

**ANNUAL REPORT 2020-21**



**BHATKAWA TEA INDUSTRIES LIMITED**



# BHATKAWA TEA INDUSTRIES LIMITED

CIN : L01132WB1911PLC002077

## ANNUAL REPORT AND ACCOUNTS 2020-21

### CONTENTS

1. Notice of Annual General Meeting	-	2
2. Directors' Report	-	15
3. Independent Auditors' Report	-	36
4. Balance Sheet	-	44
5. Statement of Profit & Loss	-	45
7. Cash Flow Statement	-	47
8. Notes to Financial Statement	-	49

### BOARD OF DIRECTORS :

Padmanabh Jalan  
Rashmi Chitlangia  
Alok Gupta  
Krishna Prasad Bagaria

### KEY MANAGERIAL PERSONNEL :

Krishnendu Basu - CFO  
Dharini Mehta - Company Secretary

### AUDITORS :

M/s. Das & Prasad  
Chartered Accountants  
4, Chowringhee Lane  
Kolkata - 700 016

### GARDEN :

Bhatkawa Tea Estate  
P.O. Garopara  
Dist. Alipurduar  
West Bengal

### MAIN BANKERS :

State Bank of India

### REGISTRARS & SHARE TRANSFER AGENTS

S. K. Infosolutions Pvt. Ltd.  
D/42, Katju Nagar, Jadavpur  
Kolkata - 700 032  
Phone : 033-2412 0027 / 29  
E-mail : contact@skcinfo.com  
Website : www.skcinfo.com

### REGISTERED OFFICE :

NICCO HOUSE, 6TH FLOOR  
2, Hare Street, Kolkata - 700 001  
Phone : 2248 9916 / 5422  
Fax : 2248-5362  
E-mail : contact@bhatkawa.com  
Website : www.bhatkawatea.com

## BHATKAWA TEA INDUSTRIES LIMITED

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### NOTICE

NOTICE is hereby given that the Annual General Meeting (AGM or Meeting) of the members of BHATKAWA TEA INDUSTRIES LIMITED will be held on 20th September, 2021, Monday at 12:00 PM through Video Conferencing (VC) for which purpose the Registered Office of the Company situated at 6th Floor, Nicco House, 2 Hare Street, Kolkata - 700 001 shall be deemed as the venue for the Meeting and the proceedings of the AGM shall be deemed to be made thereat, to transact the following business:

#### ORDINARY BUSINESS:

1. To consider and adopt the audited financial statement of the Company for the financial year ended 31st March, 2021 and the reports of Board of Directors and Auditors thereon and in this regard pass the following resolution as Ordinary Resolution:

**"RESOLVED THAT** the audited financial statement of the Company for the financial year ended 31st March, 2021 and the reports of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted."

2. To declare a Dividend on equity shares for the financial year ended 31st March, 2021 and, in this regard, pass the following resolution as Ordinary Resolution:

**"RESOLVED THAT** a dividend at the rate of Re.1/- (Rupee one only) per equity share of Rs. 10/- (Ten rupees) each fully paid-up of the Company be and is hereby declared for the financial year ended 31st March, 2021 and the same be paid as recommended by the Board of Directors of the Company, out of the profits of the Company for the financial year ended 31st March, 2021."

3. To appoint a Director in place of Mr. Padmanabh Jalan (DIN 01651268) who retires by rotation and being eligible, offers himself for re-appointment.

#### SPECIAL BUSINESS:

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

**"RESOLVED THAT** Mr. Krishna Prasad Bagaria, (DIN: 00938163) who was appointed as an Additional Director of the company by the Board of Directors with effect from 13th November, 2020 under the provisions of section 161 of the Companies Act, 2013 and pursuant to the Articles of the Association of the Company and who holds office up to the date of this Annual General Meeting and who is eligible for appointment and has given consent to act as a Director of the company and in respect of whom the company has received a Notice in writing from a member U/s. 160 of the Act, proposing his candidature for office of Director, be and is hereby appointed as Director of the Company.

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

**"RESOLVED THAT** pursuant to the provisions of sections 149, 152, Schedule IV and other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Qualifications of Directors) Rules 2014 (Including any modifications or re-enactment thereof for the time being in force) and applicable provisions of the Securities and Exchange Board of India (LODR) Regulations, 2015, as amended from time to time, Mr. Krishna Prasad Bagaria, (DIN: 00938163) a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149 (6) of the Act and who is eligible for appointment, be and is hereby appointed as independent Director of the Company, not liable to retire by rotation, to hold office for a term of 5 (five) consecutive years from 21st September, 2021 up to 20th September, 2026.

## BHATKAWA TEA INDUSTRIES LIMITED



"RESOLVED FURTHER THAT the Board of Directors of the Company and / or Company Secretary of the Company, be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

By order of the Board  
For BHATKAWA TEA INDUSTRIES LTD  
**Dharini Mehta**  
Company Secretary  
(ACA-26814)

Place: Kolkata  
Date: 14th August, 2021

### NOTES & INFORMATION TO SHAREHOLDERS

1. In view of the current extraordinary circumstances due to COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/ 2020 (dated April 8, 2020), Circular No.17/2020 (dated April 13, 2020) Circular No. 20/2020 (dated 5th May, 2020), and Circular No. 02/2021 (dated January 13, 2021) (Collectively referred to as MCA Circulars), issued by the Ministry of Corporate Affairs (MCA) physical attendance of the Members to the Annual General Meeting (AGM) venue is not required and AGM be held through Video Conferencing (VC) or Other Audio Visual Means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC and Members of the Company joining through VC shall be reckoned for the purpose of quorum under Section 103 of the Act. Further, all resolutions in the meeting shall be passed through the facility of e-Voting/ electronic system.
2. In line with the MCA General Circulars dated 5th May, 2020 and 13th January, 2021 and SEBI circulars dated 12th May, 2020 and 15th January, 2021, the Notice of the AGM along with the Annual Report for the Financial Year 2020-2021 is being sent only through electronic mode to those Members whose email addresses are registered with the company / RTA / Depositories. A copy of the Notice of this AGM along with the Annual Report is available on the website of the Company at [www.bhatkawatea.com](http://www.bhatkawatea.com). For any communication, the Members may also send a request to the Company's e-mail id: [contact@bhatkawa.com](mailto:contact@bhatkawa.com). The Company will not be dispatching physical copies of the Annual Report for the Financial Year 2020-2021 and the Notice of AGM to any Member.
3. PURSUANT TO THE PROVISIONS OF THE ACT, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS / HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. SINCE THIS AGM IS BEING HELD PURSUANT TO THE MCA AND SEBI CIRCULARS THROUGH VC/OAVM, THE REQUIREMENT OF PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, IN TERMS OF THE MCA CIRCULARS, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE FOR THIS AGM AND HENCE THE PROXY FORM AND ATTENDANCE SLIP ARE NOT ANNEXED TO THIS NOTICE.

Corporate / Institutional Members (i.e. other than individuals / HUF, NRI, etc.) are entitled to appoint authorised representatives to attend the AGM through VC / OAVM on their behalf and cast their votes through remote e-voting or at the AGM.

Corporate/Institutional Members intending to authorise their representatives to participate and vote at the Meeting are requested to send a certified scanned copy of the Board Resolution / Authorisation letter to the Scrutinizer at the email ID: [pcsmonalisa16@gmail.com](mailto:pcsmonalisa16@gmail.com) with a copy marked to the Company at [contact@bhatkawa.com](mailto:contact@bhatkawa.com), authorising its representative(s) to attend and vote through VC / OAVM on their behalf at the Meeting, pursuant to Section 113 of the Act.

## **BHATKAWA TEA INDUSTRIES LIMITED**

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### **4. CLOSURE OF REGISTER OF MEMBERS**

Register of members and the Transfer Books of the company will be closed for the purpose of dividend and AGM from Thursday, 16th September, 2021 to Monday, 20th September, 2021 (both days inclusive).

### **5. DIVIDEND**

The dividend, as recommended by the Board of Directors, if approved at the Annual General Meeting, would be paid subject to deduction of tax at source, as may be applicable, after Monday, 20 th September, 2021, to those shareholders or their mandates:

- (a) whose names appear as Beneficial Owners as at the end of the business hours on Wednesday, 15th September, 2021 in the list of Beneficial Owners to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in electronic form; and
- (b) whose names appear as Members in the Register of Members of the Company as at the end of the business hours on Wednesday, 15th September, 2021 in respect of the shares held in physical form, after giving effect to valid request(s) received for transmission/ transposition of shares.

### **6. TDS ON DIVIDEND**

Pursuant to the Income-tax Act, 1961, as amended by the Finance Act, 2020, dividend income will be taxable in the hands of Members with effect from 1st April, 2020 and therefore, the Company shall be required to deduct tax at source (TDS) from dividend paid to Members at the prescribed rates. Members are requested to update their Permanent Account Number ("PAN") with the Company / S.K.Infosolution Pvt. Ltd. (in case of shares held in physical mode) and depositories (in case of shares held in demat mode).

For Resident Shareholders, tax shall be deducted at source under Section 194 of the Income-tax Act, 1961 @ 10% on the amount of Dividend declared and paid by the Company during the Financial Year ("FY") 2021-22 provided PAN is furnished by the Shareholder. If PAN is not submitted, TDS would be deducted @ 20% as per Section 206AA of the Income-tax Act, 1961.

However, no Tax shall be deducted on the Dividend payable to a resident Individual if the total dividend to be received during FY 2021-22 does not exceed Rs. 5,000. Please note that this includes the future dividends, if any, which may be declared by the Board in the FY 2021-22.

Separately, in cases where the Shareholder provides Form 15G (applicable to any person other than a Company or a Firm) / Form 15H (applicable to an Individual above the age of 60 years), no tax at source shall be deducted provided that the eligibility conditions are being met. Needless to say, PAN is mandatory. Members are requested to note that in case their PAN is not linked with Aadhar, tax will be deducted at a higher rate of 20%.

Additional information in connection to TDS on dividend, including taxability of non-resident shareholders, and newly introduced Section 206AB of the Income tax Act, 1961 can be accessed at the Company's web link: [www.bhatkawatea.com](http://www.bhatkawatea.com).

### **7. ELECTRONIC CREDIT OF DIVIDEND**

The Securities and Exchange Board of India ("SEBI") has made it mandatory for all companies to use the bank account details furnished by the Depositories and the bank account details maintained by the Registrar and Transfer Agents for payment of dividend to Members electronically. The Company has extended the facility of electronic credit of dividend directly to the respective bank accounts of the Member(s) through the Electronic Clearing Service (ECS) / National Electronic Clearing Service (NECS) / National Electronic Fund Transfer (NEFT) / Real Time Gross Settlement (RTGS) / Direct Credit, etc.



Members holding shares held in electronic form may please note that their bank details as furnished by the respective Depositories to the Company will be considered for remittance of dividend as per the applicable regulations of the Depositories and the Company will not be able to accede to any direct request from such Members for change / addition / deletion in such bank details. Accordingly, the Members holding shares in demat form are requested to update their Electronic Bank Mandate with their respective DPs.

Further, please note that instructions, if any, already given by the Members in respect of shares held in physical form, will not be automatically applicable to the dividend paid on shares held in electronic form.

The Members who are unable to receive the dividend directly in their bank accounts through Electronic Clearing Service or any other means, due to non-registration of the Electronic Bank Mandate, the Company shall dispatch the dividend warrant /bankers' cheque / demand draft to such Members by post / courier once the normalcy is restored in view of the outbreak of COVID-19 pandemic.

Complete process for registering the Bank Mandate along with the form is available on the Company's web link: [www.bhatkawatea.com](http://www.bhatkawatea.com).

**8. CUT-OFF DATE**

The cut-off date for the purpose of ascertaining the members for purpose of payment of dividend and for voting rights would be Wednesday, 15th September, 2021.

**9. TRANSFER OF SHARES PERMITTED IN DEMAT FORM ONLY**

As per Regulation 40 of the Listing Regulations as amended, securities of listed companies can be transferred only in dematerialised form with effect from 1st April, 2019, except in case of request received for transmission or transposition of securities.

In view of the above and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holdings to dematerialised form. Members are accordingly requested to get in touch with any Depository Participant having registration with SEBI to open a Demat account or alternatively, contact the RTA, M/s. S. K. Infosolutions Pvt. Ltd. to seek guidance with respect to the demat procedure. Members may also visit the website of depositories viz. National Securities Depository Limited: <https://nsdl.co.in/faqs/faq.php> or Central Depository Services (India)Limited: <https://www.cdslindia.com/investors/open-demat.html>.

**10. NOMINATION OF SHARES**

Members can avail of the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of 72 of the Companies Act, 2013 read with Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014. Members desiring to avail of this facility may send their nomination in the prescribed Form No. SH-13 duly filled in to the RTA M/s. S. K. Infosolution Pvt. Ltd. having their office at D/42, Katju Nagar, Ground Floor, Jadavpur, Kolkata - 700 032. Members holding shares in electronic form may contact their respective Depository Participants for availing this facility.

If a member desires to cancel the earlier nomination and record fresh nomination, he / she may submit the same in Form No. SH-14. Both the forms are also available on the Company's website at the web-link: [www.bhatkawatea.com](http://www.bhatkawatea.com).

**11. TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND**

Members are hereby informed that pursuant to the provisions of Section 124 and 125 of the Companies Act, 2013 read with the Investor Education & Protection Fund Authority (Accounting, Audit, Transfer and Refund)

## **BHATKAWA TEA INDUSTRIES LIMITED**

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Rules 2016 applicable w.e.f 7th September, 2016, the Company is obliged to transfer any money lying in the Unpaid Dividend Account, which remains unpaid or unclaimed for a period of seven years from the date of such transfer to the Unpaid Dividend Account, to the credit of Investor Education & Protection Fund (the fund) established by the Central Government.

As per the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, (hereinafter referred to as the IEPF Rules, 2016) read with Section 124 of the Companies Act, 2013, in addition to the transfer of the unpaid or unclaimed dividend to Investor Education and Protection Fund (hereinafter referred to as "IEPF"), the Company shall be required to transfer the underlying shares on which dividends have remained unpaid or unclaimed for a period of seven consecutive years to IEPF Demat Account.

In accordance with the aforesaid IEPF Rules, the Company has regularly sent communication to all such shareholders whose dividends are lying unpaid / unclaimed against their name for seven consecutive years or more and whose shares are due for transfer to the IEPF Authority and has also published notice(s) in leading newspapers in English and regional language having wide circulation.

The details of such dividends / shares and other unclaimed moneys to be transferred to IEPF are uploaded on the website of the Company at the web-link: [www.bhatkawatea.com](http://www.bhatkawatea.com).

Shareholders are informed that once the unpaid/ unclaimed dividend or the shares are transferred to IEPF, the same may be claimed by the Members from the IEPF Authority by making an application in prescribed Form IEPF-5 online and sending the physical copy of the same duly signed (as per the specimen signature recorded with the Company) along with requisite documents as specified in Form IEPF-5 which is available on the website of IEPF at [www.iepf.gov.in](http://www.iepf.gov.in).

### **12. MATTERS OF SPECIAL BUSINESS AND EXPLANATORY STATEMENT**

As per the provisions of Clause 3.A.II. of the General Circular No. 20/ 2020 dated May 5, 2020, the matters of Special Business as appearing at Item Nos. 4 and 5 of the accompanying Notice, are considered to be unavoidable by the Board and hence, forming part of this Notice.

The explanatory statement pursuant to section 102 of the Companies Act, 2013, in respect of the business under item no's 4 and 5 is annexed hereto and forms part of this Notice.

### **13. MEMBERS ARE REQUESTED TO:**

- (a) intimate to RTA, M/s. S. K. Infosolution Pvt. Ltd., changes, if any, in their registered addresses / bank mandates at an early date, in case of shares held in physical form;
- (b) intimate to respective Depository Participant, changes, if any, in their registered addresses / bank mandates at an early date, in case of shares held in electronic / dematerialised form;
- (c) quote their folio numbers / Client ID and DP ID in all correspondence;
- (d) consolidate their holdings into one folio in case they hold shares under multiple folios in the identical order of names;
- (e) register their Permanent Account Number(PAN) with their Depository Participants, incase of Shares held in dematerialised form and RTA, M/s. S. K. Infosolution Pvt. Ltd. / Company, in case of Shares held in physical form, as directed by SEBI, and
- (f) to support the Green Initiative by registering / updating their e-mail addresses, with the Depository Participant (incase of Shares held in dematerialised form) or by writing to RTA, M/s. S.K. Infosolution Pvt. Ltd. (in case of Shares held in physical form).



**14. UPDATION OF MEMBER'S DETAILS**

The format of the Register of Members prescribed by the Ministry of Corporate Affairs under the Companies Act, 2013 requires the Company / Registrar and Transfer Agents to record additional details of Members, including their PAN details, e-mail address, bank details for payment of dividend, etc. A form for compiling additional details is available on the Company's website at the web-link: [www.bhatkawatea.com](http://www.bhatkawatea.com).

**15. PROCEDURE FOR INSPECTION OF DOCUMENTS**

The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of Companies Act, 2013 and relevant documents referred to in this Notice of AGM and Explanatory Statement, will be available electronically for inspection by the Members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the Members from

the date of circulation of this Notice up to the date of AGM, i.e. 20th September, 2021. Members seeking to inspect such documents can send an email to Company's investor email id: [contact@bhatkawa.com](mailto:contact@bhatkawa.com).

**16. MEMBER'S QUERIES & SPEAKER REGISTRATION**

Members desiring any additional information or having any question or query pertaining to the business to be transacted at the AGM are requested to send the same at the Registered Office of the Company at Nicco House, 2 Hare Street, 6th Floor, Kolkata - 700 001 or write from their registered e-mail addresses, mentioning their name, DP ID and Client number / folio number and mobile number to the Company's email [contact@bhatkawa.com](mailto:contact@bhatkawa.com) so as to reach the Company at least seven days in advance of the Meeting to enable the management to keep the information ready. The queries may be raised precisely and in brief to enable the Company to answer the same suitably depending on the availability of time at the AGM. Please note that Members' questions will be answered only if they continue to hold shares as on the cut-off date.

Also, members of the Company, holding shares as on the cut-off date i.e. Wednesday, 15th September, 2021 and who would like to speak or express their views may register as speakers by sending a request to the Company. Those Members who have registered themselves as a speaker will only be allowed to speak / express their views / ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time at the AGM.

17. All NRI members of the Company are hereby requested to get their Indian Postal Addresses, e-mail id's and bank details with their NRI / NRE account nos. registered with their respective DP's / RTA of the Company, so as to facilitate to provide smooth, faster, cost effective and proper service to them by the Company.

18. In terms of the provisions of Section 107 of the Companies Act, 2013 e-voting is being offered in respect of the resolutions set out in this Notice. Those Members who will be present in the AGM through VC facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system in the AGM. The voting rights of the Members shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date i.e., Wednesday, 15th September, 2021.

**19. THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING**

The remote e-Voting period begins on Friday, 17th September, 2021 at 10:00 A.M. and ends on Sunday, 19th September, 2021 at 5:00 P.M. The remote e-Voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members/ Beneficial Owners as on the record date (cut-off date) i.e. 15th September, 2021 may cast their vote electronically. The voting right of Shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 15th September, 2021.

## BHATKAWA TEA INDUSTRIES LIMITED

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How do I vote electronically using NSDL e-Voting system?

