 7.38   |
|            | Advance income tax   | 3.35   | 1.40   |
|            | Prepaid expenses   | 14.78  | 20.52  |
|            | Advances to employees  | 0.29   | 0.90   |
|            | GST receivable   | 6.52   | 5.84   |
|            | Others (Including fair trade premium)  | 0.72   | 4.06   |
|            | <b>Total</b>   | <b>30.73</b>   | 40.10  |
| <b>7</b>   | <b>Inventories</b> <i>(at lower of cost and net realizable value)</i>                            |  |  |
|            | <b>Finished goods</b>  |  |  |
|            | Tea  | 282.92   | 236.92   |
|            | Coffee   | -  | 0.94   |
|            | Minor produce  | 3.10   | 1.77   |
|            | Stores and spares  | 53.48  | 54.18  |
|            | <b>Total</b>   | <b>339.50</b>  | 293.81   |
| <b>8</b>   | <b>Trade receivables</b>   |  |  |
|            | <b>Other receivables</b>   |  |  |
|            | - Unsecured, considered good   | 56.45  | 75.24  |
|            | <b>Total</b>   | <b>56.45</b>   | 75.24  |
| <b>9</b>   | <b>Cash and cash equivalents</b>   |  |  |
|            | Balances with banks in current accounts  | 21.53  | 36.57  |
|            | Cash in hand   | 0.27   | 0.77   |
|            | Deposit accounts - original maturity less than 3 months  | -  | 40.26  |
|            | <b>Total</b>   | <b>21.80</b>   | 77.60  |
| <b>9.1</b> | <b>Bank balance other than above</b>   |  |  |
|            | <b>Other bank balances</b>   |  |  |
|            | Margin money with earmarked accounts   | 2.43   | 2.43   |
|            | Unclaimed / unpaid dividend  | 3.56   | 4.44   |
|            | Deposit accounts - original maturity more than 3 months  | 0.15   | 48.00  |
|            | <b>Total</b>   | <b>6.14</b>  | 54.87  |

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

**Note 8A. Trade Receivables ageing schedule**

| Particulars   | Outstanding for following period from due date of payments |                                   |                           |                           |                                    |                       |
|---|--|-----------------------------------|---------------------------|---------------------------|------------------------------------|-----------------------|
|   | Less than 6 months<br>(₹ in lakhs)                         | 6 months - 1 year<br>(₹ in lakhs) | 1-2 years<br>(₹ in lakhs) | 2-3 years<br>(₹ in lakhs) | More than 3 months<br>(₹ in lakhs) | Total<br>(₹ in lakhs) |
| <b>For the year ending 31st March 2022</b>  |  |                                   |                           |                           |                                    |                       |
| i) Undisputed Trade receivables – considered good                                 | 56.45  | -                                 | -                         | -                         | -                                  | 56.45                 |
| ii) Undisputed Trade Receivables – which have significant increase in credit risk | -  | -                                 | -                         | -                         | -                                  | -                     |
| iii) Undisputed Trade Receivables – credit impaired                               | -  | -                                 | -                         | -                         | -                                  | -                     |
| iv) Disputed Trade Receivables – considered good                                  | -  | -                                 | -                         | -                         | -                                  | -                     |
| v) Disputed Trade Receivables – which have significant increase in credit risk    | -  | -                                 | -                         | -                         | -                                  | -                     |
| vi) Disputed Trade Receivables – credit impaired                                  | -  | -                                 | -                         | -                         | -                                  | -                     |

| Particulars   | Outstanding for following period from due date of payments |                                   |                           |                           |                                    |                       |
|---|--|-----------------------------------|---------------------------|---------------------------|------------------------------------|-----------------------|
|   | Less than 6 months<br>(₹ in lakhs)                         | 6 months - 1 year<br>(₹ in lakhs) | 1-2 years<br>(₹ in lakhs) | 2-3 years<br>(₹ in lakhs) | More than 3 months<br>(₹ in lakhs) | Total<br>(₹ in lakhs) |
| <b>For the year ending 31st March 2021</b>  |  |                                   |                           |                           |                                    |                       |
| i) Undisputed Trade receivables – considered good                                 | 75.24  | -                                 | -                         | -                         | -                                  | 75.24                 |
| ii) Undisputed Trade Receivables – which have significant increase in credit risk | -  | -                                 | -                         | -                         | -                                  | -                     |
| iii) Undisputed Trade Receivables – credit impaired                               | -  | -                                 | -                         | -                         | -                                  | -                     |
| iv) Disputed Trade Receivables – considered good                                  | -  | -                                 | -                         | -                         | -                                  | -                     |
| v) Disputed Trade Receivables – which have significant increase in credit risk    | -  | -                                 | -                         | -                         | -                                  | -                     |
| vi) Disputed Trade Receivables – credit impaired                                  | -  | -                                 | -                         | -                         | -                                  | -                     |

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

| Note  | Particulars   | As at 31 <sup>st</sup> March 2022 |               | As at 31 <sup>st</sup> March 2021 |              |
|---|---|-----------------------------------|---------------|-----------------------------------|--------------|
|   |   | Number of Shares                  | (₹ in lakhs)  | Number of Shares                  | (₹ in lakhs) |
| <b>10 Equity share capital</b>  |   |                                   |               |                                   |              |
| <b>s Authorised</b>   |   |                                   |               |                                   |              |
|   | Equity shares of ₹ 10/- each  | <b>15,00,000</b>                  | <b>150.00</b> | 15,00,000                         | 150.00       |
|   | <b>Issued, subscribed and fully paid-up</b>   |                                   |               |                                   |              |
|   | Equity shares of ₹ 10/- each with voting rights   | <b>11,07,499</b>                  | <b>110.75</b> | 11,07,499                         | 110.75       |
|   |   |                                   | <b>110.75</b> |                                   | 110.75       |
| <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>110.75</b> | 11,07,499                         | 110.75       |
|   | Movements during the year   | -                                 | -             | -                                 | -            |
|   | Outstanding at the end of the year  | <b>11,07,499</b>                  | <b>110.75</b> | 11,07,499                         | 110.75       |
| <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</b>  | 5,56,335                          | 55.63        |
| <b>2. Amalgamations Private Limited- the Ultimate Holding Company</b>   |   |                                   |               |                                   |              |
|   | Equity Shares of ₹ 10/- each fully paid up  | <b>1,40,490</b>                   | <b>14.05</b>  | 1,40,490                          | 14.05        |
| <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>8.18</b>   | 81,783                            | 8.18         |
| <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> | 5,56,335                          | 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...)

