

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 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, 2021 (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 standalone 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 profit and other comprehensive income and other financial information for the year ended March 31, 2021

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 standalone annual financial results.



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

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

The Company's Management and the Board of Directors are responsible for the preparation and presentation of these standalone 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 standalone 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 standalone 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 Standalone Annual Financial Results

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone 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 standalone 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 standalone annual financial results, including the disclosures, and whether the standalone 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 standalone annual financial results include the results for the quarter ended March 31, 2021 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: 30 June 2021

For J K V S & CO**Chartered Accountants**

Firm Registration No.: 318086E

**Utsav Saraf**

Partner

Membership No.: 306932

UDIN: 21306932AAAABK1392



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, 2021

(Rs. in Lacs)

Particulars	Quarter Ended			Financial Year Ended	
	31.03.2021 Refer Note 5	31.12.2020 (Unaudited)	31.03.2020 Refer Note 5	31.03.2021 (Audited)	31.03.2020 (Audited)
1. Income					
a) Revenue from Operations	343.23	1,108.29	375.13	3,150.74	3,136.95
b) Other Income	245.10	467.78	(697.92)	1,202.31	(554.24)
Total Income	588.33	1,576.07	(322.79)	4,353.05	2,582.71
2. Expenses					
a) Cost of materials consumed	8.14	0.87	14.52	72.68	226.98
b) Changes in inventories of finished goods, stock in trade & work-in-progress	189.31	380.75	276.44	(23.86)	57.88
c) Employee benefits expenses	408.67	376.35	345.33	1,567.16	1,488.77
d) Finance Costs	3.53	4.61	3.78	28.70	32.36
e) Depreciation & Amortisation expenses	9.40	10.10	11.43	38.02	45.47
f) Other Expenditure	189.01	251.62	184.08	964.53	1,061.03
Total Expenses	808.06	1,024.30	835.58	2,647.23	2,912.49
3. Profit/(Loss) from Operations before exceptional items & Tax (1-2)	(219.73)	551.77	(1,158.37)	1,705.82	(329.78)
4. Tax Expenses					
Current Tax	(178.40)	105.95	(186.59)	90.64	32.63
Tax Adjustment for earlier Year	-	-	-	1.55	(1.09)
Deferred Tax	278.46	(80.73)	59.42	194.07	54.94
5. Net Profit/(Loss) after Tax (3-4)	(319.79)	526.55	(1,031.20)	1,419.56	(416.26)
6. Other Comprehensive Income					
Items that will not be reclassified to profit or loss	(27.71)	(2.35)	48.07	(34.75)	(9.39)
Income tax relating to items that will not be reclassified to profit or loss	6.78	0.66	(13.37)	8.74	2.61
7. Total Comprehensive Income for the period after tax (5-6)	(340.72)	524.86	(996.50)	1,393.55	(423.04)
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.)	(39.97)	65.82*	(128.90)	177.45	(52.03)
b) Diluted (in Rs.)	(39.97)	65.82*	(128.90)	177.45	(52.03)

The Statement of Assets and Liabilities for the Year Ended as on 31st March, 2021

(Rs. in Lacs) (Unless Specified)

STATEMENT OF ASSETS & LIABILITIES		As at 31.03.2021	As at 31.03.2020
ASSETS			
1. NON-CURRENT ASSETS			
a) Property, Plant and Equipment		222.07	216.15
b) Capital Work-in-Progress		165.90	159.89
c) Other Intangible Assets		0.45	1.22
d) Financial Assets			
(i) Investments		5,521.63	3,892.84
(ii) Loan		33.63	36.09
e) Non-Current Tax Assets		102.01	87.52
f) Other Non-Current Assets		0.13	-
Total Non Current Assets		6,045.82	4,393.71
2. CURRENT ASSETS			
a) Inventories		175.55	148.50
b) Biological assets other than bearer plants		10.32	-
c) Financial Assets			
(i) Trade Receivables		51.83	13.27
(ii) Cash and Cash Equivalents		215.00	47.59
(iii) Bank balances other than (ii) above		8.80	8.24
(iv) Loan		3.00	3.33
(v) Other Financial Assets		1.78	0.95
d) Other Current Assets		47.90	51.74
Total Current Assets		514.18	273.62
TOTAL ASSETS		6,560.00	4,667.33
EQUITY AND LIABILITIES			
1. EQUITY			
a) Equity Share Capital		80.00	80.00
b) Other Equity		5,309.69	3,948.14
Total Equity		5,389.69	4,028.14
2. LIABILITIES			
A. FINANCIAL LIABILITIES			
a) Deferred Tax Liabilities (Net)		135.68	(58.39)
3. NON-CURRENT LIABILITIES			
a) Financial Liabilities		74.47	-
B. CURRENT LIABILITIES			
a) Financial Liabilities			
(i) Borrowings		396.58	183.86
(ii) Trade Payables		148.42	208.14
(iii) Other Financial Liabilities		307.72	231.81
b) Provisions		68.97	41.62
c) Other Current Liabilities		38.47	32.13
d) Other Tax Liabilities		-	0.02
Total Current Liabilities		1,170.31	639.19
TOTAL EQUITY AND LIABILITIES		6,560.00	4,667.33