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

**Step 1:** Access to NSDL e-Voting system

- A) Login method for e-Voting and joining virtual meeting for Individual Shareholders holding securities in demat mode -

In terms of SEBI circular dated 9th December, 2020 on e-Voting facility provided by Listed 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:

- (I) Individual Shareholders holding securities in demat mode with NSDL.
1. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <https://eservices.nsdl.com/> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under "IDeAS" section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on options available against Company name or e-Voting service provider-NSDL and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
  2. If the user is not registered for IDeAS e-Services, option to register is available at <https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp>
  3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> on a Personal Computer or on a mobile. Once the homepage of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder / Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held 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 options available against Company name or e-Voting service provider- 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.
- (II) Individual Shareholders holding securities in demat mode with CDSL
1. Existing users who have opted for Easi/Easiest, they can login through their user id and password. Option will be made available on each e-Voting page without any further authentication. The URL for users to login to Easi/Easiest are <https://web.cdslindia.com/myeasi/home/login> or [www.cdslindia.com](http://www.cdslindia.com) and click on New System Myeasi.
  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 e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote.

3. If the user is not registered for Easi/Easiest, option to register is available at <https://web.cdslindia.com/myeasi/Registration/EasiRegistration>.
4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN from a link in [www.cdslindia.com](http://www.cdslindia.com) home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.

(III) 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. Once login, you will be able to see e-Voting option. Once you 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 options available against Company name or e-Voting service provider- 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	Help desk 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 224 430
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 022-2305 8738 or 022-2305 8542/43

- B) 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-in to 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 'Shareholder / Member' section.
3. A new screen will open. You will have to enter your User ID, your Password / OTP 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.

## BHATKAWA TEA INDUSTRIES LIMITED

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4. Your User ID details are given below:

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

5. Password details for Shareholders other than Individual Share holders 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' ?
  - (i) 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 'UserID' and your 'initial password'.
  - (ii) If your email ID is not registered, please follow steps mentioned below in process for those Shareholders who see mail IDs are not registered.

6. 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 or 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 etc.
- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

## BHATKAWA TEA INDUSTRIES LIMITED



7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

**Step 2:** Cast your vote electronically and join General Meeting on NSDL e-Voting system. How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step1, 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 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. as sent 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 success fully" will be displayed.
6. You can also take the print out 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, you will not be allowed to modify your vote.

### General Guidelines for Shareholders

1. Institutional Shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPGFormat) of the relevant Board Resolution / Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to pcsmonalisa16@gmail.com with a copy marked to evoting@nsdl.co.in.
2. 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.nsd.com](http://www.evoting.nsd.com) to reset the password.
3. 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.nsd.com](http://www.evoting.nsd.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30.
4. Mrs. Monalisa Datta, practicing Company Secretaries (Mem. No. FCS 30368) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
5. The Scrutinizer shall within a period not exceeding three(3) working days from the conclusion of the E-voting period unblock the votes in the presence of at least two(2) witnesses not in the employment of the company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
6. The Results shall be declared on or after the Annual General Meeting of the Company. The results declared along with the Scrutinizer's Report shall be placed on the website of NSDL within two (2) days of passing of the resolution at the Annual General Meeting of the Company and the same shall also be communicated to CSE Limited where the shares of the Company are listed.

## **BHATKAWA TEA INDUSTRIES LIMITED**

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Process for those Shareholders whose e-mail ID are not registered with the depositories for procuring user id and password and registration of email IDs for e-Voting for the resolutions set out in this notice and for obtaining Notice and Annual Report:

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) by e-mail to [contact@bhatkawa.com](mailto:contact@bhatkawa.com) or the [RTA skcdilip@gmail.com](mailto:RTA skcdilip@gmail.com).
2. In case shares are held in demat mode, please provide DPID-CLID (16-digit DPID+CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN(self attested scanned copy of PAN card), AADHAR(self attested scanned copy of Aadhar Card) to [contact@bhatkawa.com](mailto:contact@bhatkawa.com) or the [RTA skcdilip@gmail.com](mailto:RTA skcdilip@gmail.com). If you are an Individual Shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual Shareholders holding securities in demat mode.
3. Alternatively Shareholders/Members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user Id and password or e-Voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 one-Voting facility provided by Listed Companies, Individual Shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and e-mail ID correctly in their demat account in order to access e-Voting facility.

### **20. THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ Shareholders, who will be present in the AGM through VC facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.
5. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names, will be entitled to vote at the Meeting.

### **21. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC**

1. Member will be provided with a facility to attend the AGM through VC through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VCLink" placed under "Join General meeting" menu against Company name. You are requested to click on VC link placed under Join General Meeting menu. The link for VC will be available in Shareholder / Member login where the EVEN of Company will be displayed. Please note that the 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.

## BHATKAWA TEA INDUSTRIES LIMITED



2. Members are encouraged to join the Meeting through Laptops for better experience.
  3. Further Members will be required to allow Camera and use Internet with a goodspeed to avoid any disturbance during the meeting.
  4. Please note that participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio / Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
22. Since the AGM will be held through VC, the Route Map is not annexed in this Notice.

By order of the Board  
For BHATKAWA TEA INDUSTRIES LTD  
**Dharini Mehta**  
Company Secretary  
(ACA-26814)

Place: Kolkata  
Date: 14th August, 2021

### EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013

As required under Section 102 of the Companies Act, 2013 (as amended) (the "Act") the following Explanatory Statement sets out all material facts relating to the Special Businesses relating to Item No. 4 and 5 of the accompanying Notice dated, 14th August, 2021.

#### Item no. 4

On recommendation of the Nomination and Remuneration Committee, the Board of Directors appointed Krishna Prasad Bagaria, (DIN: 00938163) as Additional Director on 13.11.2020. He holds office up to the date of forthcoming Annual General Meeting u/s. 161 of the Companies Act, 2013. He is eligible for appointment and has consented to act as a Director of the Company. The Company has received a notice in writing from a member u/s. 160 of the Act proposing his candidature for the office of the Director. The requisite deposit has been received. His details are given as under:

<b>Particulars</b>	<b>Appointment</b>
Name	Krishna Prasad Bagaria
DIN	00938163
Date of Birth	24.05.1960
Date of Appointment	13.11.2020
Qualification	Graduation/Bachelor
Experience	10 years in Jute Industry
Directorship of other Companies (Excluding foreign Companies and Private Limited Companies)	1. M/s. Kirti Industrial Company Ltd (Director since 04.08.1987) 2. M/s. Bagaria Trafin Pvt. Ltd (Director since 06.07.1995)
Chairman / Member of Committee of the Boards of Companies of which he is a Director	NIL
Shareholding in the Company (Nos.)	NIL

## **BHATKAWA TEA INDUSTRIES LIMITED**

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In view of the above, approval of members is sought through ordinary resolution. None of the Directors, Key Managerial Personnel and/ or their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution at item no. 4 of the accompanying Notice except Mr. Krishna Prasad Bagaria himself.

### **Item no. 5**

In compliance with the provisions of Section 149(4), the Board of Directors had decided to appoint Mr. Krishna Prasad Bagaria (DIN - 00938163) as Independent Director of the Company. Given his vast experience in the Tea industry the Board considers his appointment to be in the interest of the Company and recommends the resolution contained in Item No.5 of the convening notice for approval of the members as Special resolution. Mr. Bagaria's appointment will be up to 20th September, 2026 and his office shall not be considered to be liable to determination by retirement of directors by rotation.

None of the Directors, Key Managerial Personnel and / or their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution at item no. 5 of the accompanying Notice except Mr. Krishna Prasad Bagaria himself.

By order of the Board  
For BHATKAWA TEA INDUSTRIES LTD  
**Dharini Mehta**  
Company Secretary  
(ACA-26814)

Place: Kolkata  
Date: 14th August, 2021

# BHATKAWA TEA INDUSTRIES LIMITED



## DIRECTORS' REPORT

TO THE MEMBERS

The Directors have pleasure in presenting the Annual Report and the Audited Accounts for the year ended 31st March, 2021 (Rs.)

FINANCIAL RESULTS	31st March 2021	31st March 2020
Gross Revenue	34,03,64,963	26,71,17,630
Profit before Depreciation Finance Cost & Taxation	9,04,61,792	2,27,84,300
Less: Depreciation & Amortization expenses	83,72,976	84,41,712
Finance Cost	20,01,372	19,90,902
Taxation (incl. Deferred Tax)	82,85,274	(1,27,17,111)
Profit after taxation	7,18,02,170	2,50,68,797
Other comprehensive income	1,77,44,395	(1,13,69,363)
Total Comprehensive income for the period	8,95,46,560	1,36,99,434

### BUSINESS REVIEW & PROSPECTS:

The company's manufactured own crop was 14.67 lakh kg against last year's own crop of 14.04 lakh kg. The Directors hope that with the present market trend and barring unforeseen circumstances, the company will show better result in the current year. The company has achieved the production of 6.61 lakh kg up to 31st July, 2021 which is higher than corresponding figures of the previous year.

### CHANGE(S) IN NATURE OF BUSINESS

There has been no change in the nature of business of the Company and it continues to concentrate on its own business with growth plans in short to medium terms.

### COVID-19

The year under review has been one of the most challenging years with the COVID-19 pandemic outbreak which began in the middle of March, 2020 continued to impact the economy throughout the financial year 2020-21. The year was full of uncertainties with slowdown in activities on the ground. There was a never seen before situation which brought the economic activities in the country to a virtual standstill.

Amidst these testing times our priority was the health and safety of our employees and their families. We acted quickly and decisively to ensure we could continue to work safely under changing local conditions and protocols. We resumed operations in a phased manner, and in accordance with the directives issued by the central and state governments, and district authorities. The health and safety measures undertaken by us to resume operations safely included issuing of safety guidelines for our staff, conducting regular fumigation of office premises, conducting thermal screening of people visiting our gardens and offices and providing masks and hand sanitisers at our offices.

With the availability of vaccines and also given the measures taken by the Government, the Company's management believes that any further impact due to the pandemic is unlikely and accordingly the management does not see any medium to long term risks in the Company's ability to continue as a going concern and meeting its liabilities as and when they fall due, and compliance with the debt covenants, as applicable.

### DIVIDEND

The Board of Directors of your Company are pleased to recommend a dividend of Re. 1/- per equity share (Previous

## **BHATKAWA TEA INDUSTRIES LIMITED**

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year - NIL) of face value of Rs. 10 each payable to those Members whose names appear in the Register of Members as on the Book Closure date. Dividend is subject to approval of Members at the ensuing Annual General Meeting and shall be subject to deduction of tax at source.

### **TRANSFER TO RESERVES**

The Board of Directors of your Company has decided not to transfer any amount to the Reserves for the year under review.

### **SHARE CAPITAL**

During the year under review there is no change in the issued, subscribed and paid-up share capital of the Company. The paid-up capital as on 31st March, 2021 stood at Rs. 2,24,00,000/- divided into 2240000 equity shares of Rs. 10/- each.

### **DEPOSITS**

As per Section 74 of the Companies Act, 2013 the Company has neither accepted nor renewed any deposits during the Financial Year.

### **TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND**

Unclaimed dividend amounting to Rs. 44,502/- for Financial Year 2012-13 was transferred to Investor Education & Protection Fund on 1st February, 2021. In terms of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended, the Company will be transferring the corresponding shares to the IEPF, where the dividends for the last seven consecutive years have not been claimed by the concerned shareholders.

Further, the unclaimed dividend in respect of Financial Year 2013-14 amounting to Rs. 81,201/- must be claimed by shareholders on or before 26th October, 2021, failing which the Company will be transferring the unclaimed dividend and the corresponding shares to IEPF within a period of 30 days from the said date.

### **DIRECTORS RESPONSIBILITY STATEMENT**

The Board of Directors states:

- That in the preparation of the Annual Accounts for the year ended 31st March, 2021, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- That the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent as to give a true and fair view of the state of affairs of the company at the end of the financial year ended 31st March, 2021 and the profit of the company for that period.
- That the Directors have 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.
- That the Directors had prepared the Annual Accounts for the year ended 31st March, 2021 on a going concern basis.
- That the Directors have laid down internal financial control to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- That the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

### **STATEMENT OF DECLARATION GIVEN BY THE INDEPENDENT DIRECTORS**

All the Independent Directors of the Company have given their respective declarations/disclosures under Section 149(7) of the Companies Act, 2013 ('Act') and Regulation 25(8) of the SEBI (Listing Obligations and Disclosure



Requirements) Regulations, 2015 ('Listing Regulations') and have confirmed that they fulfill the criteria of Independence as prescribed under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations, and have also confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence.

Further, the Board after taking these declarations/disclosures on record and acknowledging the veracity of the same, concluded that the Independent Directors are persons of integrity and possess the relevant proficiency, expertise and experience to qualify as Independent Directors of the Company and are Independent of the Management of the Company.

#### **MEETINGS OF INDEPENDENT DIRECTORS**

The Independent Directors met once during the year under review, on 13th February, 2021. The meeting was conducted in an informal manner without the presence of the Whole-time Director, the Non-Executive Non-Independent Directors, or any other Management Personnel.

#### **ANNUAL PERFORMANCE EVALUATION**

In terms of provisions of Companies Act, 2013 and Regulation 17 of the Listing Regulations, the Board has carried out the annual evaluation of its own performance and that of its Directors individually. The evaluation criteria as laid down by the Nomination and Remuneration Committee included various aspects of functioning of the Board such as composition, process and procedures including adequate and timely information, attendance, delegation of responsibilities, decision-making, roles and responsibilities including monitoring, benchmarking, feedback, stakeholder relationship and Committees.

The performance of individual Directors including the Chairman was evaluated on various parameters such as knowledge and experience, interest of stakeholders, time devoted etc. The evaluation of Independent Directors was based on aspects like participation in and contribution to the Board decisions, knowledge & experience and judgment.

#### **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

With great grief and pain the Board of Directors bid farewell to senior Director, Mr. Sunil Kumar Ganguly, who expired on 3rd May, 2021. The Board puts on record their appreciation for exemplary contribution of Mr. Ganguly in the progress of the Company.

The Board of Directors, in compliance with Section 161 of the Companies Act, 2013 and rules made thereunder, appointed Mr. Krishna Prasad Bagaria (DIN - 00938163) as an additional director w.e.f 13th November, 2020. He holds his office till the conclusion of the ensuing AGM and has submitted his consent for appointment as Independent Director of the Company for a period of 5 years. Members are requested to refer item no. 4 and 5 of the Notice of the Annual General Meeting for details. In accordance with the provisions of Section 152 of the Act, the Articles of Association of the Company and for the limited purpose of compliance of provisions relating to rotation of Directors, Mr. Padmanabh Jalan retires by rotation and being eligible offers himself for re-appointment.

Mr. Padmanabh Jalan, Wholetime Director along with Mr. K. Basu being the Chief Financial Officer and Mrs. Dharini Mehta the Company Secretary are the Key Managerial Personnel of the Company.

The Board confirms that it has the required number of Independent Directors as envisaged u/s 149(4) of the Act and Clause 49 of the Listing Agreement with CSE and Regulation 17 of SEBI (LODR) Regulations, 2015. A detail of composition of Board and Directors is given in the Report on Corporate Governance annexed to this report.

The Company has received declarations from all Independent Directors of the Company that they meet criteria of independence as stipulated u/s 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the SEBI (LODR) Regulations, 2015.

#### **AUDITORS**

M/s. Das & Prasad, Chartered Accountants, (Firm Registration No. 303054E) was appointed as the Statutory Auditor of the Company at the Annual General Meeting held on 25th September, 2017 for a period of 5 years. They have

## **BHATKAWA TEA INDUSTRIES LIMITED**

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submitted a certificate confirming that their appointment and continuance is in accordance with Section 139 read with Section 141 of the Companies Act, 2013 for the financial year 2021-2022.

The Auditors' Report annexed to the financial statement for the year under review does not contain any qualifications. Further no frauds have been reported under section 143(12) of the Companies Act, 2013 by the Auditors of the Company.

### **PARTICULAR OF EMPLOYEES**

There are no employees receiving remuneration mentioned under Section 197 (12) of the Companies Act, 2013 and the ratio of remuneration of Whole Time Director, Mr. Padmanabh Jalan (Rs.33,96,800/-), compares favourably to median employees' remuneration. The company has 1714 permanent employees on roles of the company. The percentile increases in salary of non-ManAGERIAL persons as against Managerial persons is fair.

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

The information on conservation of energy, technology absorption and foreign exchange / outgo stipulated under Sec. 134(3)(m) of the Act read with Rule 8(3) of the Companies (Accounts) Rule, 2014 is annexed as 'Annexure - A'.

### **SECRETARIAL AUDITOR**

Pursuant to the Provisions of Section 204 of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the company has appointed Mrs. Shiksha Bhavik Sheth, Practicing Company Secretary, to undertake the Secretarial Audit of the Company for the year 2020-21. The report of the secretarial auditor is annexed herewith as "Annexure - B" to this report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

In compliance with Section 204 of the Act, the Company has appointed Mrs. Shiksha Bhavik Sheth, Practicing Company Secretary as Secretarial Auditor for the financial year 2021-22.

### **INTERNAL AUDITORS**

During the year under review, M/s. B. Nath & Co., Chartered Accountants the internal auditors of the Company conducted periodic audits of the Company. The Audit Committee reviews the detailed Internal Audit reports submitted by the Internal Auditors and takes stock of the actions taken on observations of and recommendations made by them.

Your directors are confident that there are adequate internal control systems and procedures which are being followed and complied with.

### **PARTICULARS OF COMPLIANCE OF CONTRACTS OR ARRANGMENTS MADE WITH RELATED PARTIES**

All contracts / arrangements / transactions entered into by the Company during the Financial Year with Related Parties were in the ordinary course of business and on an arm's length basis. During the year under review, your Company had not entered into any contract/arrangement/transaction with related Parties which could be considered material in accordance with the Policy on Related Party Transactions. Pursuant to Section 134 (3) (h) read with Rule 8 (2) of the Companies (Accounts) Rules, 2014, there are no transactions to be reported under Section 188 (1) of the Companies Act, 2013. Accordingly, the disclosure of Related Party Transactions, as required under Section 134 (3) (h) of the Companies Act, 2013 in Form AOC-2 is not applicable to the Company.

The Policy on Related Party Transactions as approved by the Board of Directors of the Company is uploaded on the website of the Company and same can be accessed on the web-link: [www.bhatkawatea.com](http://www.bhatkawatea.com)

Further details on the transactions with Related Parties are provided in the accompanying Financial Statements.

### **MEETING OF THE BOARD & COMMITTEES**

The meeting dates are circulated in advance to the Directors. During the year nine Board Meetings, four Audit Committee meetings, one Nomination & Remuneration Committee meetings and one meeting of the Independent Directors were convened and held, the details of which are given in corporate governance report. Intervening gap between the meetings was within the period prescribed under the Act and the listing agreement.



**PARTICULARS OF LOAN, GUARANTEE OR INVESTMENT**

The particulars of loans, guarantees or investments made under section 186(4) of the Companies Act, 2013 are covered in the notes of the financial statements for the year ended 31st March, 2021.

**INTERNAL CONTROL SYSTEMS**

The Company has adequate system of internal controls that commensurate with the size and nature of business. Detailed procedures are in place to ensure that all assets are safeguarded and protected against loss, all transactions are authorised, recorded and appropriately reported. The Company has a process in place to continuously monitor the same and identify gaps, if any, and implement new and/or improved controls wherever the effect of such gaps would have a material effect on the Company's operations.

**RISK MANAGEMENT POLICY**

The Board has laid down a clear risk policy to identify potential business risk and installed effective mitigation process to protect the company's asset and business risk. Risk assessment in minimization plans are reviewed by the risk management committee of the Board on a periodic basis. The Risk Management Policy is available on the website of your Company.