### e. Details of Shares held by Promoters

| Promoter name  | Number of Shares** | % of total Shares | % Change during the year *** |
|--|--------------------|-------------------|------------------------------|
| <b>Shares held by promoters as on 31<sup>st</sup> March 2022</b> |                    |                   |                              |
| Amalgamations Private Limited                                    | 1,40,490           | 12.69             | -                            |
| T.Stanes and Company Limited                                     | 5,56,335           | 50.23             | -                            |
| <b>Total</b>   | <b>6,96,825</b>    | <b>62.92</b>      | <b>-</b>                     |

| Promoter name  | Number of Shares** | % of total Shares | % Change during the year *** |
|--|--------------------|-------------------|------------------------------|
| <b>Shares held by promoters as on 31<sup>st</sup> March 2021</b> |                    |                   |                              |
| Amalgamations Private Limited                                    | 1,40,490           | 12.69             | -                            |
| T.Stanes and Company Limited                                     | 5,56,335           | 50.23             | -                            |
| <b>Total</b>   | <b>6,96,825</b>    | <b>62.92</b>      | <b>-</b>                     |



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

| Note      | Particulars  | As at<br>31 <sup>st</sup> March 2022<br>(₹ in lakhs) | As at<br>31 <sup>st</sup> March 2021<br>(₹ in lakhs) |
|-----------|--|--|--|
| <b>11</b> | <b>Other equity</b>  |  |  |
|           | <b>General reserve</b><br><i>(This represents appropriation of profit by the Company)</i>  |  |  |
|           | Balance at beginning of the year   | <b>987.83</b>  | 987.83   |
|           | Movements during the year  | -  | -  |
|           | Balance at end of the year   | <b>987.83</b>  | 987.83   |
|           | <b>Capital redemption reserve</b><br><i>(This represents a non-distributable reserve)</i>  |  |  |
|           | Balance at beginning of the year   | <b>3.16</b>  | 3.16   |
|           | Movements during the year  | -  | -  |
|           | Balance at end of the year   | <b>3.16</b>  | 3.16   |
|           | <b>Retained earnings</b><br><i>(Retained earnings comprise of the Company's prior years undistributed earnings after taxes)</i>  |  |  |
|           | Balance at beginning of the year   | <b>(189.95)</b>                                      | (61.37)  |
|           | Movements during the year  | -  | -  |
|           | Loss for the year  | <b>(224.55)</b>                                      | (128.74)   |
|           | Transfer of realised gain on sale of investments from Other Comprehensive Income   | <b>6.24</b>  | 0.16   |
|           | Dividend paid  | -  | -  |
|           | Tax on dividend  | -  | -  |
|           | Balance at end of the year   | <b>(408.26)</b>                                      | (189.95)   |
|           | <b>Other Comprehensive Income / (Loss)</b><br><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>(49.48)</b>                                       | (79.55)  |
|           | Movements during the year  | <b>(0.19)</b>  | 30.23  |
|           | Transfer of realised gain on sale of investments to retained earnings  | <b>(6.24)</b>  | (0.16)   |
|           | Balance at end of the year   | <b>(55.91)</b>                                       | (49.48)  |
|           | <b>Total other equity</b>  | <b>526.82</b>  | 751.56   |

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

| Note                    | Particulars  | As at<br>31 <sup>st</sup> March 2022<br>(₹ in lakhs) | As at<br>31 <sup>st</sup> March 2021<br>(₹ in lakhs) |
|-------------------------|--|--|--|
| <b>12 Provisions</b>    |  |  |  |
|                         | <b>Non-current</b>   |  |  |
|                         | Provision for compensated absences   | -  | 3.51   |
|                         | <b>Total</b>   | -  | 3.51   |
|                         | <b>Current</b>   |  |  |
|                         | Provision for income tax (Net of advance tax)  | <b>0.89</b>  | 10.08  |
|                         | <b>Total</b>   | <b>0.89</b>  | 10.08  |
| <b>13 Trade payable</b> |  |  |  |
|                         | <b>Other than acceptances</b>  |  |  |
|                         | - dues of micro enterprises and small enterprises  | <b>1.27</b>  | 1.19   |
|                         | - dues of creditors other than micro enterprises and small enterprises                                     | <b>71.59</b>   | 20.78  |
|                         | <b>Total</b>   | <b>72.86</b>   | 21.97  |
|                         | i. Trade payables are generally non-interest bearing and are normally settled within a period of 180 days. |  |  |
|                         | ii. Please see Note 13A for Trade payables Ageing  |  |  |
|                         | iii. Please see Note 33 for Trade Payables towards Related Parties   |  |  |

**Note 13A. Trade Payables ageing schedule**

| Particulars   | Outstanding for following period from due date of payment |                           |                           |                                       |                       |
|---|---|---------------------------|---------------------------|---------------------------------------|-----------------------|
|   | Less than<br>1 year<br>(₹ in lakhs)                       | 1-2 years<br>(₹ in lakhs) | 2-3 years<br>(₹ in lakhs) | More than<br>3 months<br>(₹ in lakhs) | Total<br>(₹ in lakhs) |
| <b>For the year ending 31<sup>st</sup> March 2022</b> |   |                           |                           |                                       |                       |
| i) MSME   | 1.27  | -                         | -                         | -                                     | 1.27                  |
| ii) Others  | 69.41   | 0.62                      | 0.33                      | 1.23                                  | 71.59                 |
| iii) Disputed dues – MSME                             |   |                           |                           |                                       | -                     |
| iv) Disputed dues - Others                            |   |                           |                           |                                       | -                     |

| Particulars   | Outstanding for following period from due date of payment |                           |                           |                                       |                       |
|---|---|---------------------------|---------------------------|---------------------------------------|-----------------------|
|   | Less than<br>1 year<br>(₹ in lakhs)                       | 1-2 years<br>(₹ in lakhs) | 2-3 years<br>(₹ in lakhs) | More than<br>3 months<br>(₹ in lakhs) | Total<br>(₹ in lakhs) |
| <b>For the year ending 31<sup>st</sup> March 2021</b> |   |                           |                           |                                       |                       |
| i) MSME   | 1.19  | -                         | -                         | -                                     | 1.19                  |
| ii) Others  | 18.74   | 1.05                      | 0.99                      | -                                     | 20.78                 |
| iii) Disputed dues – MSME                             |   |                           |                           |                                       | -                     |
| iv) Disputed dues - Others                            |   |                           |                           |                                       | -                     |

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

| Note      | Particulars   | As at<br>31 <sup>st</sup> March 2022<br>(₹ in lakhs) | As at<br>31 <sup>st</sup> March 2021<br>(₹ in lakhs) |
|-----------|---|--|--|
| <b>14</b> | <b>Other financial liabilities</b> <i>(carried at amortized cost)</i> |  |  |
|           | <b>Current</b>  |  |  |
|           | Unclaimed / unpaid dividend   | 3.56   | 4.44   |
|           | Due to gratuity trust   | 61.47  | 36.40  |
|           | <b>Total</b>  | <b>65.03</b>   | 40.84  |
| <b>15</b> | <b>Other current liabilities</b>                                      |  |  |
|           | Statutory remittances   | 10.05  | 9.03   |
|           | Other liabilities   | 167.05   | 113.53   |
|           | <b>Total</b>  | <b>177.10</b>  | 122.56   |

