



## BHATKAWA TEA INDUSTRIES LIMITED

CIN : L01132WB1911PLC002077

### ANNUAL REPORT AND ACCOUNTS 2018-2019

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#### BOARD OF DIRECTORS :

Padmanabh Jalan  
Rashmi Chitlangia  
Sunil Kumar Ganguly  
Alok Gupta

#### 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.  
34/1A, Sudhir Chatterjee Street  
Kolkata - 700 006  
Phone : 033-2219 4815 / 6797  
E-mail : skc@skinfo.in

#### 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 as scheduled below:

Date	:	27th September, 2019
Day	:	Friday
Time	:	10.30 A.M.
Place	:	Rotary Sadan 94/2, Chowringhee Road Kolkata-700 020

#### ORDINARY BUSINESS:

1. To consider and adopt the audited financial statement of the Company for the financial year ended 31st March, 2019 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 March 31, 2019 and the reports of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted."
2. 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:

3. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:  
**"RESOLVED THAT** Mr. Alok Gupta, (DIN: 00781993) who was appointed as an additional Director of the company by the Board of Directors with effect from 26th December, 2018 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 her candidature for office of Director, be and is hereby appointed as Director of the Company.
4. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary 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, Ms. Rashmi Chitlangia, (DIN: 07171476) a non-executive Director of the Company, who has submitted a declaration that she 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 an independent Director of the Company, not liable to retire by rotation, to hold office for a term of 5 (five) consecutive years from 1st October, 2018 up to 30th September, 2023.

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

Place: Kolkata  
Date: 30th May 2019

## BHATKAWA TEA INDUSTRIES LIMITED



### NOTES & INFORMATION TO SHAREHOLDERS

#### 1. PROXY

A member of the Company entitled to attend, vote at the meeting is entitled to appoint a proxy to attend and vote in his stead and a proxy need not to be a Member of the Company. Proxies, in order to be effective must be received at the Company's Registered Office not less than 48 hours before the meeting. Proxies submitted on behalf of limited liability companies, societies, etc. must be accompanied by appropriate resolution/authority as applicable, issued on behalf of the nominating organization.

A person can act as a proxy on behalf of members not exceeding fifty and in the aggregate not more than 10% of the total share capital of the company carrying voting rights. A member holding more than 10% of the total share capital of the company carrying voting rights may appoint a single person as proxy in such person shall not act as a proxy for any other person or share holder. A proxy shall not have a right to speak at the AGM and shall not be entitled to vote except on a poll.

Corporate Members are required to send to the Company a certified copy of the Board Resolution pursuant to Section 113 of the Companies Act, 2013, authorizing their representative to attend and vote at the meeting.

#### 2. Closure of Register of Members

Register of members and the Transfer Books of the company will be closed from Tuesday, 24th September, 2019 to Friday, 27th September, 2019 (both days inclusive).

#### 3. Cut off date

The cut-off date for the purpose of ascertaining the voting rights would be Monday, 23rd September, 2019.

#### 4. Share Transfer

Members holding shares in physical form are requested to note that SEBI vide its press release no. 12/2019 dated March, 27, 2019 has clarified that effective April 1, 2019, except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in dematerialized form. The Company's shares are compulsorily traded at Stock Exchange in 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.

#### 5. Nomination of Shares

As per the provisions of the Companies Act, 2013 the facility for making nomination is available for shareholders in respect of equity shares held by them. Nomination is to be made in Form No. SH-13 issued by the Ministry of Corporate Affairs for physical shares. Any cancellation or variation of Nomination is to be submitted in Form No - SH-14. In respect of nomination for dematerialized shares the concerned Depository Participant of the members should be approached.

#### 6. Explanatory Statement

The explanatory statement pursuant to section 102 of the Companies Act, 2013, in respect of the business under item no's 3 and 4 is annexed hereto and forms part of this Notice.

#### 7. Consolidation of Multiple folios

Shareholders who are holding shares in identical order of names in more than one folio are requested to write to the Company or its Registrars enclosing their share certificates to enable the company to consolidate their holdings in one folio.