**CORPORATE SOCIAL RESPONSIBILITY**

During the year under review your Company has made a profit before tax of Rs. 9.05 crores and accordingly pursuant to the provisions of Section 135 of the Companies Act, 2013 the provisions of Corporate Social Responsibility have become applicable to your Company in the current financial year. CSR is all about corporate giving back to the society and your Board of Directors reiterates the same view and thereby are fully committed in spending on the CSR expenditure. Accordingly, a comprehensive Corporate Social Responsibility policy has been drafted details of which are available on the website of the Company.

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

In accordance with the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, an analysis of the Company's performance is discussed in the Management Discussion and Analysis Report, annexed herewith as 'Annexure C' and which forms part of this Annual Report.

**CORPORATE GOVERNANCE**

Your Company practices a culture that is built on core values and ethical governance practices. Your Company is committed to transparency in all its dealings and places high emphasis on business ethics.

In accordance with the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Report on Corporate Governance, annexed herewith as 'Annexure D' along with a Certificate from Practising Company Secretary, Shiksha B Sheth, regarding compliance with the conditions of Corporate Governance as stipulated pursuant to said Regulation, annexed herewith as 'Annexure F' forms part of the Annual Report.

**CERTIFICATE REGARDING NON-DEBARMENT AND NONDISQUALIFICATION OF DIRECTORS FROM PRACTISING COMPANY SECRETARY**

A certificate issued by Shiksha B. Sheth, Practising Company Secretary, pursuant to Regulation 34(3) read with Clause 10 (i) of Paragraph C of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, certifying that none of the Directors on the Board of the Company as on 31st March, 2021, has been debarred or disqualified from being appointed or continuing as Directors of the companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such Statutory Authority is attached at the end of the Corporate Governance Report as 'Annexure E'.

## **BHATKAWA TEA INDUSTRIES LIMITED**

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### **ANNUAL RETURN**

Pursuant to Section 134(3)(a) and Section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, the Annual Return as on 31st March, 2020 in Form No. MGT-7, is available on the Company's website and can be accessed at the web-link: [www.bhatkawatea.com](http://www.bhatkawatea.com).

The Annual Return of the Company for the financial year ended 31st March, 2021 will be uploaded, once filed with the Ministry of Corporate Affairs.

### **COMPLIANCE WITH THE PROVISIONS OF SECRETARIAL STANDARD-1 AND SECRETARIAL STANDARD-2**

The Directors have 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.

The applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, have been duly complied with, by your Company.

### **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATOR OR COURTS**

No significant and material order has been passed by the regulator or courts or tribunal which would impact the going concern status of the company and its future operation.

### **VIGIL MECHANISM / WHISTLE BLOWER POLICY**

The Company promotes ethical behaviour in all its business activities and has established a vigil mechanism for its Directors, Employees and Stakeholders associated with the Company to report their genuine concerns. The Vigil Mechanism as envisaged in the Companies Act, 2013 and the Rules prescribed thereunder and the Listing Regulations is implemented through the Whistle Blower policy, to provide for adequate safeguards against victimisation of persons who use such mechanism and make provision for direct access to the Chairperson of the Audit Committee. The Audit Committee is apprised on the vigil mechanism on a periodic basis. During the year, no personnel have been denied access to the Audit Committee.

The Whistle Blower Policy has been appropriately communicated within the Company and is available on the website of your Company.

### **DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013**

The Company has always believed in providing a safe and harassment free workplace for every individual working in premises through various interventions and practices. The Company always endeavours to create and provide an environment that is free from discrimination and harassment including sexual harassment. The Directors of the company are responsible for prevention of harassment of employees and lays down the guidelines for identification, reporting and prevention of sexual harassment. There were no cases of sexual harassment received by the Company in 2020-21.

### **ACKNOWLEDGEMENTS**

Your Directors wish to place on record their grateful appreciation for the excellent support and co-operation received from all stakeholders, Banks, Financial Institutions and Investors, Government authorities, Stock Exchanges, Central and State Governments. Your Directors also wish to place on record their deep appreciation of the dedication and contributions made by employees, last but not the least the members of the Company at all levels and look forward to their continued and unstinted support in the future as well.

Place: Kolkata  
Date: 14th August, 2021

For and on behalf of the Board  
**Padmanabh Jalan**  
Wholetime Director  
(DIN: 01651268)



**ANNEXURE - A**

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

Particulars of Conservation of energy, Technology absorption and Foreign exchange earnings and outgo u/s 134 (3) (m) of the Companies Act 2013 read with Rule 8(3) of Companies (Accounts) Rules 2014 forming part of Directors' Report for the year ended 31st March, 2021.

**CONSERVATION OF ENERGY**

Energy conservation measures like installation of capacitors on motors, replacement of bulbs with energy saving lamps, optimized utilization of factory running hours and machinery usage to improve load factor to take advantage of minimum tariff rates were undertaken. Measures taken earlier by replacing aluminium withering fans with FRP fans requiring less horse power rated motors have achieved the required saving in energy use and cost in spite steep increase in grid tariff. This marked improvement has also been due to careful monitoring of power related components and on all expenditure incurred on fuel and grid supply.

**FORM A**

Form for disclosure of particulars with respect to Conservation of energy

**A. Power and Fuel Consumption**

	<b>Current Year</b>	<b>Previous Year</b>
<b>1. Electricity</b>		
a) Purchased		
Units (kwh)	19,58,182	16,62,433
Total Amount (Rs.)	1,79,83,172	1,57,05,731
Rate / Unit (Rs.)	9.18	9.45
b) Own Generation		
i) Through Diesel Generator:		
Units (kWh)	36,856	34,882
Units per Ltr. of Diesel Oil	3.09	2.67
Cost / Unit (Rs.)	24.12	25.40
ii) Through Steam Turbine/Generator:		
Units	-	-
Units per Ltr. of Fuel Oil/Gas	-	-
Cost / Unit (Rs.)	-	-
<b>2. Coal</b>		
Quantity (Tonnes)	605	896
Total Cost (Rs.)	53,66,108	91,46,042
Average Rate	8,872	10,210
<b>3. Furnace Oil</b>		
Quantity (K. Liters)	NIL	NIL
Total Amount (Rs.)	NIL	NIL
Average Rate (Per Liter)	NIL	NIL
<b>4. Other Internal Generation</b>		
Quantity	-	-
Total Cost	-	-
Rate / Unit (Rs.)	-	-

## BHATKAWA TEA INDUSTRIES LIMITED

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5. Consumption per unit of Production*		
Product: Tea		
Unit: Kgs.		
Electricity	1.21	1.17
Furnace Oil	0.00	0.00
Coal	0.40	0.63
Others	-	-

\* There is no prescribed standard

### FORM B

Form of Disclosure of particulars with respect to Absorption, Research and Development (R & D).

1. Specific area in which R & D carried out by the Company
  - a) Use of Bio-Product for Pest Management.
  - b) On soil structure improvement.
  - c) Vermiculture biotechnology for soil enrichment and nutrient mobilization.
2. Benefits derived as a result of the above R & D
  - a) Improved Pest management and minimizing residual effect on tea.
  - b) Facilitating successful plantation on sub-marginal soil.
  - c) Application of vermicompost is increasing the fertility level of soil and resulted in healthy growth of plantation.

Future plan of action: Continue study to improve productivity.

Expenditure on R & D

- |  |   |
|--|---|
| a) Capital                                 | R & D activities are carried out as part of company's normal business activities and therefore separate expenditure figures are not available |
| b) Recurring                               |   |
| c) Total                                   |   |
| d) Total R & D Expenditure as a percentage |   |

### Technology Absorption, Adaptation and Innovation

1. Efforts made: The technology developed indigenously for improving production both in field and factory is being adopted.
2. Benefits derived: Cost reduction and improvement in quality.
3. Technology imported: No technology was imported during the last 5 years.

#### Foreign exchange earnings and outgo:

- |                                      |       |
|--------------------------------------|-------|
| (i) Foreign Currency earnings        | : Nil |
| (ii) Expenditure in Foreign Currency | : Nil |

For and on behalf of the Board  
**Padmanabh Jalan**  
Wholetime Director  
(DIN: 01651268)

Place: Kolkata  
Date: 14th August, 2021



**ANNEXURE - B**  
**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2021**  
**(Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the**  
**Companies (Appointment and Remuneration of Personnel) Rules, 2014)**

To  
The Members,  
**Bhatkawa Tea Industries Limited**  
NICCO HOUSE, 6th Floor,  
2, Hare Street,  
Kolkata-700 001

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Bhatkawa Tea Industries Limited (hereinafter called the company). Secretarial Audit was conducted in accordance with the Guidance Note issued by the Institute of Company Secretaries of India (a statutory body constituted under the Company Secretaries Act, 1980) and in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on my verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2021 complied with the statutory provisions listed hereunder and also that the company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Bhatkawa Tea Industries Limited for the financial year ended on 31st March, 2021 according to the provisions as may be applicable to the company of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under.
- (ii) The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made there under.
- (iii) The Depositors Act, 1996 and the Regulations and By-laws framed there under.
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under.
- (v) The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act") (to the extent applicable to the Company):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (not applicable to the company during the audit period)
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. (not applicable to the company during the audit period)
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (not applicable to the company during the audit period)

## **BHATKAWA TEA INDUSTRIES LIMITED**

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- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (not applicable to the company during the audit period)
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and (not applicable to the company during the audit period)
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (not applicable to the company during the audit period)
- (vi) The Tea Act, 1953 and Tea Warehouse (Licensing) Order, 1989
- (vii) The Tea Rules, 1954

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India with respect to board and general meetings.
- (ii) TSSEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following

### **Observations:**

Note: Please report specific non compliances / observations / audit qualification, reservation or adverse remarks in respect of the above para wise.

### **I further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review are carried out in compliance with the provisions of the Act. Adequate notice is given to all the directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. The Resolution passed by the Board of Directors and Committees thereof had no dissenting views which were required to be captured and minuted.

### **I further report that**

There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, the Company has not incurred any specific event/action that can have major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc.

This Report is to be read with my letter of even date which is annexed as "Annexure B-1" and forms as an integral part of this Report.

Place: Kolkata  
Date: 30th June, 2021

**SHIKSHA B SHETH**  
*Practicing Company Secretaries*  
Mem. No. A28387 C.P. 15781  
UDIN: A028387C000551241

## BHATKAWA TEA INDUSTRIES LIMITED



### ANNEXURE - B-1

(To the Secretarial Audit Report of Bhatkawa Tea Industries Limited for the Financial Year Ended 31st March, 2021)

To  
The Members  
Bhatkawa Tea Industries Limited  
NICCO HOUSE, 6th Floor,  
2, Hare Street  
Kolkata-700 001

My Secretarial Audit Report for the financial year ended 31st March, 2021 of even date is to be read along with this letter.

1. It is the responsibility of the management of the Company to maintain the Secretarial records and to devise proper systems to ensure compliance of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively. The Compliance of the provisions of the Act, and other applicable laws, rules, regulations, standards is the responsibility of management. My responsibility is to express an opinion on these Secretarial records based on my audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. I believe that the process and practices, I followed provide a reasonable basis for our opinion.
3. Where ever required, I have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
4. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
5. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
6. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.

Place: Kolkata  
Date: 30th June, 2021

**SHIKSHA B SHETH**  
*Practicing Company Secretaries*  
Mem. No. A28387 C.P. 15781  
UDIN: A028387C000551241

# BHATKAWA TEA INDUSTRIES LIMITED

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## ANNEXURE - C

### MANAGEMENT DISCUSSION & ANALYSIS REPORT

The year 2020-21, in terms of crop, the Company has sustained its production with an increase as compared to the previous year with overall improvement in quality which resulted in higher price than the previous year.

#### **Crop**

The Company's manufactured saleable crop was at 14.67 lakh kgs as compared to 14.04 lakh kgs in the previous year. The frequency of pest infestation and attacks has increased in the garden in the last three years.

#### **Market Scenario**

The all India average tea prices for Dooars garden, has marginally increased than the previous year's prices. The substantial increases in input cost of fuel, fertilizer, chemicals and employee costs, however, are major causes for concerns for the Company's profitability. The average per kg price realized by the Company over the three years is given below:

<u>Sales</u>	<u>2020-21</u>	<u>2019-20</u>	<u>2018-19</u>
Average price realisation per kg	229.50	184.61	178.09

#### **Corporate Governance & Internal Control System**

The Company is complying with the norms laid down in SEBI (LODR) Regulations, 2015 on Corporate Governance. Some of the key mandatory compliances in place are:

The Audit Committee consisted of Directors well versed in financial aspects of a tea industry.

The Audit committee had met formally during the committee meetings as well as separately with the Internal Auditor and Statutory Auditors. It reviewed the quarterly and annual financial statements analyzed internal control systems and other activities' as per the terms of reference. In respect of non-mandatory clauses, the Company has a Remuneration committee which ensures finalization of all issues related to the employees in the interest of the Company.

#### **Human Resource Development**

The Company employs about 1714 persons including both in Tea Estate and the Head Office. It is complying with the policies adopted on Health & Safety, Waste Management, Environment and Social activities. Regular forestation and Staff welfare schemes have provided healthy environment at the gardens.

#### **Financials**

The internal surplus funds generated by the Company are being fully utilized to upgrade and modernize the tea factories, irrigation facilities. The favorable impact on quality and cost of production from the recently upgraded factories has started giving encouraging returns on investment.

#### **General**

Tea industry historically is cyclic in nature in terms of crop and price. Having regard to the overall effective demand, modernized factory set up and quality teas, the favorable prices for the Company's teas are expected to continue.

Place: Kolkata  
Date: 14th August, 2021

on behalf of the Board  
**Padmanabh Jalan**  
Wholetime Director  
(DIN: 01651268)



**ANNEXURE - D**

**REPORT ON CORPORATE GOVERNANCE**

The Stock Exchange Listing Agreement in clause 49 has laid down a Code of Corporate Governance which the Company has compiled with as follows:

**1. Company's Philosophy on Code of Governance:**

The Company's core business is the cultivation and production of tea.

The Company strives to produce teas of premium quality, which are acceptable to the discerning domestic market. Likewise, the Company endeavors to care for all its employees by providing medical, educational and welfare facilities way beyond the basic requirements.

**2. Board of Directors - Composition:**

The Board is headed by young energetic Wholetime Director, Mr. Padmanabh Jalan and comprises of persons with considerable professional and practical experience in their respective fields.

During the Financial Year 2020-21 Mr. Krishna Prasad Bagaria has been appointed as Director w.e.f 13th November, 2020. Mr. Sunil Kumar Ganguly ceased to be Director due to death on 3rd May, 2021. At present the Board consists of one Non-Executive Independent Directors.

Composition of Board as at 31st March, 2021 and Membership in Boards & Board Committees other than Bhatkawa Tea Industries Limited:

Director	Category	DIRECTORSHIP OF OTHER COMPANIES		
		Member of Board	Board Committees	
			Chairman	Member
Mr. Padmanabh Jalan (DIN - 01651268)	Wholetime Director Promoter Director	1	NIL	NIL
Ms. Rashmi Chitlangia (DIN - 07171476)	Non-Executive Independent Woman Director	1	NIL	NIL
Mr. Sunil Kumar Ganguly (DIN - 07332950) (Expired - 03.05.2021)	Non - Executive Independent Director	NIL	NIL	NIL
Mr. Alok Gupta (DIN - 00781993)	Non - Executive Non Independent Director	NIL	NIL	NIL
Mr. Krishna Prasad Bagaria (DIN - 00938163) (w.e.f - 13.11.2020)	Non - Executive Additional Director	2	NIL	NIL

Excludes directorships in Private Limited Companies, Foreign Companies and Companies u/s 8 of the Companies Act, 2013.

**Board Meetings & Annual General Meeting (AGM):**

During the year under review, nine Board Meetings were held, the dates being 29th May, 2020, 31st July, 2020, 15th September, 2020, 28th September, 2020, 27th October, 2020, 28th October, 2020, 13th November, 2020, 21st January, 2021 and 13th February, 2021.

The last AGM was held on 28th September, 2020.

## BHATKAWA TEA INDUSTRIES LIMITED

### Details of attendance

Director	No. of Board Meetings Attended	Whether attended last AGM
Mr. Padmanabh Jalan	8	Yes
Ms. Rashmi Chitlangia	9	Yes
Mr. Sunil Kumar Ganguly	9	Yes
Mr. Alok Gupta	9	Yes
Mr. Krishna Prasad Bagaria	2	NA

### 3. Audit Committee:

The Audit committee is comprised of three Directors. The Committee is being reconstituted upon the change Board of Directors and has been meeting at regular interval. The Chairman of the Audit Committee has in depth knowledge in the areas of Accounts, Taxation, Law, Tea Plantation and Administration.

A brief description of the terms of reference of the Audit committee, which covers the areas mentioned under Regulation 18 of SEBI (LODR) Regulations, 2015 and Section 177 of the Companies Act 2013, is as follows:

- To review with the management, statutory auditors and internal Auditors on the adequacy of the internal control systems.
- To review the adequacy of the internal audit function, including the nature and scope of internal audit and approve the internal audit plan for the year.
- To review the internal audit reports, to discuss with the internal auditors and management about their findings and suggest corrective action wherever necessary.
- To recommend appointment of statutory auditors, fixation of audit fees and approval for payment for any other services.
- To consider the nature and scope of statutory audit and review significant audit observations, if any.
- To review the financial reporting process and disclosure of financial information.
- To review the quarterly, half yearly and annual financials before submission to the Board.
- To review the Company's financial and risk management policies.
- To analysis substantial defaults in respect of payments to stakeholders, if any
- To investigate into any other matters covered by Section 177 of the Companies Act, 2013.
- To review the statement of application of funds used.

During the year under review, four meetings of the Audit committee were held, the dates being 31st July, 2020, 15th September, 2020, 13th November, 2020 and 13th February, 2021. The composition and attendance at the Audit committee meetings are as follows:

Director	No. of Audit Committee Meetings Attended
Mr. Sunil Kumar Ganguly, Chairman (till 2nd May, 2021)	4
Mr. Padmanabh Jalan, Member	4
Mrs. Rashmi Chitlangia, Member	4

W.e.f 3rd May, 2021, Mrs. Rashmi Chitlangia has been appointed as the Chairman of the Audit Committee and Mr. K. P. Bagaria has been admitted as member of the Committee.

## BHATKAWA TEA INDUSTRIES LIMITED



#### 4. Remuneration Committee:

The Committee is responsible for recommending to the Board, the remuneration package of Managing Director, Whole time Director and Senior executives of the company, including annual increment to them. The composition and attendance at Committee meeting during the year ended 31st March 2021 is as follows.

Name	No. of meetings attended
Mr. Sunil Kumar Ganguly, Chairman (till 2nd May, 2021)	1
Mrs. Rashmi Chitlangia	1
Mr. Alok Gupta	1

The Committee had met on 13th November, 2020.

W.e.f 3rd May, 2021, Mrs. Rashmi Chitlangia has been appointed as the Chairman of the Audit Committee and Mr. K. P. Bagaria has been admitted as member of the Committee.

a. Remuneration paid to Wholetime Director during the year ended 31st March, 2021.

Name	Salary & Bonus	Value of Perquisites	Provident Fund	Total
Mr. Padmanabh Jalan Wholetime Director	28,60,000	2,20,000	3,16,800	33,96,800

Service contract : Wholetime Director - 1st April 2020 to 31st March, 2023.

Severance fees : Not applicable

b. No other Directors were paid any sum during the year.

#### Shareholders' / Investors' Grievance Committee:

The composition and attendance at Committee meeting during the year ended 31st March, 2021 is as follows.