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

| Note   | Particulars  | For the year ended                          |   |
|--|--|---|---|
|  |  | 31 <sup>st</sup> March 2022<br>(₹ in lakhs) | 31 <sup>st</sup> March 2021<br>(₹ in lakhs) |
| <b>16 Revenue from operations</b>                  |  |   |   |
|  | Disaggregate revenue information:<br>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>1,313.44</b>                             | 1,187.72                                    |
|  | b) Income from other planting activities:  |   |   |
|  | - Coffee   | <b>4.25</b>                                 | 3.42  |
|  | - Minor produce  | <b>10.18</b>                                | 19.94                                       |
|  | <b>Total Revenue from contract with customers</b>  | <b>1,327.87</b>                             | 1,211.08                                    |
|  | <b>Other operating revenues</b>  |   |   |
|  | Sale of trees  | -   | 2.49  |
|  | Miscellaneous income   | <b>9.93</b>                                 | 37.60                                       |
|  | MEIS income and exchange gain  | <b>28.18</b>                                | 26.45                                       |
|  | <b>Total other operating revenues</b>  | <b>38.11</b>                                | 66.54                                       |
|  | <b>Revenue from operations</b>   | <b>1,365.98</b>                             | 1,277.62                                    |
|  | 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>2.38</b>                                 | 5.97  |
|  | Interest income on financial assets at FVOCI   | <b>1.22</b>                                 | 0.82  |
|  | Dividend income on financial assets at FVOCI   | <b>6.35</b>                                 | 4.59  |
|  | Net gain on sale of investments  | <b>0.33</b>                                 | 0.23  |
|  | Net gain on financial assets carried at FVTPL  | -   | 0.16  |
|  | Profit on sales of Property, Plant and Equipment (Net)   | <b>2.03</b>                                 | 0.53  |
|  | <b>Total</b>   | <b>12.31</b>                                | 12.30                                       |
| <b>18 Changes in inventories of finished goods</b> |  |   |   |
|  | <b>Inventories at the end of the year (Finished goods)</b>   |   |   |
|  | Tea  | <b>282.92</b>                               | 236.92                                      |
|  | Coffee   | -   | 0.94  |
|  | Minor produce  | <b>3.10</b>                                 | 1.77  |
|  |  | <b>286.02</b>                               | 239.63                                      |
|  | <b>Inventories at the beginning of the year (Finished goods)</b>   |   |   |
|  | Tea  | <b>236.92</b>                               | 292.29                                      |
|  | Coffee   | <b>0.94</b>                                 | 3.78  |
|  | Minor produce  | <b>1.77</b>                                 | 0.89  |
|  |  | <b>239.63</b>                               | 296.96                                      |
|  | <b>Net (increase) / decrease</b>   | <b>(46.39)</b>                              | 57.33                                       |

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

| Note                                | Particulars                               | For the year ended                          |   |
|-------------------------------------|---|---|---|
|                                     |   | 31 <sup>st</sup> March 2022<br>(₹ in lakhs) | 31 <sup>st</sup> March 2021<br>(₹ in lakhs) |
| <b>19 Employee benefits expense</b> |   |   |   |
|                                     | Salaries, wages and bonus                 | <b>884.83</b>                               | 782.34                                      |
|                                     | Contribution to provident and other funds | <b>76.77</b>                                | 64.22                                       |
|                                     | Workmen and staff welfare expenses        | <b>85.89</b>                                | 69.06                                       |
|                                     | <b>Total</b>                              | <b>1,047.49</b>                             | 915.62                                      |
| <b>20 Finance costs</b>             |   |   |   |
|                                     | Interest expense on borrowings            | 2.85  | 3.85  |
|                                     | <b>Total</b>                              | 2.85  | 3.85  |
| <b>21 Other expenses</b>            |   |   |   |
|                                     | Consumption of stores and spares          | <b>140.69</b>                               | 93.92                                       |
|                                     | Power and fuel                            | <b>87.29</b>                                | 83.28                                       |
|                                     | Transport charges                         | <b>48.09</b>                                | 38.19                                       |
|                                     | Repairs and maintenance                   |   |   |
|                                     | - Building                                | <b>54.98</b>                                | 47.47                                       |
|                                     | - Machinery                               | <b>26.33</b>                                | 26.91                                       |
|                                     | - Vehicle                                 | <b>10.93</b>                                | 7.64  |
|                                     | Rates and taxes                           | <b>5.58</b>                                 | 5.74  |
|                                     | Insurance                                 | <b>16.06</b>                                | 17.26                                       |
|                                     | Brokerage                                 | <b>5.27</b>                                 | 2.74  |
|                                     | Commission                                | <b>1.24</b>                                 | 0.71  |
|                                     | Directors' sitting fees                   | <b>0.55</b>                                 | 0.25  |
|                                     | Payments to auditors (Refer Note below)   | <b>2.00</b>                                 | 2.00  |
|                                     | Export tea handling charges               | <b>15.31</b>                                | 11.38                                       |
|                                     | Freight and other expenses on tea export  | <b>65.51</b>                                | 21.16                                       |
|                                     | Printing and stationery                   | <b>4.02</b>                                 | 5.37  |
|                                     | Postage and telephone                     | <b>2.05</b>                                 | 2.69  |
|                                     | Travelling expenses                       | <b>1.75</b>                                 | 1.55  |
|                                     | Legal and Professional Charges            | <b>21.44</b>                                | 7.00  |
|                                     | Miscellaneous expenses                    | <b>33.66</b>                                | 23.11                                       |
|                                     | <b>Total</b>                              | <b>542.75</b>                               | 398.37                                      |
|                                     | Note : Payments to auditors comprise      |   |   |
|                                     | To statutory auditor :                    |   |   |
|                                     | For statutory audit                       | <b>1.75</b>                                 | 1.75  |
|                                     | For tax audit                             | <b>0.20</b>                                 | 0.20  |
|                                     | Reimbursement of expenses                 | <b>0.05</b>                                 | 0.05  |
|                                     | <b>Total</b>                              | <b>2.00</b>                                 | 2.00  |

