

**Independent Auditor's Report On Financial Results of Durrung Tea Estate Limited
[Formerly SPBP Tea (India) Ltd] pursuant to the Regulation 33 of the SEBI (Listing
Obligations and Disclosure Requirements) Regulations, 2015**

The Board of Directors

Durrung Tea Estate Limited [Formerly SPBP Tea (India) Ltd]

Flat on 2C, Paramount Apartment,

25, Ballygunge Circular Road,

Kolkata-700019

Report on the Audit of the Financial Results

1. Qualified Opinion

We have audited the accompanying Financial Results ("the Statement") of Durrung Tea Estate Limited [Formerly SPBP Tea (India) Ltd] ("the Company") for the quarter and year ended 31st March, 2020, 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"), read with SEBI Circular No. CIR/CFD/CMDI/80/2019 dated July 19, 2019 ("the Circular").

In our opinion and to the best of our information and according to the explanations given to us, except to the effects of the matter described in the Basis for Qualified Opinion section of our report, the Statement:

- a) are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard, read with SEBI Circular No. CIR/CFD/CMDI/80/2019 dated July 19, 2019; and
- b) give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards and other accounting principles generally accepted in India of the loss and other comprehensive income and other financial information for the quarter and the year ended on 31st March, 2020.



2. Basis for Qualified Opinion

The Company has not provided liability on account of terminal benefits (gratuity) in accordance with Ind AS 19 "Employees Benefit" amounting to Rs. 291.83 Lakhs including Rs. 35.31 Lakhs for the year, in the financial results, which constitutes a departure from the Indian Accounting Standards prescribed in section 133 of the Companies Act, 2013 ("the Act").

As a consequence had the effect been given, the outstanding amount of the provisions in the financial results would have increased by Rs. 291.83 Lakhs as at March 31, 2020, and loss for the year and retained earnings under other equity would have increased by Rs. 35.31 Lakhs, and Rs. 291.83 Lakhs respectively.

We conducted our audit of the Statement 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 Responsibilities for the Audit of the 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 results 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 Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for qualified opinion.

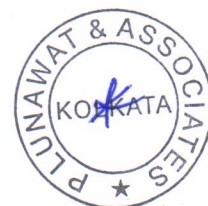
3. Emphasis of Matters

We draw attention to the following note in the Financial Results:

- i. The Company has not appointed a whole-time Company Secretary as required under the provisions of section 203 of the Companies Act, 2013.
- ii. Balances of Trade Receivables, Other Receivables, Advances, Trade Payables and Other Current Liabilities are subject to confirmation by the parties and include some old items pending reconciliation.

We also invite attention to Note No. 7 of the Statement which describes the impact of COVID-19, a global pandemic, on the operations and financial matters of the Company.

Our opinion is not modified in respect of these matters.



4. Management's Responsibilities for the Financial Results

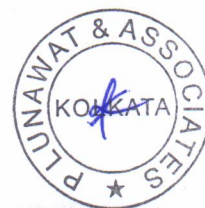
This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared on the basis of the related financial statements of the Company. The Company's Board of Directors are responsible for the preparation and presentation of the Financial Results 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, read with relevant rules issued there under 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 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 the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial results, 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 are also responsible for overseeing the Company's financial reporting process.

5. Auditor's Responsibilities for the Audit of the Financial Results

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



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 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, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the 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 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 financial results, including the disclosures, and whether the 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.

6. The financial results include the results for the quarter ended 31st March, 2020 being the derived figures 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 reviewed by us.

For P LUNAWAT & ASSOCIATES
Chartered Accountants
Firm Registration No.: 328946E



P LUNAWAT

(PANKAJ LUNAWAT)

Proprietor

Membership No. 067104

UID 20067104AAAAAY3601

Place: Kolkata

Date: 19th August, 2020

DURRUNG TEA ESTATE LIMITED
[FORMERLY SPBP TEA (INDIA) LIMITED]
Registered Office: Flat no 2C, Paramount Apartment, 25, Ballygunge Circular Road, Kolkata - 700019
CIN NO L01132WB1981PLC197045
Part 1: Statement of Audited Financial Results for the Quarter and Year ended 31st March, 2020

(Rs in Lakhs)