Name	No. of meetings attended
Mrs. Rashmi Chitlangia (Chairman)	1
Mr. Padmanabh Jalan	1
Mr. Alok Gupta	1

The Committee had met on 13th February, 2021.

a)	No. of complaints received from Stock Exchange/SEBI/Shareholders	Nil
b)	No. of complaints resolved	Nil
c)	No. of pending complaints	Nil

Name and designation of Compliance Officer:-

Mrs. Dharini Mehta, Company Secretary

## BHATKAWA TEA INDUSTRIES LIMITED

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### 5. General Body Meetings:

Location and time where last three AGMs were held:

Date	Location	Time
28th September, 2018	Rotary Sadan, 94/2, Chowringhee Road, Kolkata-700 020.	10.30 A.M.
27th September, 2019	Rotary Sadan, 94/2, Chowringhee Road, Kolkata-700 020.	10.30 A.M.
28th September, 2020	Rotary Sadan, 94/2, Chowringhee Road, Kolkata-700 020.	10.30 A.M.

One special resolution was passed each at the AGM held in 2018 and 2020. No other General Meeting was held in course of the last three years.

### 6. Other Disclosures:

#### A. Related party transactions:

Disclosures on materially significant related party transactions:

Details of related party transactions as specified in Accounting Standard 18 of the Companies (Accounting Standards) Rules, 2006 have been reported in the Notes to the Accounts.

The Company has not entered into any transactions of material nature with any of its related parties that may have potential conflict with the interest of the Company.

B. No penalties/strictures have been imposed on the Company by Stock Exchange, SEBI or any regulatory authority for non-compliance of any laws on any matter related to capital markets, during the last three years.

C. The revised Clause 49 of the Listing agreement consists of mandatory and non-mandatory requirements. The Company is compliant with the mandatory clause.

The Board and the Audit Committee review adoption of non-mandatory requirements and will have the same in place at an appropriate time.

### 7. Means of Communication:

- No half-yearly report is sent to the shareholders directly.
- Quarterly results, Half-yearly results and annual results are generally published in newspapers and uploaded on the company website at [www.bhatkawatea.com](http://www.bhatkawatea.com).
- Management Discussion and Analysis Report forms part of the Directors' Report.
- No formal presentation has been made to institutional investors or analysts during the year.

### 8. Shareholder Information:

#### (a) AGM date, time and venue:

Monday 20th September, 2021 at 12.00 PM

## BHATKAWA TEA INDUSTRIES LIMITED



Via Video Conference. Registered office of the Company would be considered deemed venue for the purpose of AGM.

Cut-off date will be Wednesday, 15th September, 2021.

**(b) Listing on Stock Exchange:**

The Company's securities are listed at:

The Calcutta Stock Exchange Limited

7, Lyons Range, Kolkata-700 001

Stock code:

**Stock Exchange**

The Calcutta Stock Exchange Ltd.

**Stock Code**

12018

**(c) Stock Price Data: Year 2020-21**

There were no transaction in the equity shares of the Company listed at The Calcutta Stock Exchange, hence there is no monthly high and low quotations and volumes of shares traded on the Stock Exchange during the year.

**(d) Stock Performance:**

Company's Share Price in relation to CSE SENSEX: (April 2020 to March 2021) N.A.

**(e) Share Transfer System:**

The Company's shares are compulsory traded in the demat form for all categories of shareholders. All transfers are debited/credited through the respective accounts maintained with the Depository Participants (DPs) of the Investor.

**(f) Dematerialisation of Shares:**

86.31% of total holdings have been dematerialized as on 31st March, 2021.

**(g) (i) Distribution of shareholding as on 31st March, 2021**

Group of Shares	No. of Shareholders	%	No. of Shares held	% of Total Shares
1 to 500	192	59.44	24557	1.10
501 to 1000	38	11.76	26416	1.18
1001 to 2000	53	16.41	73738	3.29
2001 to 3000	11	3.41	28947	1.29
3001 to 4000	2	0.62	6886	0.31
4001 to 5000	6	1.86	25900	1.16
5001 to 10000	5	1.55	39480	1.76
10001 to higher	16	4.95	2014076	89.91
<b>Total</b>	<b>323</b>	<b>100</b>	<b>2240000</b>	<b>100</b>

## BHATKAWA TEA INDUSTRIES LIMITED

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(ii) **Shareholding pattern as at 31st March, 2021**

Category	No. of Shareholders	No. of Shares held	% of Shareholding
Foreign Investors	15	52388	2.34
Banks & Insurance Companies	8	59556	2.66
Resident individuals	272	147660	6.59
Directors & their relatives	10	1362786	60.84
Bodies Corporate	18	617610	27.57
<b>Total</b>	<b>323</b>	<b>2240000</b>	<b>100</b>

(iii) **Estate Locations:**

The Company owns Tea Garden with own processing factory at  
Bhatkawa tea Estate,  
P.O. Garopara,  
Dist. Alipurduar  
West Bengal

(iv) **Address for correspondence:**

Registrars & Share Transfer Agents,  
S. K. Infosolutions Pvt. Ltd.,  
34/1A, Sudhir Chatterjee Street,  
Kolkata-700006  
Phone 2219-4815 / 6797  
E-mail: mail@skcomputers.net

In case of continuing difficulty, the Compliance Officer at the Registered Office to be intimated at contact@bhatkawa.com.

Place: Kolkata  
Date: 14th August, 2021

On behalf of the Board  
**Padmanabh Jalan**  
Wholetime Director  
(DIN: 01651268)

## BHATKAWA TEA INDUSTRIES LIMITED



### ANNEXURE - E

#### **CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

**(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)**

To,  
The Members of  
**BHATKAWA TEA INDUSTRIES LIMITED**  
Nicco House, 6th Floor  
2 Hare Street, Kolkata - 700 001

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of BHATKAWA TEA INDUSTRIES LIMITED having CIN L01132WB1911PLC002077 and having registered office at Nicco House, 6th Floor 2 Hare Street, Kolkata - 700001 (herein after referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority under Schedule V, Part C, Clause(10) (i).

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Kolkata  
Date: 26th July, 2021

**SHIKSHA B SHETH**  
*Practicing Company Secretaries*  
Mem. No. A28387 C.P. 15781  
UDIN: A028387C000687826

## **BHATKAWA TEA INDUSTRIES LIMITED**

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### **ANNEXURE - F**

#### **CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE REQUIRED UNDER THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 BY BHATKAWA TEA INDUSTRIES LIMITED**

To

The Members of

**Bhatkawa Tea Industries Ltd.**

1. I have examined the compliance of conditions of Corporate Governance by Bhatkawa Tea Industries Ltd. for the year ended 31st March, 2021, as stipulated in relevant provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
2. The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. My examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of an opinion on the financial statements of the Company.
3. In my opinion and to the best of my information and according to my examination of the relevant records and the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated under above mentioned regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
4. I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Kolkata

Date: 30th June, 2021

**SHIKSHA B SHETH**

*Practicing Company Secretaries*

Mem. No. A28387 C.P. 15781

UDIN: A028387C000551261

## BHATKAWA TEA INDUSTRIES LIMITED



### COMPLIANCE CERTIFICATE FURNISHED BY WHOLETIME DIRECTOR AND CHIEF FINANCIAL OFFICER OF THE COMPANY AS FOR FIANNICAL YEAR ENDED 31ST MARCH, 2021 AS PER PART -B OF SCHEDULE II OF REGULATION 17(8) AND 33 OF THE SEBI (LODR) 2015

To  
The Members of  
**Bhatkawa Tea Industries Ltd.**

We, the undersigned, in our respective capacities as Whole time Director and Chief Financial Officer of Bhatkawa Tea Industries Limited (the Company), to the best of our knowledge and belief certify that:

- a) We have reviewed the financial statements and the Cash Flow Statement for the financial year ended 31st March, 2021 and that to the best of our knowledge and belief, we state that:
  - i) these statements do not contain any materially untrue statement or omit any material fact nor contain statement that might be misleading,
  - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- b) We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year which are fraudulent, illegal or violative to the Company's code of conduct.
- c) We are responsible for establishing and maintaining internal controls and for evaluating the effectiveness of the same over the financial reporting of the Company and that have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of which such internal controls, if any, of which we are aware, and the steps we have taken or, proposed to take to rectify these deficiencies.
- d) We have indicated, based on our recent evaluation wherever applicable, to the auditors and the Audit Committee:
  - i) Significant changes, if any, in internal controls over financial reporting during the year;
  - ii) Significant changes, if any, in the accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Kolkata  
Date: 30th June, 2021

**Padmanabh Jalan**  
Wholetime Director  
(DIN : 01651268)

**Krishnendu Basu**  
Chief Financial Officer

# BHATKAWA TEA INDUSTRIES LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF "BHATKAWA TEA INDUSTRIES LIMITED"

#### Report on the Standalone Ind AS Financial Statements

#### Opinion

We have audited the accompanying standalone financial statements of Bhatkawa Tea Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, 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 ended on that date, and a summary of the 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 standalone 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 March 31, 2021, the profit and total 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 standalone 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 Responsibilities for the Audit of the Standalone 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 independence requirements that are relevant to our audit of the standalone 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 standalone financial statements.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter (KAM)	Auditor's Response
1.	Estimation of Useful Life of Bearer Plants Useful life of Bearer Plants requires the management to exercise significant judgement in relation to the estimate thereof. Nature, timing and likelihood of changes to the natural factors may affect the useful life expectancy of the assets and therefore could have a material impact on the depreciation expense for the year. As per the Ind AS 16 - "Property, Plant and Equipment", the	<ul style="list-style-type: none"><li>Assessed the management's estimates of the useful life of Bearer Plants with reference to: (1) the consistency with the Company's pattern of economic benefits embodied in such assets and future operating plans including acquisitions and requirements of the Bearer Plants; (2) the comparison to the useful life estimates adopted by the comparable tea producers; and (3) consideration of the Company's historical experience.</li></ul>

## BHATKAWA TEA INDUSTRIES LIMITED



	management reviews the estimated useful life and the residual value of Bearer Plants annually and adjust for changes, where appropriate. Accordingly, the matter has been identified as key audit matter	<ul style="list-style-type: none"><li>• Evaluated the assumptions and critical judgements used by the management through testing of underlying documents / details.</li><li>• Assessed the related disclosures included in the standalone Ind AS financial statements in this regard.</li></ul>
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### Information Other than the Standalone 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 Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone 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.

### Responsibilities of Management and Those Charged With Governance for the Standalone Financial Statement

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 these standalone financial statements that give a true and fair view of the financial position, financial performance, total 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 judgements 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

### Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in

## **BHATKAWA TEA INDUSTRIES LIMITED**

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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 standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone 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 controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

#### **1. As required by Section 143(3) of the Act, based on our audit we report that:**

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

## BHATKAWA TEA INDUSTRIES LIMITED



- 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 Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements as stated in Note No 28 to the Ind AS financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

Place: Kolkata  
Date: 30th June, 2021

**For Das & Prasad**  
Chartered Accountants  
(Firm's Registration No.303054E)  
**Sumit Kumar Rajgarhia**  
(Partner)  
(Membership No.068270)  
UDIN -21068270AAAAAU6644

## **BHATKAWA TEA INDUSTRIES LIMITED**

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### **Annexure - A to the Auditors' Report**

#### **Report on the Internal Financial Controls 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 Bhatkawa Tea Industries Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('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.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 Ind AS 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, 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 March 31, 2021, 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.

**For Das & Prasad**  
Chartered Accountants  
(Firm's Registration No.303054E)  
**Sumit Kumar Rajgarhia**  
(Partner)  
(Membership No.068270)  
UDIN -21068270AAAAAU6644

Place: Kolkata  
Date: 30th June, 2021

**Annexure - B to the Auditors' Report**

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone Ind AS financial statements for the period ended March 31, 2021, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets;
  - (b) The fixed assets were physically verified during the year under audit by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on the such verification;
  - (c) As per information and explanation given to us by the management, and the records verified by us and based on the examination of the registered sale deed / lease deed provided to us, we report that all the immovable properties are held in the name of the Company.
- (ii) In our opinion the inventories were physically verified during the year by the Management at reasonable intervals and as explained to us, no material discrepancies were noticed on physical verification.

## BHATKAWA TEA INDUSTRIES LIMITED

- (iii) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Consequently, the provisions of paragraph iii(a), iii(b) and iii(c) of the Order are not applicable to the Company and hence, not commented upon.
- (iv) In our opinion and according to the information and explanation given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made and guarantee and security provided.
- (v) The Company has not accepted any deposit from the public covered under Section 73 to 76 of the Companies Act, 2013. Therefore, the provisions of paragraph 3(v) of the Order is not applicable to the Company.
- (vi) According to the information and explanations given to us, the maintenance of cost records under Section 148(1) of the Act has not been prescribed and as such, paragraph 3(vi) of the Order is not applicable to the Company.
- (vii) (a) According to the information and explanation given to us and on the basis of our examination of the records of the company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Income Tax, GST, Cess or other material statutory dues have been generally regularly deposited during the period by the Company with appropriate authorities.
- According to the information and explanation given to us no undisputed statutory dues including Provident Fund, Income Tax, GST, cess or other material statutory dues were in arrears as at March 31, 2021 for a period of more than six months from the date they become payable:
- (b) According to the information and explanation given to us, the following dues of vat, sales-tax, central sales tax, income taxes and agricultural taxes have not been deposited by the company on account of dispute as at March 31, 2021:

Name of the Statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
The Income Tax Act, 1961	Income Tax	11,19,669	2004-05 and 2005-06	Hon'ble High Court of Calcutta
	Income Tax	5,47,007	1999-2000	West Bengal Appellate Tribunal

- (viii) In our opinion and according to the information given to us, the Company has not defaulted in repayment of dues to banks. There were no debentures outstanding during the year.
- (ix) According to information and explanation given to us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and term loans during the year ended March 31, 2021. Accordingly paragraph 3(ix) of the Order is not applicable.
- (x) Based on the audit procedures performed and the information and explanations given to us, we report that no material fraud on or by the Company has been noticed or reported during the period, nor have we been informed of such case by the management;

## BHATKAWA TEA INDUSTRIES LIMITED



- (xi) According to information and explanation given to us, the Company has paid or provided managerial remuneration in accordance with the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanation given to us, the Company is not a Nidhi Company and hence the paragraph 3(xii) is not applicable;
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Indian accounting standards
- (xiv) According to information and explanation given to us the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the period under review;
- (xv) According to information and explanation given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly the paragraph 3(xv) is not applicable the Company;
- (xvi) In our opinion and on the basis of information and explanation given to us by the management, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Place: Kolkata  
Date: 30th June, 2021

For **Das & Prasad**  
Chartered Accountants  
(Firm's Registration No.303054E)  
**Sumit Kumar Rajgarhia**  
(Partner)  
(Membership No.068270)  
UDIN -21068270AAAAAU6644

## BHATKAWA TEA INDUSTRIES LIMITED

### BALANCE SHEET AS AT 31ST MARCH 2021

	Note	As at 31.03.2021 Rs.	As at 31.03.2020 Rs.
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
(A) Property, plant and equipment	3.1	6,72,58,466	6,71,59,555
(B) Capital work-in-progress	3.2	51,16,746	47,34,950
(C) Other Intangible Assets	3.1	1,81,789	2,85,789
(D) Financial assets :			
(i) Investments	4	5,92,09,070	4,51,97,314
(ii) Other Financial assets	5	2,53,93,000	2,03,91,717
(D) Deferred Tax Assets (net)	16	33,90,881	69,03,387
(F) Other Non Current Assets	6	10,00,000	23,76,445
<b>Total Non-Current Assets</b>		<b><u>16,15,49,952</u></b>	<b><u>14,70,49,157</u></b>
<b>Current Assets</b>			
(A) Inventories	7	2,11,99,548	1,97,51,317
(B) Financial assets:			
(i) Investments	4	13,66,79,815	6,15,45,980
(ii) Trade receivables	8	1,08,78,177	1,02,49,098
(iii) Cash and cash equivalents	9	55,84,769	81,01,574
(iv) Bank balance other than (iii) above	10	2,29,14,573	4,59,075
(v) Loans	11	2,48,76,635	1,90,86,080
(vi) Other Financial assets	5	26,54,673	15,89,148
(C) Other Current Assets	6	59,85,615	46,93,618
<b>Total Current Assets</b>		<b><u>23,07,73,805</u></b>	<b><u>12,54,75,890</u></b>
<b>Total Assets</b>		<b><u>39,23,23,757</u></b>	<b><u>27,25,25,047</u></b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(A) Equity Share capital	12	2,24,00,000	2,24,00,000
(B) Other Equity	13	25,86,02,061	16,90,55,496
<b>Total Equity</b>		<b><u>28,10,02,061</u></b>	<b><u>19,14,55,496</u></b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
(A) Financial liabilities:			
(i) Borrowings	14	-	4,96,575
(B) Provisions	15	4,56,37,802	2,85,59,425
(C) Deferred Tax Liabilities (net)	16	-	-
(D) Other Non-Current Liabilities	17	10,01,464	25,70,987
<b>Total Non-Current Liabilities</b>		<b><u>4,66,39,266</u></b>	<b><u>3,16,26,987</u></b>
<b>Current liabilities</b>			
(A) Financial liabilities:			
(i) Borrowings	14	-	-
(i) Trade payables	18	-	-
(a) total outstanding dues of micro enterprises and small enterprises		5,64,182	4,61,372
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		1,06,93,627	68,13,204
(ii) Other financial Liabilities	19	1,47,09,480	70,25,371
(B) Provisions	15	3,47,71,501	3,30,27,365
(C) Other current liabilities	17	39,43,640	21,15,252
<b>Total Current Liabilities</b>		<b><u>6,46,82,430</u></b>	<b><u>4,94,42,564</u></b>
<b>Total Equity and Liabilities</b>		<b><u>39,23,23,757</u></b>	<b><u>27,25,25,047</u></b>

Summary of significant accounting policies 1-2  
The accompanying notes referred to above form an integral part of the financial statements.

In terms of our report of even date

For and on behalf of the Board of Directors

For **DAS & PRASAD**

**Padmanabh Jalan**

**Rashmi Chitlangia**

**Krishnendu Basu**

**Dharini Mehta**

Chartered Accounts

Wholtime Director

Director

Chief

Company Secretary

Firm Registration No. 303054E

(DIN :01651268)

(DIN : 07171476)

Financial Officer

(ACS-26814)

**Sumit Kumar Rajgarhia**

(Partner)

Place : Kolkata

Date : 30th June, 2021 Membership No. 068270

## BHATKAWA TEA INDUSTRIES LIMITED



### STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2021

	Note	For the year ended 31.03.2021 Rs.	For the year ended 31.03.2020 Rs
Income			
Revenue from operations	20	33,22,04,778	25,81,40,700
Other income	21	81,60,185	89,76,929
<b>Total revenue</b>		<b><u>34,03,64,963</u></b>	<b><u>26,71,17,629</u></b>
<b>Expenses</b>			
Change in inventories of Finished Goods	22	(4,22,117)	(2,51,312)
Employee benefits expenses	23	16,82,13,889	16,79,37,288
Finance costs	24	20,01,372	19,90,902
Depreciation and amortization expenses	25	83,72,976	84,41,712
Other expenses	26	8,21,11,399	7,66,47,353
<b>Total expenses</b>		<b><u>26,02,77,519</u></b>	<b><u>25,47,65,943</u></b>
<b>Profit/(Loss) before tax</b>		<b><u>8,00,87,444</u></b>	<b><u>1,23,51,686</u></b>
<b>Less: Tax expenses :</b>			
Current tax		97,33,726	21,96,248
Deferred Tax	16	(14,48,452)	(1,49,13,359)
<b>Profit/(Loss) for the year</b>		<b><u>7,18,02,170</u></b>	<b><u>2,50,68,797</u></b>
<b>Other Comprehensive Income/(Expenses) (OCI) Items that will not be reclassified to profit or loss:</b>			
Remeasurement gains/ (losses) on defined benefit plans		(70,95,941)	21,07,861
Less: Tax effect	16	18,44,945	(5,48,044)
		<u>(52,50,996)</u>	<u>15,59,817</u>
Net (loss)/gain on FVTOCI equity securities		2,98,01,294	(1,00,93,891)
Less: Tax effect	16	(68,05,902)	(28,35,289)
		<u>2,29,95,392</u>	<u>(1,29,29,180)</u>
<b>Other Comprehensive Income/(Expenses) (OCI), net of taxes</b>		<b><u>1,77,44,396</u></b>	<b><u>(1,13,69,363)</u></b>
<b>Total Comprehensive Income /(Loss) for the year</b>		<b><u>8,95,46,566</u></b>	<b><u>1,36,99,434</u></b>
<b>Earnings per equity share [nominal value: Rs. 10 per share]</b>	<b>27</b>		
Basic (Rs.)		32.05	11.19
Diluted (Rs.)		32.05	11.19

Summary of significant accounting policies 1-2

The accompanying notes referred to above form an integral part of the financial statements.