THE SCOTTISH ASSAM (INDIA) LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2021

(Rs. In Lacs)

Particulars	For the Year Ended	
	2020-2021	2019-2020
A. Cash flow from operating activities :		
Net Profit before tax and extraordinary items	1705.82	(329.78)
Adjustments for -		
Depreciation	38.02	45.47
Finance Cost	28.70	32.36
Interest Received	(0.50)	(0.51)
Unclaimed balances written back	(0.36)	(1.27)
(Profit)/ Loss on Sale of Fixed Asset	0.05	0.25
Net gain arising on Employee Benefit Obligations mandatorily measured at OCI	(34.75)	(9.39)
Change in fair value of biological assets - Non Current	(10.33)	11.05
Net Gain/Loss arising on financial assets mandatorily measured at FVTPL	(1,161.39)	563.62
Gain on disposal of investments carried at fair value through profit or loss	(39.49)	(7.14)
Operating profit before working capital changes	525.77	304.66
Adjustments for -		
Trade receivables , Loans and Other Receivables	(33.45)	31.24
Loans receivable, and Other financial assets and Other Assets		
Trade Payables, Other financial Liabilities, Other Liabilities and Provisions	50.23	(29.12)
Inventories	(27.05)	60.49
Cash generated from / (used in) operations	515.50	367.27
Direct taxes (Paid) / Net of refund	(97.95)	(103.78)
Net cash from / (used in) operating activities	417.55	263.49
B. Cash flow from investing activities :		
Purchase for Fixed Assets/ Capital work in Progress	(49.23)	(52.77)
Sale of Fixed Assets	0.01	0.28
(Purchase) / sale of Non Current investments (net)	(427.90)	-
Interest Received	0.50	0.50
Net cash from / (used in) investing activities	(476.62)	(51.99)
C. Cash flow from financing activities :		
Proceeds from Working capital borrowings (net)	287.18	(105.38)
Dividend including dividend tax paid	(32.00)	(38.58)
Finance Cost paid	(28.70)	(32.36)
Net cash from / (used in) financing activities	226.48	(176.32)
Net change in cash and cash equivalent (A+B+C)	167.41	35.18
Cash and cash equivalents as at beginning of year	47.59	12.41
Cash and cash equivalents as at end of year	215.00	47.59
	167.41	35.18
	As at	As at
	31.03.2021	31.03.2020
*Cash and cash equivalent consist of :-		
Cash , cheques, drafts in hand etc.	18.67	37.21
Balance and Fixed deposits with Banks	196.33	10.38
Cash and Cash equivalent	215.00	47.59

- The afore mentioned results were reviewed by the Audit Committee of the Board on June, 30, 2021 and subsequently taken on record by the Board of Directors at its meeting held on June 30, 2021. 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. 6.00 Per share for the year 2020 - 2021 which is subject to approval of the shareholders at the ensuing Annual General Meeting.
- Pursuant to the introduction of Section 115BAA of the Income Tax Act, 1961 vide Taxation Laws (Amendment) Ordinance, 2019 the company has an option to pay corporate income tax at the rate of 22% plus applicable surcharge and cess (lower rate) as against the earlier rate of 30% plus applicable surcharge and cess, subject to certain conditions. Considering all the provisions under said section 115BAA of the Income Tax Act, 1961 the Company has decided to avail the lower rate from FY 2020-21. Accordingly, the Company has recognized Provision for Income tax for the year ended 31st March, 2021 and re-measured its net Deferred Tax liabilities on the basis of the rate prescribed in the said section. The MAT (Minimum Alternate Tax) balance as on April 01, 2020 amounting to Rs. 158.91 Lakhs has not been carried forward as per provision of Section 115BAA of the Income Tax Act, 1961. However, the same would be available for utilization against any tax liabilities pertaining to past periods.
- On the basis of notification dated 6th November, 2020 by Govt. of Assam providing 3 year tax holiday on Agricultural Income Tax, no provision on Agricultural Income Tax has been created for the year ended 31st March, 2021. Further, existing provision of deferred tax in respect of tax holiday period has been reversed.
- The figures for the quarter ended 31st March, 2021 and 31st March, 2020 are the balancing figures between audited figures in respects of the full financial year ended 31st March, 2021 and 31st March, 2020 and the published year to date figures up to the third quarter ended 31st December, 2020 and 31st March, 2020 respectively.



Particulars

For the Year Ended	
2020-2021	2019-2020

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 & supplier relationships & 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 & 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.

For THE SCOTTISH ASSAULT (INDIA) LTD.

For and on behalf of the Board

Place: Kolkata

Date: The 30th day of June, 2021

Dhruv Salan

DIN: 00016102

Director