Sl. No.	PARTICULARS	Quarter ended			Year ended	
		31.03.2020	31.12.2019	31.03.2019	31.03.2020	31.03.2019
		(AUDITED)	(UNAUDITED)	(AUDITED)	(AUDITED)	(AUDITED)
1	Revenue from Operations	165.13	448.60	49.12	1,340.83	1,379.06
2	Other Income	(2.06)	2.44	1.36	2.51	2.15
3	Total Income	163.07	451.04	50.48	1,343.34	1,381.21
4	Expenses					
	a) Cost of Materials Consumed	-	-	-	1.41	4.91
	b) Changes in Inventories of Finished Goods	168.33	26.61	38.66	13.07	18.33
	c) Employee Benefits Expense	163.28	245.52	74.06	852.92	881.04
	d) Power & Fuel	16.03	59.11	19.32	220.07	185.85
	e) Finance Costs	11.96	11.77	0.81	43.16	53.63
	f) Depreciation & Amortisation Expense	17.30	12.62	16.70	60.19	60.70
	g) Other Expenses	26.45	56.52	47.99	200.35	213.27
	Total Expenses	403.35	412.15	197.53	1,391.17	1,417.72
5	Profit/(Loss) before tax (3-4)	(240.28)	38.89	(147.06)	(47.83)	(36.52)
6	Tax Expense					
	a) Current Tax	(19.65)	5.09	(16.91)	-	-
	b) Tax for earlier years	0.04	-	-	0.04	-
	c) Deferred Tax	1.53	(0.18)	34.57	0.22	17.22
	Total Tax Expenses	(18.08)	4.91	17.66	0.26	17.22
7	Net Profit/(Loss) for the period/year (5-6)	(222.20)	33.98	(164.73)	(48.09)	(53.75)
8	Other Comprehensive Income					
	A) i) Items that will not be reclassified to profit or loss	-	(1.76)	(11.70)	(6.55)	(11.70)
	ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-
	B) i) Items that will be reclassified to profit or loss	-	-	-	-	-
	ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-
	Total Other Comprehensive Income (Net of tax)	-	(1.76)	(11.70)	(6.55)	(11.70)
9	Total Comprehensive Income for the Period/Year (7+8)	(222.20)	32.22	(176.43)	(54.64)	(65.44)
10	Paid-up Equity Share Capital (Face Value of Rs.10/- each)	93.72	93.72	93.72	93.72	93.72
11	Reserves excluding Revaluation Reserves	-	-	-	96.97	151.63
12	Earnings Per Share (of Rs. 10/- each) (not annualised)					
	Basic (in Rs.)	(23.71)	3.63	(17.58)	(5.13)	(5.73)
	Diluted (in Rs.)	(23.71)	3.63	(17.58)	(5.13)	(5.73)



DURRUNG TEA ESTATE LIMITED
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Registered Office: Flat no 2C, Paramount Apartment, 25, Ballygunge Circular Road, Kolkata - 700019
CIN NO L01132WB1981PLC197045
Part 1: Statement of Audited Financial Results for the Quarter and Year ended 31st March, 2020

Notes:

- 1) In Tea business the value of consumption of raw materials includes green leaf purchased from the parties. As the production of green leaf (Raw materials consumed by the Company for manufacture of Tea) is also from the Company's own estate and involves integrated process having various stages as nursery, planting, cultivation etc. their values at the intermediate stages could not be ascertained.
 - 2) Segment Reporting as defined in Indian Accounting Standard-108 is not applicable since the operation of the Company relates to only one segment i.e. "Manufacturing and Sale of Tea".
 - 3) The above Audited Financial Results for the quarter and the year ended 31st March, 2020 were reviewed and recommended by the Audit Committee and approved by the Board of Directors of the Company at their respective meetings held on 19th August, 2020.
 - 4) The financial results have been audited by the Statutory Auditors as required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
 - 5) The financial results have been prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable.
 - 6) Figures for the quarter ended 31st March, 2020 are the balancing figures between the Audited figures for the year ended 31st March, 2020 and the unaudited published figures upto the end of the nine months ended 31st December, 2019.
 - 7) The outbreak of Coronavirus (COVID-19) globally and in India has impacted business and economic activities in general. The spread of COVID-19, along with nationwide lockdown starting from 25th March, 2020, has caused serious threat to human lives and resulted in reduction in global demand and disruption in supply chain, which has forced the business to restrict or close the operations in short term. The Company is engaged in manufacturing of Tea. Due to lockdown, the Company's Tea garden suspended its operations. Though the demand for the products of the Company persists but due to lockdown restrictions, consumption of the product has been reduced. However, employees of the Company have been allowed with the facility to work from home, wherever possible.
- The Company has assessed internal and external information up to the date of approval of financial results while reviewing the recoverability of assets & financial resources, performance of contractual liability & obligations, ability to service the debt & liabilities. Based on such assessment, the Company expects to fully recover the carrying amount of the assets and comfortably discharge its debt & obligations. Hence, the management does not envisage any material impact on its financial position. However, it will continue to closely monitor any material changes to future economic condition as the COVID-19 situation continues to evolve in India and globally.
- 8) In Pursuance of Section 115BAA of the Income Tax Act, 1961 announced by Government of India through Taxation Laws (Amendment) Ordinance, 2019, the Company has an irrevocable option of shifting to a lower tax rate and simultaneously forgoe certain tax incentives including loss of the accumulated MAT credit. The Company has not exercised this option in the current period due to unutilised MAT credit available in the books.
 - 9) The name of the Company has been changed from SPBP Tea (India) Limited to Durrung Tea Estate Limited with effect from 12th March, 2019 vide Certificate of Incorporation pursuant to change of name issued by the Registrar of Companies (ROC), Kolkata.
 - 10) The Company has not appointed a whole-time Company Secretary as required under the provisions of section 203 of the Companies Act, 2013 due to non availability of suitable candidate for the position during the year.
 - 11) Balances of Trade Receivables, Other Receivables, Advances, Trade Payables and Other Current Liabilities are subject to confirmation by the parties and include some old items pending reconciliation.
 - 12) Figures for the previous period/year have been re-arranged/re-grouped wherever found necessary.

