

**Independent Auditor's Report on Audited Annual Financial Results of The Scottish Assam (India) Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)**

**INDEPENDENT AUDITORS' REPORT**

**TO THE BOARD OF DIRECTORS OF THE SCOTTISH ASSAM (INDIA) LIMITED**

**Report on the audit of the Financial Results**

**Opinion**

We have audited the accompanying annual financial results of **M/s. The Scottish Assam (India) Limited** (hereinafter referred to as the "Company") for the year ended March 31, 2020 (the "Statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid annual financial results:

- a. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- b. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards and other accounting principles generally accepted in India, of the net loss and other comprehensive income and other financial information for the year ended March 31, 2020.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Annual Financial Results section of our report. We are independent of the Company, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our opinion on the annual financial results.



**Management's and Board of Directors' Responsibilities for the Annual Financial Results**

These annual financial results have been prepared on the basis of the annual financial statements.

The Company's Management and the Board of Directors are responsible for the preparation and presentation of these annual financial results that give a true and fair view of the net loss and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the annual financial results, the Management and the Board of Directors are 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.

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

**Auditor's Responsibilities for the Audit of the Annual Financial Results**

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





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 annual financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of financial statements on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the financial results made by the Management and Board of Directors.
- Conclude on the appropriateness of the 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 appropriateness of this assumption. 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 annual financial results 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 annual financial results, including the disclosures, and whether the annual financial results represent the underlying transactions and events in a manner that achieves fair presentation.

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

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



## Other Matters

The annual financial results include the results for the quarter ended March 31, 2020 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

Place: Kolkata  
Date: 27 July 2020



For JKVS & CO  
Chartered Accountants  
Firm Registration No.: 318086E

*Utsav Saraf*

Utsav Saraf

Partner

Membership No.: 306932

UDIN: 20306932AAAAB5857

# THE SCOTTISH ASSAM (INDIA) LIMITED

Regd. Off: 1, Crooked Lane, Kolkata 700 069

CIN: L01132WB1977PLC031175

## Statement of Audited Financial Results for the Quarter and Year ended 31st March, 2020

Particulars	Quarter Ended			Financial Year Ended	
	31.03.2020	31.12.2019	31.03.2019	31.03.2020	31.03.2019
	Refer Note 6	(Unaudited)	Refer Note 6	(Audited)	(Audited)
1. Income					
a) Revenue from Operations	375.13	869.45	326.14	3,148.00	2,985.84
b) Other Income	(134.30)	123.06	167.91	9.38	6.39
<b>Total Income</b>	<b>240.83</b>	<b>992.51</b>	<b>494.05</b>	<b>3,157.38</b>	<b>2,992.23</b>
2. Expenses					
a) Cost of materials consumed	14.52	72.24	13.91	226.98	198.00
b) Changes in inventories of finished goods, stock in trade & work-in-progress	276.44	53.34	125.45	57.88	(14.92)
c) Employee benefits expenses	345.33	386.97	299.78	1,488.77	1,425.18
d) Finance Costs	3.78	8.62	5.42	32.36	29.48
e) Depreciation & Amortisation expenses	11.43	10.90	13.62	45.47	46.15
f) Other Expenditure	747.70	323.15	172.32	1,635.70	690.67
<b>Total Expenses</b>	<b>1,399.20</b>	<b>855.22</b>	<b>630.50</b>	<b>3,487.16</b>	<b>2,374.56</b>
3. Profit/(Loss) from Operations before exceptional items & Tax (1-2)	(1,158.37)	137.29	(136.45)	(329.78)	617.67
4. Tax Expenses					
Current Tax	(186.59)	22.66	(37.94)	32.63	191.94
Deferred Tax	59.42	(15.91)	(32.25)	54.94	(64.35)
Tax Adjustment for earlier Year	-	2.13	-	(1.09)	-
5. Net Profit/(Loss) after Tax (3-4)	(1,031.20)	128.41	(66.26)	(416.26)	490.08
6. Other Comprehensive Income					
Items that will not be reclassified to profit or loss	48.07	(19.15)	(41.10)	(9.39)	(76.61)
Income tax relating to items that will not be reclassified to profit or loss	(13.37)	5.43	11.23	2.61	21.11
7. Total Comprehensive Income for the period after tax (5-6)	(996.50)	114.69	(96.13)	(423.04)	434.58
8. Paid up Equity Share Capital (Face Value Rs. 10/- per share)	80.00	80.00	80.00	80.00	80.00
9. Other Equity					
10. Earnings per share of Rs. 10/- each (not annualised*)					
a) Basic (in Rs.)	(128.90)	16.05*	(8.28)*	(52.03)	61.26
b) Diluted (in Rs.)	(128.90)	16.05*	(8.28)*	(52.03)	61.26