In terms of our report of even date

For **DAS & PRASAD**  
Chartered Accounts  
Firm Registration No. 303054E

**Sumit Kumar Rajgarhia**  
(Partner)

Place : Kolkata

Date : 30th June, 2021 Membership No. 068270

For and on behalf of the Board of Directors

<b>Padmanabh Jalan</b> Wholetime Director (DIN :01651268)	<b>Rashmi Chitlangia</b> Director (DIN : 07171476)	<b>Krishnendu Basu</b> Chief Financial Officer	<b>Dharini Mehta</b> Company Secretary (ACS-26814)
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## BHATKAWA TEA INDUSTRIES LIMITED

### STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2021

**A. Equity Share Capital** (Rs.)

	As at 31st March 2021	As at 31st March 2020
<b>At the beginning of the year</b>	22,400,000	22,400,000
Add: Addition during the year	-	-
<b>At the End of the year</b>	22,400,000	22,400,000

**B. Other Equity** (Rs.)

	Reserve & Surplus		Other Reserves	Total Equity
	General Reserve	Retained Earning	FVOCI Equity Investments	
<b>Balance as at 31st March, 2019</b>	3,71,68,314	10,52,42,218	1,29,45,529	15,53,56,061
Add: Profit/(Loss) for the year	-	2,50,68,797	-	2,50,68,797
Add/Less: Other Comprehensive Income	-	(12,75,471)	(1,00,93,891)	(1,13,69,362)
Add/Less: Profit on sale of Equity Share	-	8,11,066	(8,11,066)	-
<b>Balance as at 31st March, 2020</b>	3,71,68,314	12,98,46,610	20,40,572	16,90,55,496
Add: Profit/(Loss) for the year	-	7,18,02,170	-	7,18,02,170
Add/Less: Other Comprehensive Income	-	(1,20,56,899)	2,98,01,294	1,77,44,395
Add/Less: Profit on sale of Investments	-	36,24,747	(36,24,747)	-
<b>Balance as at 31st March, 2021</b>	3,71,68,314	19,32,16,628	2,82,17,119	25,86,02,061

**Description of reserves in statement of changes in equity**

- i) General Reserve:**  
General reserve is created and utilised in compliance with the provisions of the Act.
- ii) Retained Earnings:**  
Retained earnings represents accumulated profits earned by the company and remaining undistributed as on date.
- iii) Revaluation Reserve:**  
Revaluation Surplus, is the excess of market value over the carrying value of certain assets. The said reserve is utilised for adjustment of depreciation attributable to such excess amount and is credited to retained earnings.
- iv) FVOCI Equity Investments:**  
The Company has elected to recognise changes in the fair value of certain investments in equity instruments through other comprehensive income. These changes are accumulated within the FVOCI equity investments reserve. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

In terms of our report of even date

For **DAS & PRASAD**  
Chartered Accounts  
Firm Registration No. 303054E

**Sumit Kumar Rajgarhia**  
(Partner)

Place : Kolkata

Date : 30th June, 2021 Membership No. 068270

For and on behalf of the Board of Directors

<b>Padmanabh Jalan</b> Wholtime Director (DIN :01651268)	<b>Rashmi Chitlangia</b> Director (DIN : 07171476)	<b>Krishnendu Basu</b> Chief Financial Officer	<b>Dharini Mehta</b> Company Secretary (ACS-26814)
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## BHATKAWA TEA INDUSTRIES LIMITED



### CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2021

	<u>Year ended 31st March, 2021 Rs.</u>	<u>Year ended 31st March, 2020 Rs</u>
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/(Loss) before tax	8,00,87,444	1,23,51,686
Adjustments for :		
Depreciation & Amortization Expense	83,72,976	84,41,712
Finance Costs	20,01,372	2,36,942
Remeasurement gains/(losses) on defined benefit plans	(70,95,941)	21,07,861
Loss on Uprooting of Plants	12,97,987	
Profit on Sale of Fixed Asset (Net)	(11,718)	(1,97,776)
Profit on Sale of Bonds	-	(9,70,400)
Deferred Government Grants	(7,12,953)	(7,12,453)
Dividend Income	(3,61,809)	(3,48,999)
Interest Income	(66,34,849)	(58,54,532)
<b>Operating Profit before Working Capital Changes</b>	<b>7,69,42,509</b>	<b>1,50,54,041</b>
Adjustments for:		
(Increase)/Decrease in Inventories	(14,48,230)	6,71,366
(Increase)/Decrease in Trade and other receivables	(3,85,72,498)	1,69,85,396
Increase/(Decrease) in Trade and other payables	3,10,20,215	(90,00,513)
	<u>55,31,207</u>	<u>2,31,87,969</u>
<b>Cash Generated from Operations</b>	<b>6,79,41,996</b>	<b>3,82,42,010</b>
Tax Paid	64,98,110	31,48,820
<b>Net Cash (Outflow)/Inflow from Operating Activities</b>	<b>6,14,43,886</b>	<b>3,50,93,190</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Acquisition of Property, Plant & Equipment	(49,30,925)	(51,94,196)
Work In Progress of Bearer Plant	(51,16,746)	(56,48,598)
Sale of Property, Plant & Equipment	11,718	2,04,822
Subsidy Received	13,76,445	
Capital Expenditure	(8,56,570)	(8,56,570)
Dividend Received	3,61,809	3,48,999
Sale of Investments	-	5,77,14,982
Acquisition of Investments	(5,93,44,297)	(8,07,19,751)
Interest Received	57,37,794	(6,27,60,772)
	<u>55,21,169</u>	<u>(2,86,29,143)</u>
<b>Net Cash (Outflow)/Inflow from Investing Activities</b>	<b>(6,27,60,772)</b>	<b>(2,86,29,143)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds/ (Repayment) of Long-Term Borrowings	8,01,453	(4,96,576)
Dividend Paid (including tax on dividend)	-	-
Interest and Other Finance charges paid	(20,01,372)	(11,99,919)
	<u>(2,36,942)</u>	<u>(7,33,518)</u>
<b>Net Cash Inflow/(Out flow) from Financing Activities</b>	<b>(11,99,919)</b>	<b>(7,33,518)</b>
<b>Net Increase/ (Decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>(25,16,805)</b>	<b>57,30,529</b>
<b>Cash &amp; Cash Equivalents as at Opening</b>	<b>81,01,574</b>	<b>23,71,045</b>
<b>Cash &amp; Cash Equivalents as at Closing</b>	<b>55,84,769</b>	<b>81,01,574</b>

1. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Ind AS 7 on 'Statement of Cash Flow'.
2. Previous Year figures have been recast/regrouped wherever considered necessary to make them comparable with current period figures.

## BHATKAWA TEA INDUSTRIES LIMITED

### CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2021 (contd.)

	<u>As at 31st March, 2021 Rs.</u>	<u>As at 31st March, 2020 Rs</u>
<b>Components of Cash and Cash Equivalents</b>		
Balances with banks:		
On current accounts	3,21,793	45,99,579
Deposits with original maturity of less than 3 months	50,94,874	23,81,543
Cash in hand	1,68,102	11,20,452
<b>Total Cash &amp; Cash Equivalents</b>	<u><b>55,84,769</b></u>	<u><b>81,01,574</b></u>

In terms of our report of even date

For **DAS & PRASAD**

Chartered Accountants

Firm Registration No. 303054E

**Sumit Kumar Rajgarhia**

(Partner)

Place : Kolkata

Date : 30th June, 2021

Membership No. 068270

For and on behalf of the Board of Directors

**Padmanabh Jalan**

Wholtime Director

(DIN : 01651268)

**Rashmi Chitlangia**

Director

(DIN : 07171476)

**Krishnendu Basu**

Chief  
Financial Officer

**Dharini Mehta**

Company Secretary

(ACS-26814)

**NOTES TO FINANCIAL STATEMENTS AS AT AND  
FOR THE PERIOD ENDED 31ST MARCH, 2021****1. CORPORATE INFORMATION**

Bhatkawa Tea Industries Limited (the Company) is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its equity shares are listed on stock exchanges in India. It is engaged in the business of manufacturing of tea and having its tea estate in the state of West Bengal. The estate have processing factories capable of producing CTC tea with installed combined capacity of 1,700 tones.

**2. SIGNIFICANT ACCOUNTING POLICIES****A) Statement of compliance**

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013. The financial statements have also been prepared in accordance with the relevant presentation requirements of the Companies Act, 2013. The Company adopted Ind AS from 1st April, 2017.

**B) Basis of Preparation**

The financial statements of the Company have been prepared in accordance with the relevant provisions of the Companies Act, 2013, Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013. "All assets and liabilities have been classified as current or non-current as per Company's operating cycle and other criteria set out in Schedule-III of the Companies Act 2013. Based on the nature of business, the Company has ascertained its operating cycle as 12 months for the purpose of Current or non-current classification of assets and liabilities." "The financial statements have been prepared on historical cost basis, except for financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below." "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." "Fair value for measurement and/or disclosures in these financial statements is determined on such a basis, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 – Inventories or value in use in Ind AS 36 – Impairment of Assets. 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 Company 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.

## BHATKAWA TEA INDUSTRIES LIMITED

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### **C) Use of estimates and critical accounting judgments**

The preparation of the financial statements require the use of accounting estimates which, by definition, will seldom equal the actual result. Management also needs to exercise judgment in applying the Company's accounting policies. "This note provides an overview of the areas that involved a high degree of judgment 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 judgments is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

#### **Critical estimates and judgments**

The areas involving critical estimates and judgments are:

##### **i) Taxation**

The Company is engaged in agricultural activities and also subject to tax liability under MAT provisions. Significant judgment is involved in determining the tax liability for the Company. Also there are many transactions and calculations during the ordinary course of business for which the ultimate tax determination is uncertain. Further judgment is involved in determining the deferred tax position on the balance sheet date.

##### **ii) Depreciation and amortisation**

Depreciation and amortisation is based on management estimates of the future useful lives of the property, plant and equipment and intangible assets. Estimates may change due to technological developments, competition, changes in market conditions and other factors and may result in changes in the estimated useful life and in the depreciation and amortisation charges.

##### **iii) Employee Benefits**

The present value of the defined benefit obligations and long term employee benefits depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) include the discount rate. Any changes in these assumptions will impact the carrying amount of defined benefit obligations.

The Company determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the obligations. In determining the appropriate discount rate, the Company considers the interest rates of Government securities that have terms to maturity approximating the terms of the related defined benefit obligation. Other key assumptions for obligations are based in part on current market conditions.

##### **iv) Provisions and Contingencies**

Provisions and contingencies are based on Management's best estimate of the liabilities based on the facts known at the balance sheet date.

##### **v) Estimation uncertainty relating to the global health pandemic on COVID-19**

The Company has considered internal and external information up to the date of approval of financial statements. In assessing the recoverability of property plant and equipments, receivables, intangible assets, cash and

cash equivalent and investments. The Company has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions; the Company expects to recover the carrying amount of these assets. The Company has concluded that the impact of COVID – 19 is not material based on these estimates. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

**D) Property, plant and equipment**

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and impairment, if any. For this purpose, cost includes deemed cost which represents the carrying value of property, plant and equipment recognised as at 1st April, 2016 measured as per the previous Generally Accepted Accounting Principles (GAAP).

An item of property, plant and equipment is recognised as an asset if it is probable that the future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. This recognition principle is applied to the costs incurred initially to acquire an item of property, plant and equipment and also to costs incurred subsequently to add to, replace part of, or service it. All other repair and maintenance costs, including regular servicing, are recognised in the statement of profit and loss as incurred. When a replacement occurs, the carrying value of the replaced part is de-recognised. Where an item of property, plant and equipment comprises major components having different useful lives, these components are accounted for as separate items.

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment. Cost includes all direct costs and expenditures incurred to bring the asset to its working condition and location for its intended use. Trial run expenses (net of revenue) are capitalised. Borrowing costs incurred during the period of construction is capitalised as part of cost of the qualifying assets.

The gain or loss arising on disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of profit and loss.

**E) Intangibles**

Subsequent to initial recognition, intangible assets with definite useful lives are reported at cost less accumulated amortisation and accumulated impairment losses.

**F) Depreciation and amortisation of property, plant and equipment and intangible assets**

- (i) Depreciation is provided on prorata basis on straight line method at the rates determined based on estimated useful lives of tangible assets where applicable, specified in Schedule II to the Act. These charges are commenced from the dates the assets are available for their intended use and are spread over their estimated useful economic lives or, in the case of leased assets, over the lease period, if shorter. The estimated useful lives of assets and residual values are reviewed regularly and, when necessary, revised. No further charge is provided in respect of assets that are fully written down but are still in use. Depreciation on assets under construction commences only when the assets are ready for their intended use.
- (ii) Bearer Plants are depreciated from the date when they are ready for commercial harvest.

## **BHATKAWA TEA INDUSTRIES LIMITED**

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### **G) Government Grants**

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions. "Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other operating income. "Government grants relating to the acquisition/ construction of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other operating income.

### **H) Impairment**

At each balance sheet date, the Company reviews the carrying values of its property, plant and equipment and intangible assets to determine whether there is any indication that the carrying value of those assets may not be recoverable through continuing use. If any such indication exists, the recoverable amount of the asset is reviewed in order to determine the extent of impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. 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 which the estimates of future cash flows have not been adjusted. An impairment loss is recognised in the statement of profit and loss as and when the carrying value of an asset exceeds its recoverable amount.

Where an impairment loss subsequently reverses, the carrying value of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount so that the increased carrying value does not exceed the carrying value that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised in the statement of profit and loss immediately.

### **I) Leases**

The Company determines whether an arrangement contains a lease by assessing whether the fulfillment of a transaction is dependent on the use of a specific asset and whether the transaction conveys the right to use that asset to the Company in return for payment. Where this occurs, the arrangement is deemed to include a lease and is accounted for either as finance or operating lease.

Leases are classified as finance leases where the terms of the lease transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

#### **The Company as lessee**

- (i) Operating lease – Rentals payable under operating leases are charged to the statement of profit and loss on a straight line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which

they are incurred. In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

- (ii) Finance lease – Finance leases are capitalised at the commencement of lease, at the lower of the fair value of the property or the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in the statement of profit and loss over the period of the lease.

#### **J) Financial instruments**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. The transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the statement of profit and loss.

##### **Effective interest method**

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

##### **a) Financial assets**

Cash and bank balances

##### **Cash and bank balances consist of:**

- (i) Cash and cash equivalents - which includes cash in hand, deposits held at call with banks and other short term deposits which are readily convertible into known amounts of cash, are subject to an insignificant risk of change in value and have maturities of less than one year from the date of such deposits. These balances with banks are unrestricted for withdrawal and usage.
- (ii) Other bank balances - which includes balances and deposits with banks that are restricted for withdrawal and usage.

##### **Financial assets at amortised cost**

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

## **BHATKAWA TEA INDUSTRIES LIMITED**

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### **Financial assets measured at fair value**

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company in respect of equity investments (other than in subsidiaries, associates and joint ventures) which are not held for trading has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of such equity instruments. Such an election is made by the Company on an instrument by instrument basis at the time of initial recognition of such equity investments.

Financial asset not measured at amortised cost or at fair value through other comprehensive income is carried at fair value through the statement of profit and loss.

### **Impairment of financial assets**

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits and trade receivables
- Financial assets that are debt instruments and are measured as at FVTOCI
- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. 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 a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL 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 cashflows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

Financial assets measured as at amortised cost: 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.



Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

#### **Derecognition of financial assets**

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

#### **b) Financial liabilities and equity instruments**

##### **Classification as debt or equity**

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

##### **Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

##### **Financial Liabilities**

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method where the time value of money is significant.

Interest bearing bank loans, overdrafts and issued debt are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the statement of profit and loss.

##### **Derecognition of financial liabilities**

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

## BHATKAWA TEA INDUSTRIES LIMITED

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### K) Employee benefits

#### Defined contribution plans

Payments to defined contribution plans are charged as an expense as they fall due. Payments made to state managed retirement benefit schemes are dealt with as payments to defined contribution schemes where the Company's obligations under the schemes are equivalent to those arising in a defined contribution retirement benefit scheme.

#### Defined benefit plans

For defined benefit retirement schemes the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuation being carried out at each balance sheet date. Re-measurement gains and losses of the net defined benefit liability/(asset) are recognised immediately in other comprehensive income. The service cost and net interest on the net defined benefit liability/(asset) is treated as a net expense within employment costs.

Past service cost is recognised as an expense when the plan amendment or curtailment occurs or when any related restructuring costs or termination benefits are recognised, whichever is earlier.

The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as reduced by the fair value plan assets.

#### Compensated absences

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised based on actuarial valuation at the present value of the obligation as on the reporting date.

### L) Inventories

- a) Stock of Tea is valued at lower of cost computed on annual average basis or net realisable value. Stock of Tea Waste is valued at estimated realisable value.
- b) Stock of stores and spares are valued at cost on weighted average basis or net realisable value.
- c) As per practice followed by the Company the value of green leaf in stock as at the close of the year are not taken into accounts.
- d) Provision is made for obsolete and slow moving stores wherever necessary.

### M) Provision

Provisions are recognised in the balance sheet when the Company has a present obligation (legal or constructive) as a result of a past event, which is expected to result in an outflow of resources embodying economic benefits which can be reliably estimated. Each provision is based on the best estimate of the expenditure required to settle the present obligation at the balance sheet date. Where the time value of money is material, provisions are measured on a discounted basis.

#### Constructive obligation is an obligation that derives from an entity's actions where:

- a) by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities and;

- (b) as a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

**N) Onerous contracts**

A provision for onerous contracts is recognised when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.

**O) Income taxes**

Tax expense for the year comprises current and deferred tax. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of profit and loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying values of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences. In contrast, deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

The carrying value of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on the tax rates and tax laws that have been enacted or substantially enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to cover or settle the carrying value of its assets and liabilities.

Deferred tax assets and liabilities are offset to the extent that they relate to taxes levied by the same tax authority and there are legally enforceable rights to set off current tax assets and current tax liabilities within that jurisdiction.

Current and deferred tax are recognised as an expense or income in the statement of profit and loss, except when they relate to items credited or debited either in other comprehensive income or directly in equity, in which case the tax is also recognised in other comprehensive income or directly in equity.