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

| Note  | Particulars | For the year ended                          |   |
|---|-------------|---|---|
|   |             | 31 <sup>st</sup> March 2022<br>(₹ in lakhs) | 31 <sup>st</sup> March 2021<br>(₹ in lakhs) |
| <b>22 Current Tax:</b>  |             |   |   |
| Current tax   |             |   |   |
| - In respect of current year  |             | <b>16.05</b>                                | 8.39  |
| <b>Total</b>  |             | <b>16.05</b>                                | 8.39  |
| <b>Deferred Tax:</b>  |             |   |   |
| Relating to the origination and reversal of temporary differences   |             | <b>(1.36)</b>                               | (7.84)                                      |
| <b>Tax expense</b>  |             | <b>14.69</b>                                | 0.55  |
| <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>(4.13)</b>                               | (0.34)                                      |
| Remeasurement of defined benefit obligation   |             | -   | -   |
| <b>Total</b>  |             | <b>(4.13)</b>                               | (0.34)                                      |
| 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>  |             | <b>(209.86)</b>                             | (128.19)                                    |
| Enacted income tax rate in India  |             | <b>25.17%</b>                               | 25.17%                                      |
| Tax expense   |             | -   | -   |
| <b>Effect of:</b>   |             |   |   |
| Others on account of difference in fair trade income and expense  |             | <b>16.05</b>                                | 8.39  |
| On account of timing differences in property, plant and equipment and Section 43B disallowance  |             | <b>(1.36)</b>                               | (7.85)                                      |
| Income tax expense recognised in the Statement of Profit and Loss   |             | <b>14.69</b>                                | 0.55  |

**23 Deferred tax**

Deferred tax assets/(liabilities) as at 31<sup>st</sup> March, 2021 in relation to:

| Particulars  | 1 <sup>st</sup> April 2020 | Recognised in Profit and loss credit / (change) | Recognised in Other Comprehensive Income credit / (charge) | 31 <sup>st</sup> March 2021 |
|--|----------------------------|---|--|-----------------------------|
|  | (₹ in lakhs)               | (₹ in lakhs)                                    | (₹ in lakhs)   | (₹ in lakhs)                |
| Property, Plant and Equipment                            | (9.51)                     | 1.59  | -  | (7.92)                      |
| On account of Sec.43B disallowances                      | 0.29                       | 6.28  | -  | 6.57                        |
| Net gain arising on financial assets designated at FVTPL | -                          | (0.03)  | -  | (0.03)                      |
| Remeasurement of defined benefit plans in FVTOCI         | -                          | -   | 1.21   | 1.21                        |
| Net gain on fair value of equity instruments             | 12.35                      | -   | (1.55)   | 10.80                       |
|  | <b>3.13</b>                | <b>7.84</b>                                     | <b>(0.34)</b>  | <b>10.63</b>                |

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

Deferred tax assets/(liabilities) as at 31<sup>st</sup> March, 2022 in relation to (Contd...)

| Particulars  | 1 <sup>st</sup> April 2021 | Recognised in Profit and loss credit / (change) | Recognised in Other Comprehensive Income credit / (charge) | 31 <sup>st</sup> March 2022 |
|--|----------------------------|---|--|-----------------------------|
|  | (₹ in lakhs)               | (₹ in lakhs)                                    | (₹ in lakhs)   | (₹ in lakhs)                |
| Property, Plant and Equipment                            | (7.92)                     | 1.12  | -  | (6.80)                      |
| On account of Sec.43B disallowances                      | 6.57                       | 0.21  | -  | 6.78                        |
| Net gain arising on financial assets designated at FVTPL | (0.03)                     | 0.03  | -  | -                           |
| Remeasurement of defined benefit plans in FVTOCI         | 1.21                       | -   | 2.72   | 3.93                        |
| Net gain on fair value of equity instruments             | 10.80                      | -   | (6.85)   | 3.95                        |
|  | 10.63                      | 1.36  | (4.13)   | 7.86                        |

| Note | Particulars  | As at 31 <sup>st</sup> March 2022 (₹ in lakhs) | As at 31 <sup>st</sup> March 2021 (₹ in lakhs) |
|------|--|--|--|
| 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   | 0.58   | 0.55   |
|      | - Contribution to Provident fund   | 55.85  | 40.90  |
|      | <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   | 301.89   | 311.00   |
|      | 2. Current service cost  | 21.13  | 19.85  |
|      | 3. Interest costs  | 19.62  | 22.55  |
|      | 4. Benefits paid   | (47.54)  | (63.79)  |
|      | 5. Actuarial gain/(loss) on obligation   | 39.03  | 12.01  |
|      | 6. Closing present value of the obligation   | 334.13   | 301.62   |

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

| Note  | Particulars  | As at<br>31 <sup>st</sup> March 2022<br>(₹ in lakhs) | As at<br>31 <sup>st</sup> March 2021<br>(₹ in lakhs) |
|---|--|--|--|
| <b>B. Change in assets during the year</b>                              |  |  |  |
|   | 1. Opening fair value of plan assets                             | 265.91   | 295.72   |
|   | 2. Expected return on plan assets                                | 19.42  | 19.63  |
|   | 3. Contribution made   | 34.87  | 13.66  |
|   | 4. Benefits paid   | (47.54)  | (63.79)  |
|   | 5. Actuarial gain/ (loss) on plan assets                         | -  | -  |
|   | 6. Closing fair value of plan assets                             | 272.66   | 265.22   |
| <b>C. Net Asset / (Liability) recognised in the Balance Sheet</b>       |  |  |  |
|   | 1. Closing present value of the obligation                       | 334.13   | 301.62   |
|   | 2. Closing fair value of plan assets                             | 272.66   | 265.22   |
|   | 3. Funded status surplus/(deficit)                               | (61.47)  | (36.40)  |
|   | 4. Net asset/ (liability) recognised in the balance sheet        | (61.47)  | (36.40)  |
| <b>D. Expenses recognised during the year</b>                           |  |  |  |
|   | 1. Current service cost  | 21.13  | 19.85  |
|   | 2. Interest cost   | 19.62  | 22.55  |
|   | 3. Expected return on plan assets                                | (19.42)  | (19.63)  |
|   | 4. Actuarial loss/(gain) during the year                         | 39.03  | 12.01  |
|   | 5. Total expenses  | 60.36  | 34.78  |
|   | 6. Expenses recognised in Statement of Profit & Loss             | 21.33  | 22.77  |
|   | 7. Actuary gain/ (loss) recognised in Other Comprehensive Income | 39.03  | 12.01  |
| <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%  | 7.00%  |
|   | 2. Salary escalation   | 4.00%  | 4.00%  |
|   | 3. Attrition rate  | 1% to 3%   | 1% to 3%   |

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.

\*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.

These plans typically expose the Company to risks such as interest rate risk, longevity risk and salary risk.

**Interest Rate Risk:** A decrease in the bond interest rate will increase the plan liability.

**Longevity Risk:** 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.

**Salary Risk:** 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." Significant actuarial assumptions for the determination of the defined obligation are discount rate, and expected salary increase.