The Statement of Assets and Liabilities for the Year Ended as on 31st March, 2020

STATEMENT OF ASSETS & LIABILITIES		(Rs. in Lacs) (Unless Specified)	
		As at 31.03.2020	As at 31.03.2019
<b>ASSETS</b>			
<b>1. NON-CURRENT ASSETS</b>			
a) Property, Plant and Equipment		216.15	239.80
b) Capital Work-In-Progress		159.89	130.66
c) Other Intangible Assets		1.22	0.01
d) Financial Assets			
(i) Investments		3,892.84	4,449.32
(ii) Loan		7.50	10.50
e) Deferred Tax Liabilities (Net)		58.39	113.34
f) Other Non-Current Assets		87.52	39.98
<b>Total Non Current Assets</b>		<b>4,423.51</b>	<b>4,983.61</b>
<b>2. CURRENT ASSETS</b>			
a) Inventories		148.50	209.00
b) Biological assets other than bearer plants		-	11.05
c) Financial Assets			
(i) Trade Receivables		13.27	51.26
(ii) Cash and Cash Equivalents		47.59	12.41
(iii) Bank balances other than (ii) above		8.24	7.88
(iv) Loan		31.92	31.60
(v) Other Financial Assets		0.95	1.23
d) Other Current Assets		51.74	42.38
<b>Total Current Assets</b>		<b>302.21</b>	<b>366.81</b>
<b>TOTAL ASSETS</b>		<b>4,725.72</b>	<b>5,350.42</b>
<b>EQUITY AND LIABILITIES</b>			
<b>1. EQUITY</b>			
a) Equity Share Capital		80.00	80.00
b) Other Equity		3,948.14	4,409.76
<b>Total Equity</b>		<b>4,028.14</b>	<b>4,489.76</b>
<b>2. LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
a) Financial Liabilities			
(i) Borrowings		183.86	289.24
(ii) Trade Payables		208.14	134.85
(iii) Other Financial Liabilities		231.81	261.85
b) Provisions		41.62	107.01
c) Other Current Liabilities		32.13	40.38
d) Other Tax Liabilities		0.02	27.33
<b>Total Current Liabilities</b>		<b>697.58</b>	<b>860.66</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>4,725.72</b>	<b>5,350.42</b>



*Signature*





**THE SCOTTISH ASSAM (INDIA) LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2020**

(Rs. in Lacs)