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. MAT is recognised as deferred tax assets in the Balance Sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

**P) Revenue Recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured

## **BHATKAWA TEA INDUSTRIES LIMITED**

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at the fair value of the consideration received or receivable net of discounts, taking into account contractually defined terms and excluding taxes or duties collected on behalf of the government.

### **Sale of Goods**

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there are significant uncertainties regarding recovery of the amount due, associated costs or the possible return of goods.

### **Interest Income**

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and the effective interest rate applicable.

### **Q) Borrowing Costs**

Borrowings 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 the intended use or sale.

### **R) Cash and Cash Equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

### **S) Trade Receivables**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment, if any.

### **T) Segment Reporting**

**Identification of Segments** The Company has identified Tea products as its sole operating segment and the same has been treated as primary segment. The Company's secondary geographical segments have been identified based on the location of customers and then demarcated into Indian and overseas revenue earnings.

### **U) Earnings Per Share**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

### **V) Contingent Liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. The company does not recognize a contingent liability but discloses its existence in the financial statements.

**NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 31ST MARCH, 2021**

**3.1 Property, Plant & Equipment And Intangibles**

**(Rs.)**

	Tangible Assets											Tangible Assets		Total
	Land (Leasehold) & Development	Bearer Plant	Buildings	Plant & Equipments	Electrical Installations and Equipments	Office Equipments	Furniture & Fixtures	Vehicles	Irrigation Equipments	Water Supply System	Total	Computer Software	Total	
<b>Gross Block (At Cost):</b>														
<b>As at 31st March 2019</b>	59,40,313	1,84,16,404	1,29,20,046	3,24,54,966	4,50,071	5,87,279	8,62,220	85,01,245	90,59,242	16,98,904	9,08,90,688	1,91,527	1,91,527	9,10,82,215
Additions	-	33,70,286	4,46,903	23,34,096	-	2,92,041	4,500	18,04,657	-	-	82,52,482	3,12,000	-	82,52,482
Disposals/ Discard	-	-	-	-	-	-	-	(3,58,395)	-	-	(3,58,395)	-	-	(3,58,395)
<b>As at 31st March 2020</b>	59,40,313	2,17,86,690	1,33,66,949	3,47,89,062	4,50,071	8,79,319	8,66,720	99,47,507	90,59,242	16,98,904	9,87,84,776	5,03,527	5,03,527	9,92,88,303
Additions	-	47,34,950	10,38,265	4,36,744	-	-	47,119	17,17,056	16,91,741	-	96,65,875	-	-	96,65,875
Disposals/ Discard	-	(12,97,987)	-	-	-	-	-	-	-	-	(12,97,987)	-	-	(12,97,987)
<b>As at 31st March 2021</b>	59,40,313	2,52,23,653	1,44,05,214	3,52,25,806	4,50,071	8,79,319	9,13,839	1,16,64,563	1,07,50,983	16,98,904	10,71,52,664	5,03,527	5,03,527	10,76,56,191
<b>Accumulated Depreciation/Amortisation:</b>														
<b>As at 31st March 2019</b>	25,14,021	17,97,298	31,09,889	80,02,465	3,69,402	5,33,491	2,91,646	37,58,319	27,79,547	4,11,028	2,35,67,107	1,85,490	1,85,490	2,37,52,596
Charge for the year	-	6,36,177	12,47,064	27,58,665	69,314	1,36,884	1,08,388	15,29,546	9,29,508	1,37,347	75,52,893	32,249	32,249	75,85,142
Charge / Adjustment for the year	8,56,570	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals/ Discard	-	-	-	-	-	-	-	(3,51,348)	-	-	(3,51,348)	-	-	(3,51,348)
<b>As at 31st March 2020</b>	33,70,591	24,33,475	43,56,953	1,07,61,130	4,38,716	6,70,375	4,00,034	49,36,516	37,09,055	5,48,375	3,16,25,221	2,17,739	2,17,739	3,18,42,960
Charge for the year	8,56,570	8,01,722	12,42,807	28,05,899	1,312	91,048	82,685	13,90,664	8,59,298	1,36,972	82,68,977	1,04,000	1,04,000	83,72,977
Charge / Adjustment for the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals/ Discard	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>As at 31st March 2021</b>	42,27,161	32,35,197	55,99,760	1,35,67,029	4,40,028	7,61,423	4,82,719	63,27,180	45,68,353	6,85,347	3,98,94,198	3,21,739	3,21,739	4,02,15,937
<b>Net Block</b>														
<b>As at 30th March 2019</b>	34,26,292	1,66,19,105	98,10,156	2,44,52,501	80,669	53,787	5,70,574	47,42,926	62,79,695	12,87,876	6,73,23,581	6,038	6,038	6,73,29,619
<b>As at 30th March 2020</b>	25,69,722	1,93,53,214	90,09,996	2,40,27,932	11,355	2,08,944	4,66,686	50,10,991	53,50,187	11,50,529	6,71,59,555	2,85,789	2,85,789	6,74,45,344
<b>As at 30th March 2021</b>	17,13,152	2,19,88,456	88,05,453	2,16,58,778	10,043	1,17,896	4,31,119	53,37,383	61,82,630	10,13,557	6,72,58,466	1,81,789	1,81,789	6,74,40,254

- i) Land (leasehold) and Development includes ` 70.54.120 in represent of levy of Salami by Government of West Bengal on renewal of lease of tea estates for the period from 24.04.2002 to 25.04.2032. The salami is payable in 20 equal annual installments of ` 3,52,706 including one installment on execution of lease deeds. However during the financial year 2015-16, Order was received from " The Office of District Magistrate, Alipurdwar" for realisation of Salami in a single installment in terms of Order No. 2531(5)-LP dated 28.08.2015 against which the company had represented before the Additional District Magistrate in respect of the above representation an order dated 13th January, 2017 has been passed, according to which the balance amount is payable is seven equal annual installments of ` 8,56,570/- from the date of the Order.
- ii) Also refer Note 29 For creation of charge against fixed assets of the company.

## BHATKAWA TEA INDUSTRIES LIMITED

### NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 31ST MARCH, 2021

#### 3.2 Capital Work in Progress

(Rs.)

	As at 31st March 2021	As at 31st March 2020
<b>Opening Balance</b>		
Bearer Plant	47,34,950	24,56,638
	<b>47,34,950</b>	<b>24,56,638</b>
Add: Addition during the year	51,16,746	56,48,598
	<b>98,51,696</b>	<b>81,05,236</b>
Less: Transfer to Fixed Assets	(47,34,950)	(33,70,286)
Closing Balance	<b>51,16,746</b>	<b>47,34,950</b>

#### 4. Investments

	As at 31st March 2021		As at 31st March 2020	
	No.	Amount (Rs.)	No.	Amount (Rs.)
<b>A. Non-Current</b>				
<b>a. Quoted</b>				
Equity Shares at fair value through Other Comprehensive Income (FVOCI)				
Larsen & Toubro Limited (Face Value: Rs. 2 each)	5,493	77,94,018	5,493	44,41,091
Balmer Lawrie Limited (Face Value: Rs. 10 each)	2,100	2,70,375	2,100	1,66,845
State Bank of India (Face Value: Rs. 1 each)	6,000	21,85,800	6,000	11,81,100
Balrampur Chini Mills Limited (Face Value: Rs. 1 each)	9,253	19,84,769	9,663	10,05,435
Steel Authority of India Limited (Face Value: Rs. 10 each)	12,000	9,45,600	12,000	2,76,600
Nagarjuna Fertilizer Limited (Face Value: Rs. 1 each)	20,350	1,28,205	20,350	61,050
<b>Public Sector Undertaking Bonds (at cost)</b>				
8.20% Power Finance Corp Limited (Face Value: Rs. 1000 each)	712	7,12,000	712	7,12,000
8.38% India Infrastructure Finance Co. Limited (Face Value: Rs. 1000 each)	3,100	31,00,000	3,100	31,00,000
8.26% India Infrastructure Finance Co. Limited (Face Value: Rs. 10 Lakhs each)	1	10,11,300	1	10,11,300
8.76% National Housing Bank (Face Value: Rs. 5000 each)	231	11,55,000	231	11,55,000
8.50% National Highway Authority of India (Face Value: Rs. 1000 each)	2,100	21,00,000	2,100	21,00,000
<b>Total (I)</b>		<b>2,13,87,067</b>		<b>1,52,10,421</b>
<b>b Unquoted</b>				
<b>Government Securities (at Cost)</b>				
12 Year National Defence Certificates (Deposited with Central Excise)	1	800	1	800
<b>Shares (at Cost)</b>				
ABC Tea Workers Welfare Services (Face Value: Rs. 10 each)	50	500	50	500
Jalpaiguri Club Limited (Face Value: Rs. 10 each)	10	100	10	100
Pahargoomiah Tea Industries Private Limited (Face Value: Rs. 10 each)	1,80,000	35,29,728	2,30,000	45,10,208
Purple Style Labs Private Limited (Face Value: Rs. 10 each) (Compulsory Convertible Preference Shares)	100	5,00,000	100	5,00,000

## BHATKAWA TEA INDUSTRIES LIMITED



### NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 31ST MARCH, 2021

	As at 31st March 2021		As at 31st March 2020	
	No.	Amount (Rs.)	No.	Amount (Rs.)
Debtures (at Cost)				
0.5% Registered Mortgage Debtures (Face Value: Rs. 100 each)				
Woodland Hospital And Medical Research Centre (*)	24	2,400	24	2,400
Public Sector Undertaking Bonds (at cost)				
9.75% IFCI Limited (Face Value: Rs. 10 Lakhs each)	1	10,40,200	1	10,40,200
8.76% Housing & Urban Dev Corp Limited (Face Value: Rs. 1000 each)	3,000	30,00,000	3,000	30,00,000
7.35% National Highway Authority of India (Face Value: Rs. 1000 each)	571	5,71,000	571	5,71,000
9.75% IFCI Limited 2030 Bond (Face Value: Rs. 10 Lakhs each)	1	10,45,400	1	10,45,400
8.3% National Highway Authority of India (Face Value: Rs. 1000 each)	4,200	48,38,233	4,200	48,38,233
7.60% Bharat Bond (Face Value: Rs. 1000 each)	3,000	33,96,045	3,000	30,06,628
7.38% Rural Electrification Corpn Ltd (Face Value: Rs. 1000 each)	538	6,27,752	538	6,27,752
8.75 % State Bank Fixed Interest Perpetual Bond (Face Value: Rs. 100000 each)	10	1,03,35,453	10	1,08,43,672
6.83% Housing Development Financial Corporation Limited (Face Value: Rs. 1000000 each)	4	39,62,969	-	-
7.39% HUDCO Tax Free Bonds (Face value Rs. 1000 each)	4024	49,71,423	-	-
<b>Total (II)</b>		<b>3,78,22,003</b>		<b>2,99,86,893</b>
<b>(I+II)</b>		<b>5,92,09,070</b>		<b>4,51,97,314</b>
Aggregate amount of quoted investments and market value there of		2,13,87,067		1,52,10,421
Aggregate amount of unquoted investments		3,78,22,003		2,99,86,893
<b>B. Current at fair value through Other Comprehensive Income (FVOCI)</b>				
<b>a. Quoted Share</b>				
Tata Consumer Products Ltd (Face Value: Rs. 1 each)	14,000	89,44,600	14,000	41,27,900
Tata Consultancy Services Limited (Face Value: Rs. 1 each)	232	7,37,261	232	4,23,655
Ultratech Ltd (Face Value: Rs. 10 each)	400	26,95,180	400	12,97,940
Link Pen & Plastic Limited (Face Value: Rs. 10 each)	1,000	1,49,100	1,000	1,43,900
Reliance Industries Limited (Face Value: Rs. 10 each)	1,250	25,03,875	800	8,91,000
Star Cement Limited (Face Value: Rs. 10 each)	10,362	10,02,524	10,362	7,06,170
Shyam Century Ferrous Limited (Face Value: Rs. 10 each)	8,500	44,200	8,500	16,575
Castrol India Limited (Face Value: Rs. 5 each)	600	75,180	600	59,670
Tata Steel Limited (Face Value: Rs. 10 each)	1,900	15,42,515	1,900	5,12,240
Maharashtra Seamless Ltd (Face Value: Rs. 5 each)	1,000	2,75,300	1,000	1,93,600
Jindal Steel & Power Limited (Face Value: Rs. 1 each)	2,500	8,59,000	2,500	2,05,500
Motherson Sumi System Limited (Face Value: Rs. 1 each)	1,800	3,62,610	1,800	1,09,890
Kotak Mahindra Bank (Face Value: Rs. 5 each)	200	3,50,600	200	2,59,210
Mahindra & Mahindra Limited (Face Value: Rs. 5 each)	200	1,59,050	200	56,990
RBL Bank Limited (Face Value: Rs. 10 each)	2,100	4,35,855	2,100	2,84,550
Godfrey Phillips India Limited (Face Value: Rs. 2 each)	200	1,83,150	200	1,88,100
Kanpur Fertilizers & Cement Limited (Face Value: Rs. 10 each)	429	-	429	-
ITC Ltd.(Face Value: Rs. 10 each)	5,000	10,92,500	5,000	8,58,500
Texmoco Rail and Engineering Ltd.(Face Value: Rs. 10 each)	14,000	3,73,800	14,000	2,73,000
Goodricke Group Limited (Face Value: Rs. 10 each)	2,000	4,17,700	-	-
Coal India Limited (Face Value: Rs. 10 each)	3,000	3,91,050	-	-
<b>Total(I)</b>		<b>2,25,95,050</b>		<b>1,06,08,390</b>

## BHATKAWA TEA INDUSTRIES LIMITED

### NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 31ST MARCH, 2021

	As at 31st March 2021		As at 31st March 2020	
	No.	Amount (Rs.)	No.	Amount (Rs.)
<b>b. Mutual fund</b>				
DSP Blackrock Micro Chip (Regular Plan)	9,671	7,64,569	9,671	3,77,812
DSP Blackrock Micro Chip (Direct plan Growth)	12,972	10,84,844	4,120	1,68,740
ICICI Prudential Value Discovery Funds	17,508	33,72,576	17,508	18,50,951
ICICI Prudential Value Discovery Direct Fund Growth	2,092	4,32,685	2,092	2,36,199
Aditya Birla Sunlife Frontline Equity Fund Growth Direct Plan	8,171	24,64,129	4,159	7,31,867
HDFC Index Fund Nifty 50 Plan	23,173	31,64,595	7,768	6,17,160
INVESCO India Contra Fund Direct Plan Growth	33,618	23,59,968	18,808	7,54,380
SUNDARAM Rural & Consumption Fund	36,598	19,09,360	22,802	7,60,052
SBI Corp Bond	-	-	1,57,922	50,07,012
SBI Magnum Low Duration Fund Direct Growth	-	-	5,004	1,31,59,880
BSL Frontline Equity Fund Growth	-	-	11,315	19,26,086
Aditya Birla Sunlife Savings Fund Growth Regular Plan	-	-	40,861	1,62,42,946
ICICI Prudential Balanced Advantage Fund Growth	-	-	2,97,825	91,04,505
SBI Magnum Medium Duration Fund Regular Growth	2,56,708	1,00,81,704	-	-
SBI Liquid Fund Regular Growth	1,606	51,44,010	-	-
SBI Liquid Fund Direct Growth	1,572	50,64,234	-	-
HDFC Index Fund Nifty 50 Plan Regular Plan	26,140	35,18,380	-	-
HDFC Low Duration Fund - Regular Plan - Growth	2,23,067	1,00,40,277	-	-
ICICI Prudential Balanced Advantage Fund Direct Plan Growth	2,90,028	1,39,32,936	-	-
ICICI Prudential Short Term Fund Direct Plan Growth	4,24,112	2,06,19,954	-	-
Aditya Birla Sunlife Savings Fund Growth Regular Plan	63,526	2,68,52,639	-	-
AdityaBirla Sunlife Frontline Equity Fund Growth Plan	11,670	32,77,905	-	-
<b>Total (II)</b>		<b>11,40,84,765</b>		<b>5,09,37,590</b>
<b>(I+II)</b>		<b>13,66,79,815</b>		<b>6,15,45,980</b>
<b>Aggregate amount of quoted investments and market value there of</b>		<b>13,66,79,815</b>		<b>6,15,45,980</b>
<b>Aggregate amount of unquoted investments</b>		<b>-</b>		<b>-</b>

(\*) Pending receipt of equity shares on conversion thereof, these have been continued to be disclosed as Debentures

Note: Cost of unquoted equity instruments has been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.

## BHATKAWA TEA INDUSTRIES LIMITED



### NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 31ST MARCH, 2021

#### 5. Other Financial Assets (Unsecured, considered good unless stated otherwise) (Rs.)

	As at 31st March 2021	As at 31st March 2020
<b>A. Non Current</b>		
Security Deposits	41,74,507	41,73,224
Tea Board Default Reserve	2,18,493	2,18,493
Bank Deposits (#)	2,10,00,000	1,60,00,000
<b>Total</b>	<b>2,53,93,000</b>	<b>2,03,91,717</b>
<b>B. Current</b>		
Interest Receivable on :		
Other Advances	17,73,973	8,76,918
Security Deposits	6,00,000	6,00,000
Advance to Staffs	2,80,700	1,12,230
<b>Total</b>	<b>26,54,673</b>	<b>15,89,148</b>

# Margin Money Deposits are with SBI against Guarantee given by Bank.

#### 6. Other Assets (Unsecured, considered good unless stated otherwise) (Rs.)

	As at 31st March 2021	As at 31st March 2020
<b>A. Non Current</b>		
Capital advances		
Considered good - To Others	10,00,000	10,00,000
Tea Board Subsidy Receivable *	-	13,76,445
<b>Total</b>	<b>10,00,000</b>	<b>23,76,445</b>
<b>B. Current</b>		
Advances recoverable in cash or kind		
Considered good - To Others	61,56,655	20,95,856
Prepaid expenses	5,63,028	6,38,794
Balances with statutory / Government authorities	7,15,447	4,63,385
Advance Income-Tax (Net of Provision)	(19,55,034)	12,80,582
Advance to Suppliers	5,05,519	2,15,001
<b>Total</b>	<b>59,85,615</b>	<b>46,93,618</b>

\*During the year 2017-18 company had received sanction of Tea Board subsidy for the period 2015-16 of Rs. 34,41,111/-. Out of this Rs. 20,64,666/- of the amount has been disbursed to the Company till date and balance of Rs.13,76,445/- release after 24 months from the completion of replantation/replacement planting/rejuvenation pruning and after obtaining satisfactory inspection report thereof. The amount accrued and yet to received has been disclosed as Tea Board Subsidy Receivable.

## BHATKAWA TEA INDUSTRIES LIMITED

### NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 31ST MARCH, 2021

**7. Inventories (valued at lower of cost and net realizable value) (Rs.)**

	As at 31st March 2021	As at 31st March 2020
Stock of Finished Goods - Tea	1,42,07,136	1,37,85,019
Stores & Spares	58,12,364	51,71,069
Stock in transit	8,55,256	4,21,936
Stock of Foodstuff	3,24,792	3,73,293
<b>Total</b>	<b>2,11,99,548</b>	<b>1,97,51,317</b>

**8. Trade receivables (Rs.)**

	As at 31st March 2021	As at 31st March 2020
Current, Unsecured		
Considered good	1,08,78,177	1,02,49,098
Doubtful	-	-
	<b>1,08,78,177</b>	<b>1,02,49,098</b>
Less: Provision for doubtful receivables	-	-
<b>Total</b>	<b>1,08,78,177</b>	<b>1,02,49,098</b>

**Ageing of receivables that are post due but not impaired**

61-90 days	34,58,383	11,74,463
91-180 days	9,79,494	9,51,473
>180 days	18,92,437	15,00,196

The credit period on sales of goods ranges from 14 to 60 days without security. No interest is charged on trade receivables upto the end of the credit period.