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

| <b>27 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<br>31 <sup>st</sup> March 2022<br>(₹ in lakhs) | As at<br>31 <sup>st</sup> March 2021<br>(₹ in lakhs) |
| <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  | 3.51   | 2.86   |
|   | Provision made during the year  | -  | 0.65   |
|   | Provision reversed during the year  | 3.51   | -  |
|   | Provision at the end of the year  | -  | 3.51   |
| <b>29</b>   | The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 26 <sup>th</sup> August, 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 2022 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:   | 1.27   | 1.19   |
|   | 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   | (224.55)   | (128.74)   |
|   | Number of shares (Face value of Rs.10)  | 11.07  | 11.07  |
|   | Earning per share (Basic and Diluted)   | (20.28)  | (11.62)  |

# STANES AMALGAMATED ESTATES LIMITED

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

| Note      | Particulars  | As at<br>31 <sup>st</sup> March 2022<br>(₹ in lakhs) | As at<br>31 <sup>st</sup> March 2021<br>(₹ in lakhs) |
|-----------|--|--|--|
| <b>31</b> | <b>Borrowings</b><br>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>30.00</b>   | 40.00  |
| <b>32</b> | <b>Secondary Segment Information - Geographical Segment</b>  |  |  |
|           | <b><u>Revenue</u></b>  |  |  |
|           | India  | <b>586.80</b>  | 716.77   |
|           | Outside India  | <b>779.18</b>  | 560.85   |
|           | <b><u>Segment Assets</u></b>   |  |  |
|           | India  | <b>937.62</b>  | 1,029.83   |
|           | Outside India - Trade Receivables  | <b>45.83</b>   | 71.44  |
|           | <b><u>Additions to Property, plant and equipment</u></b>   |  |  |
|           | India  | <b>12.87</b>   | 19.35  |
|           | 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 Advanced AG Solutions Limited

M/s. Bimetal Bearings Limited

M/s. TAFE International Taraktor Tarim Ekipmani Sanayi VE Ticaret Limited

M/s. George Oakes Limited

M/s. TAFE Motors and Tractors Limited

M/s. Higginbothams Private Limited

M/s. TAFE Properties Limited

M/s. India Pistons Limited

M/s. TAFE Reach Limited

M/s. IP Rings Limited

M/s. Tafe Tractors Changshu Company Limited China

M/s. IPL Shaw solutions Private Limited

M/s. The Madras Advertsing Company Private Limited

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

M/s. Tractors and Farm Equipment Limited

M/s. Shardlow India Limited

M/s. WJ Groom & Company Limited

M/s. Simpson and Company Limited \*

M/s. Wallace Cartwright & Co Limited

M/s. Simpson and General Finance Company Limited

M/s. Wheel and Precision Forgings India Limited

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

M/s. IPR EMINOX Technologies Private Limited

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

**d) Associate/Joint venture of Holding / Ultimate Holding Company**

M/s. BBL Daido Private Limited

M/s. Amalgamations Valeo Clutch Private Limited

**e) Key Management Personnel**

Mr. A. Krishnamoorthy - Chairman\*

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 2022 AND BALANCES OUTSTANDING AS AT 31<sup>st</sup> MARCH 2022**

| Description   | Holding Companies |              | Fellow Subsidiary Companies |              | Associate to Holding / Ultimate Holding Company |              | Key Management Personnel |              | Total        |              |
|---|-------------------|--------------|-----------------------------|--------------|---|--------------|--------------------------|--------------|--------------|--------------|
|   | 2021-2022         | 2020-2021    | 2021-2022                   | 2020-2021    | 2021-2022                                       | 2020-2021    | 2021-2022                | 2020-2021    | 2021-2022    | 2020-2021    |
|   | (₹ in lakhs)      | (₹ in lakhs) | (₹ in lakhs)                | (₹ in lakhs) | (₹ in lakhs)                                    | (₹ in lakhs) | (₹ in lakhs)             | (₹ in lakhs) | (₹ in lakhs) | (₹ in lakhs) |
| <b>A) Transactions during the year</b>              |                   |              |                             |              |   |              |                          |              |              |              |
| <b>Sales</b>  |                   |              |                             |              |   |              |                          |              |              |              |
| M/s. Simpson and Company Limited                    | 0.12              | -            | -                           | -            | -   | -            | -                        | -            | 0.12         | -            |
| M/s. T.Stanes and Company Limited                   | 0.27              | 0.27         | -                           | -            | -   | -            | -                        | -            | 0.27         | 0.27         |
| M/s. Southern Tree Farms Limited                    | -                 | -            | 0.08                        | 0.07         | -   | -            | -                        | -            | 0.08         | 0.07         |
| Total   | 0.39              | 0.27         | 0.08                        | 0.07         | -   | -            | -                        | -            | 0.47         | 0.34         |
| <b>Interest expense on borrowings</b>               |                   |              |                             |              |   |              |                          |              |              |              |
| M/s. T.Stanes and Company Limited                   | 2.78              | 3.85         | -                           | -            | -   | -            | -                        | -            | 2.78         | 3.85         |
| Total   | 2.78              | 3.85         | -                           | -            | -   | -            | -                        | -            | 2.78         | 3.85         |
| <b>Sale of investments - (Equity shares)</b>        |                   |              |                             |              |   |              |                          |              |              |              |
| M/s. Amalgamations Private Limited                  | -                 | -            | -                           | -            | -   | -            | -                        | -            | -            | -            |
| M/s. Simpson and Company Limited                    | -                 | -            | -                           | -            | -   | -            | -                        | -            | -            | -            |
| Total   | -                 | -            | -                           | -            | -   | -            | -                        | -            | -            | -            |
| <b>Dividend received from</b>                       |                   |              |                             |              |   |              |                          |              |              |              |
| M/s. Amalgamations Repco Limited                    | -                 | -            | -                           | -            | -   | -            | -                        | -            | -            | -            |
| Total   | -                 | -            | -                           | -            | -   | -            | -                        | -            | -            | -            |
| <b>Purchases</b>                                    |                   |              |                             |              |   |              |                          |              |              |              |
| M/s. T.Stanes and Company Limited                   | 58.24             | 45.09        | -                           | -            | -   | -            | -                        | -            | 58.24        | 45.09        |
| Total   | 58.24             | 45.09        | -                           | -            | -   | -            | -                        | -            | 58.24        | 45.09        |
| <b>Service availed from</b>                         |                   |              |                             |              |   |              |                          |              |              |              |
| M/s. Amalgamations Private Limited                  | 3.11              | 2.83         | -                           | -            | -   | -            | -                        | -            | 3.11         | 2.83         |
| M/s. The Madras Advertising Company Private Limited | -                 | -            | 0.93                        | 1.14         | -   | -            | -                        | -            | 0.93         | 1.14         |
| M/s. Associated Printers (Madras) Private Limited   | -                 | -            | -                           | -            | -   | -            | -                        | -            | -            | -            |
| Total   | 3.11              | 2.83         | 0.93                        | 1.14         | -   | -            | -                        | -            | 4.04         | 3.97         |