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### 8. Physical shares

Members holding shares in physical form are requested to notify in writing any change in their address, details relating to nomination, e-mail address and bank mandates and submit bank details along with an original cancelled cheque immediately to the Company's Registrar and Share Transfer Agents, M/s. S. K. Infosolutions Pvt. Ltd. of 34/1A, Sudhir Chatterjee Street, Near Girish Park Metro Station, Kolkata - 700 006 to enable us to update our records. Cancelled cheque shall bear the name of the shareholder, failing which shareholder shall submit copy of bank passbook/ statement attested by the respective bank.

### 9. Bank Particulars

Shareholders holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for printing on the face of the dividend warrants. For the safety and interest of the shareholders, it is important that bank account details are correctly provided to the depository participants. The Company or its Registrars cannot act on any request received directly from the shareholders holding shares in electronic form for any change of bank particulars or bank mandate. Such changes are to be advised only to the depository participant of the shareholders. The bank mandate, if any, for share held in physical form cannot be applied for shares held in electronic form.

### 10. Attendance Slip

Members are requested to bring their attendance slip duly signed as per the specimen recorded with the Company for admission into the Meeting Hall along with their copy of annual report to the meeting.

### 11. Member's Queries

Queries on accounts and operations of the Company, if any, may please be sent at the Registered Office of the Company at Nicco House, 2 Hare Street, 6th Floor, Kolkata - 700 001, at least seven days in advance of the Meeting so that the answers may be made readily available at the meeting.

12. 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.
13. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company at its registered office address or Registrar & Share Transfer Agents, M/s. S.K.Infosolutions Pvt. Ltd.
14. The Ministry of Corporate Affairs ("MCA") has issued Circular on a "Green Initiative in the Corporate governance" by allowing paperless compliances by the companies and, also clarifying that the service of document can be made through electronic mode provided the Company has obtained e-mail addresses of its members for sending the notices / documents. The Company has therefore decided to issue this intimation to every shareholder to register their e-mail address and changes therein from time to time with the Company's Registrar and share Transfer Agents or with concerned depository participant. In the meantime the company proposes to send the documents calling the Annual General Meeting, the audited accounts, directors' report etc. for the year ended 31st March, 2019 in the electronic form to the e-mail address provided by you and made available to us by the depositories. If you desire to receive the documents above in physical form, please advice accordingly to Registrar & Share Transfer Agent at their e-mail: [skc@skinfo.in](mailto:skc@skinfo.in) or at company's e-mail [contact@bhatkawa.com](mailto:contact@bhatkawa.com).
15. 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)

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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.

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).

**16. The Attendance Slip and Proxy Form is being sent to all members of the company on separate papers.**

17. In terms of the provisions of Section 107 of the Companies Act, 2013, since e-voting is being offered in respect of the resolutions set out in this Notice, the said resolutions will not be decided on a show of hands at the AGM. The voting rights of the Members shall be in proportion to their share in the paid up equity share capital of the Corporation as on the cut-off date i.e., Monday, 23rd September, 2019.

**18. Instruction of E-voting**

E-voting opens at 10.00 a.m. on 24.09.2019 and closes at 05.00 p.m on 26.09.2019

Members are requested to follow the instructions mentioned hereunder for casting their vote through E-voting.

- a) User ID and initial Password for E-voting is provided in the table on the face of the Attendance Slip circulated with the Notice.
- b) NSDL has sent the User-ID and initial password to those members whose shareholding is in dematerialized format and whose Email addresses are registered with the Company/Depository Participants. For members who have not registered their Email ID can use the details as mentioned in the table.
- c) Launch the internet browser by typing the following <https://www.evoting.nsdl.com>
- d) Click on 'Shareholder-Login'
- e) Put User ID and Password as initial Password noted in step (a) then Click login. If you are already registered with NSDL for E-voting then you can use your existing User ID and Password for Login.
- f) If you are logging in for the first time, Password Change Menu appears. Change the Password of your choice with minimum 8 digits / characters or a combination thereof. It is strongly recommended not to share your Password with any other person and take utmost care to keep your Password confidential.
- g) Home page of E-voting opens. Click on 'E-voting: Active voting Cycles.'
- h) Select "EVEN (E-Voting Event Number) of Bhatkawa Tea Industries Limited
- i) Now you are ready for 'E-voting' as 'Cast Vote' page opens.
- j) Cast your vote selecting appropriate option and click 'Submit' and also 'Confirm' when prompted.