In determining the allowances for doubtful trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix. There has been no significant change in the credit quality of receivables past due for more than 180 days.

The Company does not generally hold any collateral or other credit enhancements over these balances nor does it have a legal right of offset against any amounts owed by the Company to the counter-party.

In determining the recoverability of a trade receivable, the Company considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period. The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

**BHATKAWA TEA INDUSTRIES LIMITED****NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 31ST MARCH, 2021****9. Cash and Cash Equivalents (Rs.)**

	<b>As at 31st March 2021</b>	<b>As at 31st March 2020</b>
Balances with banks:		
On current accounts	3,21,793	45,99,579
Deposits with original maturity of less than 3 months	50,94,874	23,81,543
Cash in hand (As certified by management)	1,68,102	11,20,452
<b>Total</b>	<b>55,84,769</b>	<b>81,01,574</b>

**10. Bank Balance Other Than Cash and Cash Equivalents (Rs.)**

	<b>As at 31st March 2021</b>	<b>As at 31st March 2020</b>
Unpaid dividend account	4,14,573	4,59,075
Deposits with original maturity for more than 3 months but less than 12 months	2,25,00,000	-
<b>Total</b>	<b>2,29,14,573</b>	<b>4,59,075</b>

**11. Loans (Unsecured, considered good unless stated otherwise) (Rs.)**

	<b>As at 31st March 2021</b>	<b>As at 31st March 2020</b>
<b>Current</b>		
Inter corporate Loans (*)	2,48,76,635	1,90,86,080
<b>Total</b>	<b>2,48,76,635</b>	<b>1,90,86,080</b>

\*These Inter- corporate loans bearing interest ranging from 10% to 15% and given for the business purpose and are repayable on demand.

## BHATKAWA TEA INDUSTRIES LIMITED

### NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 31ST MARCH, 2021

#### 12. Share capital

(Rs.)

	As at 31st March 2021	As at 31st March 2020
<b>Authorized shares</b> 4,000,000 Ordinary Shares of Rs.10 each	4,00,00,000	4,00,00,000
<b>Issued, subscribed and fully paid-up shares</b> 22,40,000 Ordinary Shares of Rs.10 each fully paid up	2,24,00,000	2,24,00,000
	<b>2,24,00,000</b>	<b>2,24,00,000</b>

#### (a) Reconciliation of the Shares outstanding at the beginning and at the end of the reporting period

	As at 31st March 2021	As at 31st March 2020
<b>At the beginning of the year</b>	22,40,000	22,40,000
Issued during the period	-	-
<b>At the end of the year</b>	<b>22,40,000</b>	<b>22,40,000</b>

#### (b) Terms/rights attached to equity shares

The company has one class of equity shares having per value of Rs. 10 per share. Each share holder is eligible for one vote per share held. The dividend proposed by the board of directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation the equity share holder are eligible to receive the remaining assets after discharging all liabilities of the Company, in proportion to their shareholding.

(c) Aggregate number of bonus shares issued and shares issued for consideration other than cash during the period of five years immediately preceding the reporting date is Nil.

#### (d) Details of shareholders holding more than 5% shares in the Company

Name of the Shareholder	As at 31st March 2021		As at 31st March 2020	
	Share holding (in Number)	Share Holding (%)	Share holding (in Number)	Share Holding (%)
<b>Equity shares of Rs. 10 each fully paid</b>				
Minakshi Jalan	5,60,194	25.01	5,60,194	25.01
Sudarshan Jalan	4,32,752	19.32	4,32,752	19.32
M/S Kirti Industrial Company Limited	3,15,915	14.10	3,15,915	14.10
Padmanabh Jalan	2,44,090	10.90	2,44,090	10.90
Uphaar Financial Services Pvt. Ltd	1,65,575	7.39	1,65,575	7.39

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

## BHATKAWA TEA INDUSTRIES LIMITED



### NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 31ST MARCH, 2021

#### 13. Other Equity (Rs.)

	As at 31st March 2021	As at 31st March 2020
<b>Reserves &amp; Surplus</b>		
General Reserve (A)	3,71,68,314	3,71,68,314
Retained Earnings (B)	19,32,16,628	12,98,46,610
<b>Total (A to B)</b>	<b>23,03,84,942</b>	<b>16,70,14,924</b>
<b>Other Reserves</b>		
FVOCI Equity Investments (C)	2,82,17,119	20,40,572
<b>Total (C)</b>	<b>2,82,17,119</b>	<b>20,40,572</b>
<b>Total Other Equity</b>	<b>25,86,02,061</b>	<b>16,90,55,496</b>

#### 14. Borrowings (at amortised cost) (Rs.)

	As at 31st March 2021	As at 31st March 2020
<b>A. Non Current</b>		
<b>Secured</b>		
<b>Term Loans from :</b>		
Banks (*)	12,98,029	-
Others (**)	4,96,575	9,93,151
	17,94,604	9,93,151
Less: Amount disclosed under the head "other current liabilities" (Refer Note No. 19)	(17,94,604)	(4,96,576)
<b>Total</b>	<b>-</b>	<b>4,96,575</b>

\* Secured Term Loan from Axis Bank is secured by hypothecation of Vehicle. The loan is to be repayable in 12 equal monthly installment of Rs. 1,22,432/-. The interest rate is @ 9.00%.

\*\* Secured Term Loan from Other is Loan from Tea Board is secured by Equitable Mortgage of immovable properties at garden and hypothecation of tea crop, sale proceed of tea and movable properties by way of Second Charge in favour of Tea Board. The loan from Tea Board is to be repaid in 16 equal half yearly installment of Rs. 4,96,576/- commencing from July, 2014. The interest rate is @ 8.91% (Previous year @ 8.91%)

## BHATKAWA TEA INDUSTRIES LIMITED

### NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 31ST MARCH, 2021

The scheduled maturity of long term borrowing is summarised below : (Rs.)

	As at 31st March 2021	As at 31st March 2020
<b>Borrowings Repayable</b>		
In first Year	17,94,604	4,96,576
<b>Current Maturities of Long Term Debts</b>	<b>17,94,604</b>	<b>4,96,576</b>
In One to Three Years	-	4,96,575
In Three to Five Years	-	-
After Five Years	-	-
<b>Long Term Borrowings</b>	<b>-</b>	<b>4,96,575</b>

15. Provisions (Rs.)

	As at 31st March 2021	As at 31st March 2020
<b>A. Non Current</b>		
Provision for employee benefits: Gratuity (Refer Note No. 30)	4,56,37,802	2,85,59,425
	<b>4,56,37,802</b>	<b>2,85,59,425</b>
<b>B. Current</b>		
Provision for employee benefits: Gratuity (Refer Note No. 30)	1,28,52,019	1,16,66,740
For Leave & Bonus	2,12,05,949	2,10,72,130
For Tax on Dividend	-	5,191
For Staff welfare	7,13,533	2,83,304
	<b>3,47,71,501</b>	<b>3,30,27,365</b>

16. Deferred tax (assets)/ Liability (net) (Rs.)

	As at 31st March 2021	As at 31st March 2020
Deferred Tax Liabilities		
Property, Plant & Equipment	36,88,653	42,19,778
Financial Asset at FVOCI	73,36,451	5,30,548
<b>(A)</b>	<b>1,10,25,104</b>	<b>47,50,326</b>
Deferred Tax Assets		
Timing Difference u/s 43B	1,42,46,515	1,14,84,243
MAT Credit Entitlement	1,69,470	1,69,470
<b>(B)</b>	<b>1,44,15,985</b>	<b>1,16,53,713</b>
<b>Net Deferred Tax (Assets)/ Liabilities</b>	<b>(33,90,881)</b>	<b>(69,03,387)</b>

## BHATKAWA TEA INDUSTRIES LIMITED



### NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 31ST MARCH, 2021

#### Movement in Deferred Tax Assets (Rs.)

	Property, Plant & Equipment	Financial Asset at FVOCI	Timing Difference u/s 43B	Total
<b>As at 31st March 2019</b>	<b>42,19,778</b>	<b>5,30,548</b>	<b>(1,14,84,243)</b>	<b>(67,33,917)</b>
Charged/ (Credit) to				
- profit & loss	(5,31,125)	-	(9,17,327)	(14,48,452)
- other comprehensive income	-	68,05,902	(18,44,945)	49,60,958
<b>As at 31st March 2020</b>	<b>36,88,653</b>	<b>73,36,451</b>	<b>(1,42,46,515)</b>	<b>(32,21,411)</b>
Less: MAT Credit Entitlement				(1,69,470)
<b>Net Deferred Tax Liability/ (Assets)</b>				<b>(33,90,881)</b>

#### 17. Other Liabilities (Rs.)

	As at 31st March 2021	As at 31st March 2020
<b>A. Non Current</b>		
Liability for Capital Expenditure (*)	8,56,582	17,13,152
Deferred Government Grant	1,44,882	8,57,835
	<b>10,01,464</b>	<b>25,70,987</b>
<b>B. Current</b>		
Liability for Capital Expenditure (*)	8,56,570	8,56,570
Deferred Government Grant	7,60,917	7,60,917
Advance from customers	1,24,487	72,341
Statutory Liabilities	22,01,666	4,25,424
	<b>39,43,640</b>	<b>21,15,252</b>

\* Liability for capital expenditure amounting to Rs. 17,13,152/- (PY Rs. 25,69,722/-) represents balance amount of levy of salami Rs. 70,54,120/- by Government of West Bengal on renewal of lease of tea estate payable in equal annual installment of Rs. 3,52,706/- commencing from 3rd September, 2013. However during the financial year 2015-16, Order was received from "The Office of District Magistrate, Alipurduar" for realisation of Salami in a single installment in terms of Order No. 2531(5)-LP dated 28.08.2015 against which the company had represented before the Additional District Magistrate of respect of the above representation an order dated 13th January, 2017 has been passed, according to which the balance amount is payable is seven equal annual installments of Rs. 8,56,570/- from the date of the Order.

## BHATKAWA TEA INDUSTRIES LIMITED

### NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 31ST MARCH, 2021

#### 18. Trade Payables (Rs.)

	As at 31st March 2021	As at 31st March 2020
(a) Total outstanding dues of micro enterprises and small enterprises	5,64,182	4,61,372
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	1,06,93,627	68,13,204
	<b>1,12,57,809</b>	<b>72,74,576</b>

Note: The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. The amount of principal and interest outstanding during the year is given below

	As at 31st March 2021	As at 31st March 2020
(a) Amounts outstanding but not due as at year end	5,64,182	4,61,372
(b) Amounts due but unpaid as at year end	-	-
(c) Amounts paid after appointed date during the year	-	-
(d) Amount of interest accrued and unpaid as at year end	-	-
(e) The amount of further interest due and payable even in the succeeding year	-	-
<b>Total</b>	<b>5,64,182</b>	<b>4,61,372</b>

#### 19. Other financial Liabilities (Rs.)

	As at 31st March 2021	As at 31st March 2020
<b>Current</b>		
Current Maturities of Long-term borrowings (Refer Note No. 14)	17,94,604	4,96,576
Employees Related Liabilities	46,87,356	6,54,620
Bank Book Overdraft	28,23,501	-
Unpaid Dividend	4,14,573	4,59,075
Others	49,89,446	54,15,100
	<b>1,47,09,480</b>	<b>70,25,371</b>

#### 20. Revenue from operations (Rs.)

Revenue from operations	Year ended 31st March, 2021	Year ended 31st March, 2020
Sale of products		
Finished goods	33,05,26,872	25,58,12,489
Other operating revenue		
Misc. Income	16,77,906	23,28,211
<b>Revenue from operations</b>	<b>33,22,04,778</b>	<b>25,81,40,700</b>

## BHATKAWA TEA INDUSTRIES LIMITED



### NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 31ST MARCH, 2021

#### 21. Other Income (Rs.)

Revenue from operations	Year ended 31st March, 2021	Year ended 31st March, 2020
Interest income on		
Bonds	25,37,667	15,78,889
Others	40,97,182	42,75,643
Dividend income	3,61,809	3,48,999
Liabilities no longer required written back	96,893	5,48,308
Profit on Sale of Bonds	-	9,70,400
Rent	2,27,000	2,80,500
Deferred Government Grant Income	7,12,953	7,12,453
Surplus on tangible assets sold (net)	11,718	1,97,776
Miscellaneous Income	1,14,963	63,962
	<b>81,60,185</b>	<b>89,76,930</b>

#### 22. Change in inventories of work-in-progress, stock-in-trade, by-products and finished goods (Rs.)

	Year ended 31st March, 2021	Year ended 31st March, 2020	(Increase) Decrease
Inventories at the end of the year:			
Finished Goods	1,42,07,136	1,37,85,019	(4,22,117)
(A)	<b>1,42,07,136</b>	<b>1,37,85,019</b>	<b>(4,22,117)</b>
Inventories at the beginning of the year:			
Finished Goods	1,37,85,019	1,35,33,707	(2,51,312)
(B)	<b>1,37,85,019</b>	<b>1,35,33,707</b>	<b>(2,51,312)</b>
(B-A)	<b>(4,22,117)</b>	<b>(2,51,312)</b>	

#### 23. Employee benefits expense (Rs.)

	Year ended 31st March, 2021	Year ended 31st March, 2020
Salaries, wages and bonus	14,48,03,148	14,32,92,079
Contribution to provident fund and other fund	1,17,85,684	1,28,03,622
Gratuity expense (Refer Note No. 30)	92,82,798	98,93,145
Workmen and Staff Welfare Expenses	23,42,259	19,48,442
	<b>16,82,13,889</b>	<b>16,79,37,288</b>

#### 24. Finance costs (Rs.)

	Year ended 31st March, 2021	Year ended 31st March, 2020
<b>Interest:</b>		
- To Bank and Others	20,461	-
- On Fixed Loans & Deposits	95,989	2,36,942
- Net Interest Expenses on DBO (Refer note no. 30)	18,84,922	17,53,960
	<b>20,01,372</b>	<b>19,90,902</b>

## BHATKAWA TEA INDUSTRIES LIMITED

### NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 31ST MARCH, 2021

#### 25. Depreciation & amortization expense (Rs.)

	As at 31st March 2021	As at 31st March 2020
Depreciation on Tangible assets	75,16,406	75,85,142
Other amortization	8,56,570	8,56,570
	<b>83,72,976</b>	<b>84,41,712</b>

#### 26. Other Expenses (Rs.)

	Year ended 31st March, 2021	Year ended 31st March, 2020
Stores, Spares and Packing Material consumed-Indigenous	2,39,78,804	2,33,59,673
Power & Fuel	2,60,94,352	2,66,06,060
Repairs & Maintenance :		
- Plant & Machinery	35,47,908	33,89,838
- Buildings	26,62,603	14,53,845
- Others	7,70,341	6,08,768
Rent	17,51,700	10,31,700
Rates and Taxes	4,32,414	5,87,690
Insurance	5,47,020	4,23,457
Carriage outward	49,05,881	57,64,041
Brokerage and Commission	33,96,699	25,79,736
Selling and Distribution Expenses	37,19,534	26,26,215
Subscription	13,89,546	12,63,580
Service Charges	4,80,000	4,80,000
Professional charges	19,98,564	22,50,493
Loss on Uprooting of Plants	12,97,987	-
Auditor's Remuneration (excluding GST):		
- Audit fees	1,65,000	1,65,000
- Tax Audit	25,000	25,000
- Others	30,000	30,000
Travelling Expenses	2,81,874	10,84,935
Miscellaneous Expenses	46,36,172	29,17,322
	<b>8,21,11,399</b>	<b>7,66,47,353</b>

#### 27. Earnings per Share (Rs.)

Particulars	2020-21	2019-20
Net Profit / (Loss) after tax for calculation of basic and diluted EPS (Rs.)	7,18,02,170	2,50,68,797
Weighted average number of equity shares	22,40,000	22,40,000
Nominal Value of equity shares (Rs.)	10.00	10.00
Basic Earnings Per Share (Rs.)	32.05	11.19
Diluted Earnings Per Share (Rs.)	32.05	11.19

## BHATKAWA TEA INDUSTRIES LIMITED



### NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 31ST MARCH, 2021

#### 28. Contingent Liabilities

(Rs.)

Particulars	2020-21	2019-20
Central Sales Tax under appeal	-	5,19,616
Default in Payment of TDS	1,31,290	2,16,159
Income Tax	11,19,669	11,19,669
Agricultural Income Tax under appeal	5,47,007	5,47,007
<b>Total</b>	<b>17,97,966</b>	<b>24,02,451</b>

The Company's pending litigation comprise of proceeding with income tax and sales tax authorities. The company has reviewed all its pending litigations and proceedings and has made adequate provisions, wherever required and disclosed the contingent liabilities, wherever applicable, in its financial statements. The company does not expect the outcome of these proceedings to have material impact on its financial position. Future cash outflows if any in respect of above are dependent upon the outcome of the decision/judgments.

#### 29. Assets pledged as security

The carrying amounts of assets pledged as security for current and non current borrowings are: (Rs.)

Notes	As at 31st March 2021	As at 31st March 2020
<b>Non-Current Assets</b>		
(a) Property, plant and equipment	6,72,58,466	6,71,59,555
<b>Total Non-Current Assets pledged as security</b>	<b>6,72,58,466</b>	<b>6,71,59,555</b>
<b>Current Assets</b>		
(a) Inventories	2,11,99,548	1,97,51,317
(b) Financial assets:		
(i) Trade receivables	1,08,78,177	1,02,49,098
<b>Total Current Assets pledged as security</b>	<b>3,20,77,725</b>	<b>3,00,00,415</b>
<b>Total Assets pledged as security</b>	<b>9,93,36,191</b>	<b>9,71,59,970</b>

#### 30. EMPLOYEE BENEFITS

##### a) Defined Contribution Plan

(Rs.)

	2020-21	2019-20
Employer's Contribution to Provident Fund	1,16,14,429	1,18,22,469
Employee's Contribution to Provident Fund	1,16,14,429	1,18,22,469

##### b) Defined Benefit Plan - Gratuity

The Gratuity scheme is a final salary defined benefit plan, that provides for lumpsum payment at the time of separation; based on scheme rules the benefits are calculated on the basis of last drawn salary and the period of service at the time of separation and paid as lumpsum. There is a vesting period of 5 years.

## BHATKAWA TEA INDUSTRIES LIMITED

### NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 31ST MARCH, 2021

#### Description of Risk Exposures :

Valuations are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary overtime. Thus, the Company is exposed to various risks in providing the above gratuity benefit which are as follows:

- i) **Interest Rates Risk:** The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).
- ii) **Liquidity Risk :** This is the risk that the Company is not able to meet the short-term gratuity payouts. This may arise due to non-availability of enough cash / cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.
- iii) **Salary Escalation Risk :** The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.
- iv) **Demographic Risk :** The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.
- v) **Regulatory Risk :** Gratuity benefit is paid in accordance with the requirements of the payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts (e.g. Increase in the maximum limit on gratuity of Rs. 20,00,000/-)

(Rs.)