Particulars	For the Year Ended	
	2019-20	2018-19
<b>A. Cash flow from operating activities :</b>		
Net Profit before tax and extraordinary items	(329.78)	617.67
<b>Adjustments for -</b>		
Depreciation	45.47	46.15
Finance Cost	32.36	29.48
Interest Received	(0.51)	(0.56)
Unclaimed balances written back	(1.27)	(5.83)
(Profit)/ Loss on Sale of Fixed Asset	0.25	0.01
Net gain arising on Employee Benefit Obligations mandatorily measured at OCI	(9.39)	(76.61)
Change in fair value of biological assets - Non Current	11.05	(4.37)
Net Gain/Loss arising on financial assets mandatorily measured at FVTPL	563.62	(269.84)
Gain on disposal of investments carried at fair value through profit or loss	(7.14)	-
<b>Operating profit before working capital changes</b>	<b>634.45</b>	<b>(281.57)</b>
<b>Adjustments for -</b>		
Trade receivables, Loans and Other Receivables	31.24	21.97
Trade Payables, Other financial Liabilities, Other Liabilities and Provisions	(29.12)	149.48
Inventories	60.49	(18.43)
<b>Cash generated from / (used in) operations</b>	<b>367.27</b>	<b>489.12</b>
Direct taxes (Paid) / Net of refund	(103.78)	(146.90)
<b>Net cash from / (used in) operating activities</b>	<b>263.49</b>	<b>342.22</b>
<b>B. Cash flow from investing activities :</b>		
Purchase for Fixed Assets/ Capital work in Progress	(52.77)	(105.27)
Sale of Fixed Assets	0.28	-
(Purchase) / sale of Non Current investments (net)	-	(155.00)
Interest Received	0.50	0.56
<b>Net cash from / (used in) investing activities</b>	<b>(51.99)</b>	<b>(259.71)</b>
<b>C. Cash flow from financing activities :</b>		
Proceeds from Working capital borrowings (net)	(105.38)	(8.52)
Dividend including dividend tax paid	(38.58)	(38.58)
Finance Cost paid	(32.36)	(29.48)
<b>Net cash from / (used in) financing activities</b>	<b>(176.32)</b>	<b>(76.58)</b>
<b>Net change in cash and cash equivalent (A + B + C)</b>	<b>35.18</b>	<b>5.93</b>
Cash and cash equivalents as at beginning of year	12.41	6.48
Cash and cash equivalents as at end of year	47.59	12.41
	<b>35.18</b>	<b>5.93</b>
	<b>As at</b>	<b>As at</b>
	<b>31.03.2020</b>	<b>31.03.2019</b>
<b>*Cash and cash equivalent consist of :-</b>		
Cash, cheques, drafts in hand etc.	37.21	10.48
Balance and Fixed deposits with Banks	10.38	1.93
<b>Cash and Cash equivalent</b>	<b>47.59</b>	<b>12.41</b>

**Notes:**

- The aforementioned results were reviewed by the Audit Committee of the Board on July, 27, 2020 and subsequently taken on record by the Board of Directors at its meeting held on July 27, 2020. The Statutory Auditors of the Company have audited these results.
- The company is primarily engaged in the business of cultivation, manufacture and sale of tea and is managed organisationally as a single unit. Accordingly, the company is a single business segment company.
- The Board of Directors have recommended dividend @ Rs. 4.00 per share for the year 2019 - 2020 which is subject to approval of the shareholders at the ensuing Annual General Meeting.
- Effective from April 1, 2019, the company has adopted Ind AS 116 'Leases' and applied the same to lease contracts existing on 1st April, 2019 by using modified retrospective approach. Adoption of this standard does not have any impact on the financial statements for the year ended 31 March 2020.
- The Taxation Law (Amendments) Ordinance 2019 ('the Ordinance'), provides an option to domestic companies to pay income-tax at a lower rate of 22% (plus applicable surcharge and cess) instead of the normal rate of 25% (plus applicable surcharge and cess) depending on the conditions specified in this behalf under section 115 BA of the Income Tax Act, 1961. A domestic company can avail of the lower tax rate only if it opts for not availing of certain exemptions or incentives specified in this behalf in the Ordinance. There is no time limit prescribed under the above to choose the option of lower tax rate under section 115BAA, however, once chosen it is irreversible. Based on the Management estimates, the Company has determined that exercising the option of lower rate will not be beneficial at this point of time. Hence, the company has provided for Income tax as well as deferred tax at a normal rate applicable to company.
- The figures for the quarter ended 31st March, 2020 and 31st March, 2019 are the balancing figures between audited figures in respects of the full financial year ended 31st March, 2020 and 31st March, 2019 and the published year to date figures up to the third quarter ended 31st December, 2019 and 31st March, 2019 respectively.



*Dr. Mondal*



- 7) The statement of Assets and Liabilities and statement of Cash Flow is annexed herewith.
- 8) The Company's management believes that it has taken into consideration all the possible impact of known events till the date of approval of its financial statements arising from COVID-19 pandemic in the preparation of the financial results. Management is of the view that considering the nature of its business operations, existing customer and supplier relationships and its market position, impact on its business operation, if any, arising from COVID-19 pandemic is not expected to be significant in relation to financial statements prepared. The actual outcome of these assumptions and estimates may vary in future due to impact of pandemic.
- 9) Previous quarter/period figures have been regrouped / rearranged wherever necessary to confirm to the current period's classification.

Place: Kolkata  
Date: The 27th day of July, 2020

For THE SCOTTISH ASSAM (INDIA) LTD.  
For and on behalf of the Board

*Duraudonlemon*

DIN:

Director