Place: Kolkata
Date: 19th August, 2020



By Order of the Board of Directors


Mritunjay Jalan
(Managing Director)
DIN No: 07259366

DURRUNG TEA ESTATE LIMITED
[FORMERLY SPBP TEA (INDIA) LIMITED]

PART 2: STATEMENT OF ASSETS AND LIABILITIES

	(Rs. In Lakhs)
	As at
	31st March, 2020
	As at
	31st March, 2019
ASSETS	
Non-Current Assets	
(a) Property, Plant and Equipment	885.69
(b) Goodwill	22.53
(c) Other Intangible Assets	1.33
(d) Financial Assets	
(i) Investments	2.77
(iii) Other Financial Assets	23.89
(e) Deferred Tax Asset (Net)	10.36
(f) Other Non-Current Assets	3.28
Total Non - Current Assets	949.85
Current Assets	
(a) Inventories	201.74
(b) Biological Assets other than Bearer Plants	-
(b) Financial Assets	
(i) Trade Receivables	29.34
(ii) Cash and Cash Equivalents	38.70
(iii) Loans	597.30
(iv) Other Financial Assets	27.49
(c) Other Current Assets [Refer Note 11]	86.24
Total Current Assets	980.81
Total Assets	1,930.66
EQUITY AND LIABILITIES	
Equity	
(a) Equity Share Capital	93.72
(b) Other Equity	96.97
Total Equity	190.69
Liabilities	
Non-Current Liabilities	
Financial Liabilities	
Borrowings	19.60
Total Non- Current Liabilities	19.60
Current Liabilities	
(a) Financial Liabilities	
(i) Borrowings	1,429.70
(ii) Trade Payables	
Total outstanding dues of Micro and Small Enterprises	
Total outstanding dues of creditors other than Micro and Small Enterprises	92.27
(iii) Other Financial Liabilities	56.23
(b) Other Current Liabilities [Refer Note 11]	105.46
(c) Provisions	36.71
Total Current Liabilities	1,720.37
Total Equity and Liabilities	1,930.66

Place: Kolkata
Date: 19th August, 2020



By Order of the Board of Directors

Mritunjay Jalan
(Director)
DIN No: 07259366



DURRUNG TEA ESTATE LIMITED
[FORMERLY SPBP TEA (INDIA) LIMITED]
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

	(Rs in lacs)	
	For the year ended 31st March, 2020	For the year ended 31st March, 2019
A. Cash Flow from Operating Activities :		
Net Profit/(Loss) before tax	(47.83)	(36.52)
Adjustments for :		
Depreciation and Amortisation Expense	60.19	60.70
Interest Charged	43.16	53.63
Liabilities Written Back	(2.43)	(0.08)
Changes in fair value of Biological Assets	3.33	0.93
Loss on sale of Fixed Assets	-	6.14
Interest Income	(0.08)	(2.04)
Operating Profit/(Loss) before Working Capital Changes	104.17	119.28
	56.34	82.76
Adjustments For Changes In Working Capital :		
Trade & Other Receivables	(69.85)	(329.49)
Inventories	4.52	60.21
Trade & Other Payables	(32.38)	45.47
Net Cash Flow/(Outflow) Before Tax	(41.37)	(223.80)
Tax Refund / (Paid)	(7.12)	(0.20)
Net Cash Inflow/(Outflow) from Operating Activities (A)	(48.49)	(141.25)
B. Cash Flow from Investing Activities		
Purchase of Plant and Machinery and Vehicles	(52.84)	(51.14)
Sales proceeds from Vehicles	-	7.00
Interest Received	0.08	2.04
Net Cash Inflow/(Outflow) Investing Activities (B)	(52.76)	(42.10)
C. Cash Flow from Financial Activities :		
Repayment of long term Borrowings	(8.88)	(8.87)
Proceeds from Long Term Borrowings	191.39	228.89
Finance cost Paid	(43.16)	(53.63)
Net Cash Inflow/(Outflow) Financing Activities (C)	139.34	166.39
Net Increase/(Decrease) in Cash & Cash Equivalents (A + B + C)	38.09	(16.96)
Cash & Cash Equivalents Opening Balance	0.61	17.57
Cash & Cash Equivalents Closing Balance	38.70	0.61
Cash & Cash Equivalents consists of :		
Cash in hand	28.98	0.08
Balances with Bank	9.72	0.53
	38.70	0.61

NOTE : Figures in bracket represent outflow.

1. The above Statement of Cash Flows has been prepared under the "Indirect Method" as set out in the Ind AS- 7 on Statement of Cash Flows.