	As at 31st March 2021	As at 31st March 2020
<b>(A) Changes in Defined Benefit Obligation</b>		
Present Value of Defined Benefit Obligation as at the beginning of the year	9,66,53,406	9,17,08,243
Current Service Cost	80,97,519	58,34,891
Interest Cost	63,79,125	69,69,826
Actuarial (gains)/loss	85,71,158	(27,35,771)
Benefits Paid	(48,71,124)	(51,23,783)
<b>Present Value of Defined Benefit Obligation as at the end of the year</b>	<b>11,48,30,084</b>	<b>9,66,53,406</b>
<b>(B) Changes in the Fair Value of Assets</b>		
Fair Value of Plan Assets at the beginning of the year	6,80,93,986	6,86,29,813
Expected Return on Plan Assets	44,94,203	52,15,866
Actuarial (gains)/loss	14,75,217	(6,27,910)
Contributions		
Benefits Paid	(48,71,124)	(51,23,783)
<b>Fair Value of Plan Assets at the end of the year</b>	<b>6,91,92,282</b>	<b>6,80,93,986</b>

## BHATKAWA TEA INDUSTRIES LIMITED



### NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 31ST MARCH, 2021

(Rs.)

	As at 31st March 2021	As at 31st March 2020
<b>(C) Amount recognised in the Balance Sheet</b>		
Present Value of Defined Benefit Obligation	11,48,30,084	9,66,53,406
Fair Value of Plan Assets	6,91,92,282	6,80,93,986
<b>Net Assets/ (Liability) recognised in the Balance Sheet</b>	<b>(4,56,37,802)</b>	<b>(2,85,59,420)</b>
<b>(D) Current and Non Current Liability and Asset</b>		
Current Defined Benefit Obligation	1,45,20,727	88,07,290
Non-Current Defined Benefit Obligation	10,03,09,357	8,78,46,116
<b>Total Defined Benefit Obligation</b>	<b>11,48,30,084</b>	<b>9,66,53,406</b>

(Rs.)

	As at 31st March, 2021	As at 31st March, 2020
<b>(E) Expense recognized in Statement of Profit and Loss</b>		
Total Service Cost	80,97,519	58,34,891
Net Interest (Income)/ Cost	18,84,922	17,53,960
<b>Total Expense required to be recognized in Statement of Profit and Loss</b>	<b>99,82,441</b>	<b>75,88,851</b>
<b>(F) Expense recognized in the Other Comprehensive Income (OCI) for Current Year</b>		
Actuarial (Gain) / Losses due to Demographic Assumption changes in DBO	-	26,819
Actuarial (Gain) / Losses due to Financial Assumption changes in DBO	(36,53,736)	94,47,374
Actuarial (Gain)/ Losses due to Experience on DBO	1,22,24,894	(1,22,09,964)
Return on Plan Assets , excluding amount recognised in net interest expense	(14,75,217)	6,27,910
<b>Net (Income)/ Expense for the period to be recognized in OCI</b>	<b>70,95,941</b>	<b>(21,07,861)</b>

#### (G) Sensitivity Analysis :

(Rs.)

	As at 31st March 2021		As at 31st March 2020	
	% increase in DBO	Liability	% increase in DBO	Liability
<b>Discount Rate</b>				
+1%	(9.84%)	10,39,40,674	(9.77%)	8,72,06,032
-1%	11.31%	12,78,12,075	11.67%	10,79,33,801
<b>Salary Growth</b>				
+1%	11.08%	12,75,52,523	11.39%	10,76,63,926
-1%	(9.49%)	10,39,30,644	(9.75%)	8,72,27,980
<b>Attrition Rate</b>				
+50%	(1.65%)	11,29,41,079	(1.89%)	9,48,30,391
-50%	1.89%	11,69,95,792	2.16%	9,87,45,828
<b>Mortality Rate</b>				
+10%	(0.25%)	11,45,40,163	(0.29%)	9,63,73,052
-10%	-0.26%	11,51,26,049	0.30%	9,69,39,656

## BHATKAWA TEA INDUSTRIES LIMITED

### NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 31ST MARCH, 2021

**(H) Maturity profile of Defined Benefit Obligation (Rs.)**

Particulars	31st March 2021	31st March 2020
i) 1year	1,45,20,727	88,07,290
ii) 2 to 5 years	2,94,26,127	2,76,95,926
iii) 6 to 10 years	3,68,96,733	3,11,37,406
iii) >10 years	20,66,00,664	16,80,02,562

**(I) The Major Categories of Plan Assets as a Percentage of Total Plan**

	As at 31st March 2021		As at 31st March 2020	
	Rs.	%	Rs.	%
Qualifying Insurance Policy with HDFC Life	6,91,92,282	100%	6,80,93,986	100%

**(J) The principal assumptions used in determining gratuity obligations for the company's plans are shown below:**

	31st March 2021	31st March 2020
Discount rate (per annum)	6.90%	6.60%
Salary increase (per annum)	9.25%	9.25%
Mortality Rate	100.00%	100.00%
Attrition Rate	2.00%	2.00%
Mortality	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

## BHATKAWA TEA INDUSTRIES LIMITED



### NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 31ST MARCH, 2021

#### 31. Capital Management

The Company aims at maintaining a strong capital base, maximising shareholders' wealth, safeguarding business continuity and augments its internal generations with a judicious use of borrowing facilities to fund spikes in working capital that arise from time to time as well as requirements to finance business growth.

The Company monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

(Rs.)

	As at 31st March 2021	As at 31st March 2020
i) Equity share capital	2,24,00,000	2,24,00,000
ii) Other equity	25,86,02,061	16,90,55,496
<b>Total Equity (a)</b>	<b>28,10,02,061</b>	<b>19,14,55,496</b>
i) Borrowings	-	4,96,575
ii) Current Maturity of long term debt	17,94,604	4,96,576
<b>Total debt (b)</b>	<b>17,94,604</b>	<b>9,93,151</b>
i) Cash and cash equivalents	55,84,769	81,01,574
ii) Bank balance other than above	2,29,14,573	4,59,075
<b>Total cash (c)</b>	<b>2,84,99,342</b>	<b>85,60,649</b>
Net debt {d=(b-c)}	(2,67,04,738)	(75,67,498)
Total capital (equity + net debt)	25,42,97,323	18,38,87,998
Net debt to equity ratio	(0.10)	(0.04)

#### 32. Financial Risk Management and Policy

The Company's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Company continues to focus on a system-based approach to business risk management. The Company's financial risk management process seeks to enable the early identification, evaluation and effective management of key risks facing the business. Backed by strong internal control systems, the current Risk Management System rests on policies and procedures issued by appropriate authorities; process of regular reviews / audits to set appropriate risk limits and controls; monitoring of such risks and compliance confirmation for the same.

##### a) Market risk

The Company's business primarily agricultural in nature, exposes it to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of adverse weather conditions and lack of future markets. The Company closely monitors the changes in market conditions and select the sales strategies to mitigate its exposure to risk.

##### i) Interest rate risk

Interest rate risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The objectives of the Company's interest rate risk management processes are to lessen the impact of adverse interest rate movements on its earnings and cash flows and to minimise counter party risks.

## BHATKAWA TEA INDUSTRIES LIMITED

### NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 31ST MARCH, 2021

The Company is exposed to interest rate volatilities primarily with respect to its short terms borrowings from banks and others. Such volatilities primarily arise due to changes in money supply within the economy and/or liquidity in banking system due to asset/liability mismatch, poor quality assets etc. of banks. The Company manages such risk by operating with banks having superior credit rating in the market as well as financial institutions.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Increase/ decrease in basis points	Effect on profit before tax	Effect on post- tax equity
<b>31st March,2021</b>			
Amount in Rs.	+ 100	(17,946)	(13,280)
Amount in Rs.	(-) 100	17,946	13,280
<b>31st March,2020</b>			
Amount in Rs.	+ 100	(9,932)	(7,374)
Amount in Rs.	(-) 100	9,932	7,374

#### ii) Price risk

The Company invests its surplus funds primarily in debt mutual funds measured at fair value through other comprehensive income. Aggregate value of such investments as at 31st March, 2021 is Rs. 11,40,84,765/- (Rs. 5,09,37,589/-).

Investments in the mutual fund schemes are measured at fair value. Accordingly, these do not pose any significant price risk.

#### b) Credit risk

Credit risk is the risk that counterparty will not meet its obligations leading to a financial loss. The Company has its policies to limit its exposure to credit risk arising from outstanding receivables. Management regularly assess the credit quality of its customer's basis which, the terms of payment are decided. Credit limits are set for each customer which are reviewed on periodic intervals. The credit risk of the Company is low as the Company largely sells its teas through the auction system which is on cash and carry basis.

The risk relating to trade receivables is shown under note no 8.

#### c) Liquidity risk

Liquidity risk is the risk that the Company may encounter difficulty, including seasonality in meeting its obligations. The Company mitigates its liquidity risks by ensuring timely collections of its trade receivables, close monitoring of its credit cycle and ensuring optimal movements of its inventories.

The table below provides details regarding the remaining contractual maturities of significant financial liabilities at the reporting date.

## BHATKAWA TEA INDUSTRIES LIMITED



### NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 31ST MARCH, 2021

(Rs.)

	On Demand	Less than 1 Year	1 to 5 Years	> 5 Years	Total
<b>31st March, 2021</b>					
Borrowings	-	17,94,604	-	-	17,94,604
Trade payables	-	1,12,57,809	-	-	1,12,57,809
Other financial liabilities	-	1,29,14,876	-	-	1,29,14,876
	-	<b>2,59,67,289</b>	-	-	<b>2,59,67,289</b>
<b>31st March, 2020</b>					
Borrowings	-	4,96,576	4,96,575	-	9,93,151
Trade payables	-	72,74,576	-	-	72,74,576
Other financial liabilities	-	65,28,795	-	-	65,28,795
	-	<b>1,42,99,947</b>	<b>4,96,575</b>	-	<b>1,47,96,522</b>

#### d) Agricultural Risk

Cultivation of tea being an agricultural activity, there are certain specific financial risks. These financial risks arise mainly due to adverse weather conditions resulting in less harvestation, logistic problems inherent to remote areas, and fluctuation of selling price of finished goods (tea) due to effective volume of demand.

##### The Company manages the above financial risks in the following manner :

- > Sufficient irrigation facility is made available to cope up the adverse weather conditions.
- > Sufficient inventory levels of agro chemicals, fertilisers and other inputs are maintained so that timely corrective action can be taken in appropriate manner.
- > Slightly higher level of consumable stores viz. packing materials, coal and HSD are maintained in order to mitigate financial risk arising from logistics problems.
- > Sufficient working-capital-facility is obtained from banks in such a way that cultivation, manufacture and sale of tea is not adversely affected even in times of adverse conditions.

#### e) Other Risk-Impact of the COVID 19 pandemic

The Company has assessed and considered the impact of the ongoing Covid-19 pandemic on carrying amounts of Property Plant & Equipment, Investments, Trade receivables, Inventories, other assets and its business operations including all relevant internal and external information available up to the date of approval of these financial results. Basis such evaluation, the management does not expect any adverse impact on its future cash flows, its liquidity position and shall be able to continue as a going concern. However, the eventual outcome of the impact of the Covid-19 pandemic may be different from those estimated as on the date of approval of these financial results owing to the nature and duration of the pandemic.

## BHATKAWA TEA INDUSTRIES LIMITED

### NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 31ST MARCH, 2021

#### 33. Financial Instruments

The significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2 (J) to the financial statements.

(Rs.)

	31st March 2021		31st March 2020	
	FVOCI	Amortised cost	FVOCI	Amortised cost
<b>Assets:</b>				
Trade receivables	-	1,08,78,177	-	1,02,49,098
Investments	19,58,88,885	-	10,67,43,294	-
Loans	-	2,48,76,635	-	1,90,86,080
Cash and cash equivalents	-	2,84,99,342	-	85,60,649
Other financial assets	-	2,80,47,673	-	2,19,80,865
<b>Total</b>	<b>19,58,88,885</b>	<b>9,23,01,827</b>	<b>10,67,43,294</b>	<b>5,98,76,692</b>
<b>Liabilities:</b>				
Borrowings	-	-	-	4,96,575
Trade payables	-	1,12,57,809	-	72,74,576
<b>Total</b>	<b>-</b>	<b>1,12,57,809</b>	<b>-</b>	<b>77,71,151</b>

#### Fair value hierarchy:

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

**Level 1** inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company 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.

The investments included in Level 2 of fair value hierarchy have been valued using quotes available for similar assets and liabilities in the active market. The investments included in Level 3 of fair value hierarchy have been valued using the cost approach to arrive at their fair value. The cost of unquoted investments approximate the fair value because there is a range of possible fair value measurements and the cost represents estimate of fair value within that range.

The following table summarises financial assets and liabilities measured at fair value on a recurring basis and financial assets that are not measured at fair value on a recurring basis (but fair value disclosure are required):

## BHATKAWA TEA INDUSTRIES LIMITED



### NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 31ST MARCH, 2021

(Rs.)

	Level 1	Level 2	Level 3
<b>As at 31st March, 2021</b>			
<b>Financial Assets:</b>			
Financial investments at FVOCI			
Quoted Investments	15,80,66,882	-	-
Unquoted Investments	-	-	3,78,22,003
<b>Total</b>	<b>15,80,66,882</b>	<b>-</b>	<b>3,78,22,003</b>
<b>As at 31st March, 2020</b>			
<b>Financial Assets:</b>			
Financial investments at FVOCI			
Quoted Investments	7,67,56,401	-	-
Unquoted Investments	-	-	2,99,86,893
<b>Total</b>	<b>7,67,56,401</b>	<b>-</b>	<b>2,99,86,893</b>

#### 34. Segment Information

The Company is engaged in the business of integrated activities of manufacture and sale of tea, predominantly in the domestic market. Hence there are no disclosures to be made under Ind AS -108, other than those already provided in the financial statements.

#### 35. Capital Commitments

As at 31st March, 2020, the company has commitments of Rs. 1,03,34,750/- (Rs. 1,03,34,750/-) net of advances relating to estimated amount of contracts to be executed on capital account and not provided for.

#### 36. Disclosure pursuant to SEBI's (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Since the company has no holding/ subsidiary relationship with any other company, hence no disclosure is required.

#### 37. Details of Loans and Guarantees given covered under section 186(4) of the Companies Act, 2013:

The Company has made investments in the shares of different companies and given loans to different parties which are general in nature. The loans given are interest bearing which are not lower than the prevailing yield of related government security close to the tenure of the respective loans.

#### 38. Trade receivables and trade payables with respect to few parties are subject to confirmation and reconciliation, if any.

#### 39. Expenditure in Foreign Currency

(Rs.)

	As at 31st March 2021	As at 31st March 2020
Travelling & Others	-	2,79,617

## BHATKAWA TEA INDUSTRIES LIMITED

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### NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 31ST MARCH, 2021

#### 42. Related party Disclosures

##### (a) Name of the related party:

Party	Relationship
<b>I. Key Managerial Personnel (KMP)</b>	
A. Mr. Padmanabh Jalan	Executive Director
B. Mr. Krishna Prasad Bagaria	Non Executive Director
C. Mrs. Rashmi Chitlangia	Non Executive Director
D. Mr. Sunil Kumar Ganguly	Non Executive Director
E. Mr. Alok Gupta	Non Executive Director
F. Mr. Krishnendu Basu	Chief Financial Officer
G. Mrs. Dharini Mehta	Company Secretary
<b>II. Relative of Key Managerial Personnel</b>	
A. Mr. S. Jalan	Relative (President)
<b>III. Enterprises over which Key Managerial Personnel / Share Holders / Relatives have significant influence</b>	
A. M/s Bhakti Fiscal Pvt. Ltd.	Significant Influence by Key Managerial Personnel or their relatives
B. M/s Uphaar Financial Services Pvt. Ltd.	Significant Influence by Key Managerial Personnel or their relatives
C. M/s Kriti Industries Co. Ltd.	Significant Influence by Key Managerial Personnel or their relatives
D. M/s Lake View Dealers Pvt Ltd.	Significant Influence by Key Managerial Personnel or their relatives
E. M/s Pahargoomiah Tea Industries Pvt. Ltd.	Significant Influence by Key Managerial Personnel or their relatives

## BHATKAWA TEA INDUSTRIES LIMITED



### NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 31ST MARCH, 2018

**(b) Transaction during the period**

(Rs.)

Sl. No.	Nature of Transaction	Key Management Personnel		Relatives of Key Management Personnel		Enterprises owned/ influenced by Key Managerial Personnel or their relatives	
		2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
<b>1</b>	<b>Remuneration Paid</b>						
	Mr. Padmanabh Jalan	33,96,800	29,33,600		-	-	-
	Mr. Krishnendu Basu	4,38,883	4,28,200		-	-	-
	Mrs. Dharini Mehta	1,82,400	1,82,400		-	-	-
	Mr. S. Jalan		-	19,60,640	18,68,240	-	-
<b>2</b>	<b>Purchases</b>						
	M/s Pahargoomiah Tea Industries Pvt. Ltd.	-	-	-	-		2,85,200
	M/s Uphaar Financial Services Pvt. Ltd.	-	-	-	-		9,37,585
<b>3</b>	<b>Sales</b>						
	M/s Uphaar Financial Services Pvt. Ltd.	-	-	-	-	36,504	-
<b>4</b>	<b>Rent &amp; Service Charge Paid</b>						
	M/s Uphaar Financial Services Pvt. Ltd.	-	-	-	-	1,91,700	1,91,700
	M/s Kriti Industries Co. Ltd.	-	-	-	-	14,40,000	13,20,000
<b>5</b>	<b>Reimbursement of Expenses</b>						
	M/s Kriti Industries Co. Ltd. (Electricity)	-	-	-	-		1,23,720
<b>6</b>	<b>Office Maintenance</b>						
	M/s Kriti Industries Co. Ltd.	-	-	-	-		-
<b>7</b>	<b>Rent Income</b>						
	M/s Lake View Dealers Pvt. Ltd.	-	-	-	-	1,07,000	1,60,500
<b>8</b>	<b>Telephone &amp; Internet Expenses Recovered</b>						
	M/s Pahargoomiah Tea Industries Pvt. Ltd.	-	-	-	-	18,000	24,000

## BHATKAWA TEA INDUSTRIES LIMITED

### NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 31ST MARCH, 2019

(b) Transaction during the period (Contd.)

(Rs.)

9	Miscellaneous Receipt on Account of Sales of Store						
	M/s Pahargoomiah Tea Industries Pvt. Ltd.	-	-	-	-	1,02,919	2,70,000
10	Balances on account of						
	Security Deposit						
	Mr. Padmanabh Jalan	1,500	1,500	-	-	-	-
	M/s Kriti Industries Co. Ltd.	-	-	-	-	6,00,000	6,00,000
	Rental Income						
	Lake View Dealers Pvt. Ltd.	-	-	-	-	31,565	94,695
	Rent & Service Charges						
	M/s Kriti Industries Co. Ltd.	-	-	-	-		-
	Bonus/ Leave Salary Payable						
	Mr. Padmanabh Jalan	2,20,000	1,90,000		-	-	-
	Mr. S. Jalan		-	1,35,000	1,21,000	-	-
	Mr. Krishnendu Basu	25,000	25,000		-	-	-

In terms of our report of even date

For **DAS & PRASAD**

Chartered Accounts

Firm Registration No. 303054E

**Sumit Kumar Rajgarhia**

(Partner)

Place : Kolkata

Date : 30th June, 2021 Membership No. 068270

For and on behalf of the Board of Directors

**Padmanabh Jalan**  
Wholetime Director  
(DIN : 01651268)

**Rashmi Chitlangia**  
Director  
(DIN : 07171476)

**Krishnendu Basu**  
Chief  
Financial Officer

**Dharini Mehta**  
Company Secretary  
(ACS-26814)