# 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 2022 AND BALANCES OUTSTANDING AS AT 31<sup>st</sup> MARCH 2022**

| Description   | Holding Companies |              | Fellow Subsidiary Companies |              | Associate to Holding / Ultimate Holding Company |              | Key Management Personnel |              | Total        |              |
|---|-------------------|--------------|-----------------------------|--------------|---|--------------|--------------------------|--------------|--------------|--------------|
|   | 2021-2022         | 2020-2021    | 2021-2022                   | 2020-2021    | 2021-2022                                       | 2020-2021    | 2021-2022                | 2020-2021    | 2021-2022    | 2020-2021    |
|   | (₹ in lakhs)      | (₹ in lakhs) | (₹ in lakhs)                | (₹ in lakhs) | (₹ in lakhs)                                    | (₹ in lakhs) | (₹ in lakhs)             | (₹ in lakhs) | (₹ in lakhs) | (₹ in lakhs) |
| <b>Dividend paid to</b>                             |                   |              |                             |              |   |              |                          |              |              |              |
| M/s. Amalgamations Private Limited                  | -                 | -            | -                           | -            | -   | -            | -                        | -            | -            | -            |
| M/s. Simpson and Company Limited                    | -                 | -            | -                           | -            | -   | -            | -                        | -            | -            | -            |
| M/s. T.Stanes and Company Limited                   | -                 | -            | -                           | -            | -   | -            | -                        | -            | -            | -            |
| M/s. Tractors and Farm Equipments Limited           | -                 | -            | -                           | -            | -   | -            | -                        | -            | -            | -            |
| M/s. The United Milgiri Tea Estates Company Limited | -                 | -            | -                           | -            | -   | -            | -                        | -            | -            | -            |
| M/s. Sri Rama Vilas Service Limited                 | -                 | -            | -                           | -            | -   | -            | -                        | -            | -            | -            |
| M/s. Bimetal Bearings Limited                       | -                 | -            | -                           | -            | -   | -            | -                        | -            | -            | -            |
| M/s. Speed-A-Way Private Limited                    | -                 | -            | -                           | -            | -   | -            | -                        | -            | -            | -            |
| <b>Total</b>  | -                 | -            | -                           | -            | -   | -            | -                        | -            | -            | -            |
| <b>Borrowings from</b>                              |                   |              |                             |              |   |              |                          |              |              |              |
| M/s. T.Stanes and Company Limited                   | -                 | -            | -                           | -            | -   | -            | -                        | -            | -            | -            |
| <b>Total</b>  | -                 | -            | -                           | -            | -   | -            | -                        | -            | -            | -            |
| <b>Repayment to</b>                                 |                   |              |                             |              |   |              |                          |              |              |              |
| M/s. T.Stanes and Company Limited                   | 10.00             | 10.00        | -                           | -            | -   | -            | -                        | -            | 10.00        | 10.00        |
| <b>Total</b>  | 10.00             | 10.00        | -                           | -            | -   | -            | -                        | -            | 10.00        | 10.00        |
| <b>Sitting Fees</b>                                 |                   |              |                             |              |   |              |                          |              |              |              |
| Mr. A. Krishnamoorthy                               | -                 | -            | -                           | -            | -   | -            | 0.20                     | 0.25         | 0.20         | 0.25         |
| Mr. PS Wallia                                       | -                 | -            | -                           | -            | -   | -            | 0.15                     | -            | 0.15         | -            |
| Mr. N. Venkataramani                                | -                 | -            | -                           | -            | -   | -            | 0.20                     | -            | 0.20         | -            |
| <b>Total</b>  | -                 | -            | -                           | -            | -   | -            | 0.55                     | 0.25         | 0.55         | 0.25         |
| <b>Remuneration (including reimbursements)</b>      |                   |              |                             |              |   |              |                          |              |              |              |
| Mr. PS Wallia                                       | -                 | -            | -                           | -            | -   | -            | -                        | 32.94        | -            | 32.94        |
| Mr. V. Viswanathan                                  | -                 | -            | -                           | -            | -   | -            | -                        | 29.56        | -            | 29.56        |
| <b>Total</b>  | -                 | -            | -                           | -            | -   | -            | -                        | 62.50        | -            | 62.50        |
| <b>Consultancy Charges</b>                          |                   |              |                             |              |   |              |                          |              |              |              |
| Mr. PS Wallia                                       | -                 | -            | -                           | -            | -   | -            | 2.00                     | -            | 2.00         | -            |
| Mr. V. Viswanathan                                  | -                 | -            | -                           | -            | -   | -            | 12.00                    | -            | 12.00        | -            |
| <b>Total</b>  | -                 | -            | -                           | -            | -   | -            | 14.00                    | -            | 14.00        | -            |

**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 2022 AND BALANCES OUTSTANDING AS AT 31<sup>st</sup> MARCH 2022**

| Description   | Holding Companies         |                           | Fellow Subsidiary Companies |                           | Associate to Holding / Ultimate Holding Company |                           | Key Management Personnel  |                           | Total                     |                           |
|---|---------------------------|---------------------------|-----------------------------|---------------------------|---|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
|   | 2021-2022<br>(₹ in lakhs) | 2020-2021<br>(₹ in lakhs) | 2021-2022<br>(₹ in lakhs)   | 2020-2021<br>(₹ in lakhs) | 2021-2022<br>(₹ in lakhs)                       | 2020-2021<br>(₹ in lakhs) | 2021-2022<br>(₹ in lakhs) | 2020-2021<br>(₹ in lakhs) | 2021-2022<br>(₹ in lakhs) | 2020-2021<br>(₹ in lakhs) |
| <b>B) Balances outstanding at the end of the year</b> |                           |                           |                             |                           |   |                           |                           |                           |                           |                           |
| <b>Equity participation by</b>                        |                           |                           |                             |                           |   |                           |                           |                           |                           |                           |
| M/s. Amalgamations Private Limited                    | 14.05                     | 14.05                     | -                           | -                         | -   | -                         | -                         | -                         | 14.05                     | 14.05                     |
| M/s. Simpson and Company Limited                      | 0.17                      | 0.17                      | -                           | -                         | -   | -                         | -                         | -                         | 0.17                      | 0.17                      |
| M/s. T.Stanes and Company Limited                     | 55.63                     | 55.63                     | -                           | -                         | -   | -                         | -                         | -                         | 55.63                     | 55.63                     |
| M/s. The United Nilgiri Tea Estates Company Limited   | -                         | -                         | -                           | -                         | 8.18  | 8.18                      | -                         | -                         | 8.18                      | 8.18                      |
| M/s. Tractors and Farm Equipments Ltd                 | -                         | -                         | 2.65                        | 2.65                      | -   | -                         | -                         | -                         | 2.65                      | 2.65                      |
| M/s. Sri Rama Vilas Service Limited                   | -                         | -                         | 0.48                        | 0.48                      | -   | -                         | -                         | -                         | 0.48                      | 0.48                      |
| M/s. Bimetal Bearings Limited                         | -                         | -                         | 0.64                        | 0.64                      | -   | -                         | -                         | -                         | 0.64                      | 0.64                      |
| M/s. Speed-A-Way Private Limited                      | -                         | -                         | 0.15                        | 0.15                      | -   | -                         | -                         | -                         | 0.15                      | 0.15                      |
| <b>Total</b>  | <b>69.85</b>              | <b>69.85</b>              | <b>3.92</b>                 | <b>3.92</b>               | <b>8.18</b>                                     | <b>8.18</b>               | <b>-</b>                  | <b>-</b>                  | <b>81.95</b>              | <b>81.95</b>              |
| <b>Equity Participation in</b>                        |                           |                           |                             |                           |   |                           |                           |                           |                           |                           |
| M/s. The United Nilgiri Tea Estates Company Limited   | -                         | -                         | -                           | -                         | 0.75  | 0.75                      | -                         | -                         | 0.75                      | 0.75                      |
| <b>Total</b>  | <b>-</b>                  | <b>-</b>                  | <b>-</b>                    | <b>-</b>                  | <b>0.75</b>                                     | <b>0.75</b>               | <b>-</b>                  | <b>-</b>                  | <b>0.75</b>               | <b>0.75</b>               |
| <b>Trade Payable</b>                                  |                           |                           |                             |                           |   |                           |                           |                           |                           |                           |
| M/s. T.Stanes and Company Limited                     | 24.17                     | 1.68                      | -                           | -                         | -   | -                         | -                         | -                         | 24.17                     | 1.68                      |
| <b>Total</b>  | <b>24.17</b>              | <b>1.68</b>               | <b>-</b>                    | <b>-</b>                  | <b>-</b>  | <b>-</b>                  | <b>-</b>                  | <b>-</b>                  | <b>24.17</b>              | <b>1.68</b>               |
| <b>Current Borrowings</b>                             |                           |                           |                             |                           |   |                           |                           |                           |                           |                           |
| M/s. T.Stanes and Company Limited                     | 30.00                     | 40.00                     | -                           | -                         | -   | -                         | -                         | -                         | 30.00                     | 40.00                     |
| <b>Total</b>  | <b>30.00</b>              | <b>40.00</b>              | <b>-</b>                    | <b>-</b>                  | <b>-</b>  | <b>-</b>                  | <b>-</b>                  | <b>-</b>                  | <b>30.00</b>              | <b>40.00</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/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.

**Note 34 : FAIR VALUE MEASUREMENTS**

Financial instruments by category

(₹ in lakhs)

| Financial instruments by category                         | As at 31 <sup>st</sup> March, 2022 |        |                | As at 31 <sup>st</sup> March, 2021 |        |                |
|---|------------------------------------|--------|----------------|------------------------------------|--------|----------------|
|   | FVTPL                              | FVOCI  | Amortised cost | FVTPL                              | FVOCI  | Amortised cost |
| <b>Financial assets</b>                                   |                                    |        |                |                                    |        |                |
| Trade receivables   | -                                  | -      | 56.45          | -                                  | -      | 75.24          |
| Investments   | -                                  | 155.95 | -              | 20.23                              | 140.92 | -              |
| Cash and cash equivalents (including other bank balances) | -                                  | -      | 27.94          | -                                  | -      | 132.47         |
| Other financial assets                                    | -                                  | -      | 1.91           | -                                  | -      | 1.27           |
| <b>Total financial assets</b>                             | -                                  | 155.95 | 86.30          | 20.23                              | 140.92 | 208.97         |
| <b>Financial liabilities</b>                              |                                    |        |                |                                    |        |                |
| Trade payables  | -                                  | -      | 30.00          | -                                  | -      | 40.00          |
| Other financial liabilities                               | -                                  | -      | 65.03          | -                                  | -      | 40.84          |
| Trade payables  | -                                  | -      | 72.86          | -                                  | -      | 21.97          |
| <b>Total financial liabilities</b>                        | -                                  | -      | 167.89         | -                                  | -      | 102.81         |

**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 2022**

| Particulars                        | Note No. | Level 1<br>(₹ in lakhs) | Level 2<br>(₹ in lakhs) | Level 3<br>(₹ in lakhs) | Total<br>(₹ in lakhs) |
|------------------------------------|----------|-------------------------|-------------------------|-------------------------|-----------------------|
| <b>Financial assets</b>            |          |                         |                         |                         |                       |
| Investments                        | 4        | 155.70                  | 0.25                    | -                       | 155.95                |
| <b>Total Financial Assets</b>      |          | 155.70                  | 0.25                    | -                       | 155.95                |
| Financial Liabilities              |          | -                       | -                       | -                       | -                     |
| <b>Total Financial Liabilities</b> |          | -                       | -                       | -                       | -                     |

**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<br>(₹ in lakhs) | Level 2<br>(₹ in lakhs) | Level 3<br>(₹ in lakhs) | Total<br>(₹ in lakhs) |
|------------------------------------|----------|-------------------------|-------------------------|-------------------------|-----------------------|
| <b>Financial assets</b>            |          |                         |                         |                         |                       |
| Investments                        | 4        | 160.90                  | 0.25                    | -                       | 161.15                |
| <b>Total Financial Assets</b>      |          | 160.90                  | 0.25                    | -                       | 161.15                |
| Financial Liabilities              |          | -                       | -                       | -                       | -                     |
| <b>Total Financial Liabilities</b> |          | -                       | -                       | -                       | -                     |

# STANES AMALGAMATED ESTATES LIMITED

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

**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.

### 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.



# STANES AMALGAMATED ESTATES LIMITED

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

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, 2022 was assessed to be insignificant.

### **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.

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:

| <b>Particulars</b>           | <b>For the year ended<br/>31<sup>st</sup> March 2022<br/>(₹ in lakhs)</b> | <b>For the year ended<br/>31<sup>st</sup> March 2021<br/>(₹ in lakhs)</b> |
|------------------------------|---|---|
| Revenue from customer        | 1,327.87  | 1,211.08  |
| Revenue from Top 5 customers | 689.09  | 673.77  |

# STANES AMALGAMATED ESTATES LIMITED

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

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 2022 Rs.56.45 Lakhs is due from two parties (as at 31<sup>st</sup> March 2021 of Rs.75.23 Lakhs is due from three 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.

The working capital position of the Company is given below:

| Particulars  | As at<br>31 <sup>st</sup> March 2022<br>(₹ in lakhs) | As at<br>31 <sup>st</sup> March 2021<br>(₹ in lakhs) |
|--|--|--|
| Cash and cash equivalents<br>(including other bank balances) | 27.94  | 132.47   |
| <b>Total</b>   | <b>27.94</b>   | <b>132.47</b>  |

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31<sup>st</sup> March 2022 and 31<sup>st</sup> March 2021:

| Particulars                    | As at                       | Less than<br>1 year<br>(₹ in lakhs) | 1-2 years<br>(₹ in lakhs) | 2 years and<br>above<br>(₹ in lakhs) |
|--------------------------------|-----------------------------|-------------------------------------|---------------------------|--------------------------------------|
| Borrowings                     | 31 <sup>st</sup> March 2022 | 30.00                               | -                         | -                                    |
|                                | 31 <sup>st</sup> March 2021 | 40.00                               | -                         | -                                    |
| Trade payables                 | 31 <sup>st</sup> March 2022 | 72.86                               | -                         | -                                    |
|                                | 31 <sup>st</sup> March 2021 | 21.97                               | -                         | -                                    |
| Other financial<br>liabilities | 31 <sup>st</sup> March 2022 | 65.03                               | -                         | -                                    |
|                                | 31 <sup>st</sup> March 2021 | 40.84                               | -                         | -                                    |

### 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

# STANES AMALGAMATED ESTATES LIMITED

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

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 2022 and 31<sup>st</sup> March, 2021:**

| Particulars       | As at                             | USD            | EURO       | GBP        | Total        |
|-------------------|-----------------------------------|----------------|------------|------------|--------------|
| <b>Assets</b>     |                                   | Non-derivative | Derivative | Derivative | (₹ in lakhs) |
| Trade receivables | <b>31<sup>st</sup> March 2022</b> | -              | 45.83      | -          | 45.83        |
|                   | 31 <sup>st</sup> March 2021       | -              | 20.77      | 50.67      | 71.44        |

### 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<br>31 <sup>st</sup> March 2022<br>(₹ in lakhs) | For the year ended<br>31 <sup>st</sup> March 2021<br>(₹ in lakhs) |
|-----------------------------------|---|---|
| <b>Impact on profit after tax</b> |   |   |
| <b>USD sensitivity</b>            |   |   |
| INR/USD increases by 5%*          | -   | -   |
| INR/USD decreases by 5%*          | -   | -   |
| <b>EURO sensitivity</b>           |   |   |
| INR/EURO increases by 5%*         | (1.71)  | (0.78)  |
| INR/EURO decreases by 5%*         | 1.71  | 0.78  |
| <b>GBP sensitivity</b>            |   |   |
| INR/GBP increases by 5%*          | -   | (1.90)  |
| INR/GBP decreases by 5%*          | -   | 1.90  |

\*Holding all other variables constant

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

**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:

| <b>Particulars</b>  | <b>For the year ended<br/>31<sup>st</sup> March 2022<br/>(₹ in lakhs)</b> | <b>For the year ended<br/>31<sup>st</sup> March 2021<br/>(₹ in lakhs)</b> |
|---|---|---|
| Increase in the profit for the year if interest rate lower by 1%    | 0.36  | 0.48  |
| Decrease in the profit for the year if interest rate increase by 1% | (0.36)  | (0.48)  |

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:**

| <b>Particulars</b>  | <b>As at<br/>31<sup>st</sup> March 2022<br/>(₹ in lakhs)</b> | <b>As at<br/>31<sup>st</sup> March 2021<br/>(₹ in lakhs)</b> |
|---|--|--|
| <b>Total equity attributable to the equity share holders of the company</b> | <b>638</b>   | 862  |
| As percentage of total capital  | <b>96%</b>   | 95%  |
| Current borrowings  | <b>30.00</b>   | 40.00  |
| <b>Total borrowings</b>   | <b>30.00</b>   | 40.00  |
| <b>As a percentage of total capital</b>                                     | <b>4%</b>  | 5%   |
| <b>Total capital (borrowings and equity)</b>                                | <b>668</b>   | 902  |

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

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

**36 Additional Required information**

| Sl. No. | Ratio                                    | Name of Numerator and Denominator   | For the year ended 31 <sup>st</sup> March 2022 | For the year ended 31 <sup>st</sup> March 2021 | % of variance | Explanation for movement in Key ratios (exceeding 25%)   |
|---------|--|---|--|--|---------------|--|
| 1.      | Current Ratio (Times)                    | Current Assets / Current Liabilities  | 1.32   | 2.31   | -43%          | Current year payables have increased (consequent to plantation labour cost revision)   |
| 2.      | Debt-Equity Ratio (Times)                | Total Debt/Shareholder's Equity, i.e. Borrowings / (Equity Share capital+ Other Equity)         | 0.04   | 0.04   | -1%           |  |
| 3.      | Debt Service Coverage Ratio (Times)      | Earnings available for debt service/ Debt Service   | (14.46)  | (5.93)   | 144%          | Increase in loss and Finance charges being lower compared to last year due to partial repayment of debt.   |
| 4.      | Return on Equity (%)                     | Net Profit After Tax / Average Shareholder Equity   | -28%   | -13%   | 112%          | The Loss after tax is higher considering higher operational losses due to increased minimum wages and escalated freight charges affecting the margins of the company.                              |
| 5.      | Inventory Turnover Ratio (Times)         | Sales/Average inventory   | 5.05   | 4.51   | 12%           |  |
| 6.      | Trade Receivables Turnover Ratio (Times) | Net Credit Sales/Avg. Accounts Receivable   | 20.17  | 12.91  | 56%           | There has been improved collection of receivables during the year  |
| 7.      | Trade Payable Turnover Ratio (Times)     | Net Credit Purchases/Avg. Trade Payables  | 11.43  | 5.48   | 109%          | There has been regular settlement of trade payables in the current year  |
| 8.      | Net Capital Turnover Ratio (Times)       | Net Sales/Working Capital i.e. Revenue from Operations / (Current Assets - Current Liabilities) | 12.35  | 4.16   | 197%          | There is decrease in Current Assets and increase in Current liability with a marginal increase in turnover   |
| 9.      | Net Profit Ratio (%)                     | Net Profit/Net Sales  | -16%   | -10%   | 63%           | The increase in expenditure (on account of increase in minimum wages payable and ocean freights) was nearly twice the amount of increase in sales.   |
| 10.     | Return on Capital Employed (%)           | Earnings before interest and taxes / Capital employed<br>Capital employed = Networth+Total      | -29%   | -13%   | 119%          | The operating margins were severely impacted by increased minimum wages and ocean freights. Being a demand driven produce market, the increase in tea prices in the market was not at same levels. |
| 11.     | Return on Investment (%)                 | Income from Investments / Average Investments   | 29%  | 22%  | 31%           | There was an increase in income from investments.  |

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

**Note : 37. RELATIONSHIP WITH STRUCK OFF COMPANIES DURING THE YEAR ENDED 31<sup>st</sup> MARCH 2022**

| Name of the Struck off Company | Nature of Transaction | Balance Outstanding | Relationship with Struck off Companies |
|--------------------------------|-----------------------|---------------------|--|
| (On Random Check)<br>NIL       |                       |                     |  |

**Note 38 :** 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 : 22<sup>nd</sup> July 2022

PS WALLIA  
Director  
DIN 00010755  
Place : Coimbatore  
Date : 22<sup>nd</sup> July 2022

V. VISWANATHAN  
Director  
DIN 00010777  
Place : Coimbatore  
Date : 22<sup>nd</sup> July 2022