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- k) Once you have voted on the resolution, you will not be allowed to modify your vote.
- l) Institutional / Corporate members (i.e. members other than individuals, HUF, NRIs, etc.) are also required to send scanned copy (PDF/JPG) format) of the relevant board resolution / authority letter etc. together with the attested specimen signature(s) of the duly authorized signatory(ies) who are authorized to vote, to the Company at email id: [contact@bhatkawa.com](mailto:contact@bhatkawa.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- m) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for members and E-voting user manual for members available at the 'downloads' section of <https://www.evoting.nsdl.com> or contact NSDL by email at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
- n) The voting rights of shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date i.e. 23rd September, 2019.
- o) Mrs. Monalisa Datta, practicing Company Secretaries (Mem.No.A30368) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- p) 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.
- q) 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.

### **General Instruction / Information for members for voting on the resolution**

- (a) A member can opt for only one mode of voting i.e. either by e-voting or through ballot. In case of members who cast their vote for both modes, the voting done through e-voting shall prevail and the ballot paper of that member shall be treated as invalid.
- (b) Facility of voting through poll papers shall also be made available at the meeting. Members attending the meeting, who have not already cast their vote through e-voting or through ballot forms shall be able to exercise their right at the meeting.
- (c) Members who have cast their vote by remote e-voting or through ballot forms prior to the meeting may also attend the meeting but shall not be entitled to vote at the AGM.
- (d) Voting rights of the share holders (who vote through remote e-voting or through ballot forms or by poll papers at the meeting) shall be in proportion to their share of the paid-up equity share capital of the company as on 23rd September, 2019 (cutoff date). A member whose name is recorded in Register of Members or in the Register of Beneficial Owners maintained by the depositories as on cutoff date only shall be entitled to avail facilities of remote e-voting, voting through ballot forms as well as voting at the AGM.
- (e) Any person who acquires shares of the company and becomes a member of the company after the despatch of AGM notice and holds share as on the cutoff date i.e. 23rd September, 2019 may obtain the Login ID and password by sending a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) by mentioning his/her Folio no. /DP ID and Client ID. However, if you are already registered with NSDL with remote e-voting then you can use your existing voter ID and password for casting your vote. If you have forgotten your password, you may reset your password by using "Forgot User Detail / Password Option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

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- (f) If a member is desirous of obtaining the duplicate ballot form or desires to vote in physical form, he may request for the same by mentioning their folio / DP ID no. - Client ID no. However, duly completed ballot forms should reach the scrutinizer not later than 26th September, 2019 (5 PM). Ballot forms received after this date will be treated as invalid.
- (g) Mrs. Monalisa Datta, practicing Company Secretaries (Mem. No.A30368) has been appointed by the Board of Directors of the Company as scrutinizer for scrutinizing the remote e-voting process as well as voting through post and through ballot paper at the meeting in fair and transparent manner.
- (h) The scrutinizer shall immediately after the conclusion of the voting at the Annual General Meeting, first count the votes cast at the meeting, thereafter unlock remote e-voting and also count the votes received by the post through ballot forms in presence of at least two witness is not in employment of the company.
- (i) The scrutinizer will collect the votes cast at the meeting, votes downloaded from e-voting system and votes received through post and make not later than two days from the conclusion of the meeting, a consolidated scrutinizer report of the total votes cast in favour or against if any to the Chairman or a person authorized by him in writing who shall counter-sign the same.
- (j) The Chairman or a person authorized by him in writing shall forthwith on receipt of consolidated scrutinizer's report, declare the result of the voting. The results declared along with the scrutinizer's report shall be placed on the website of NSDL immediately after their declaration and communicated to Stock Exchange where the company's shares are listed.

### 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. 3 and 4 of the accompanying Notice dated May 30, 2019.

#### Item no. 3

The Board of Directors appointed Alok Gupta, (DIN: 00781993) as Additional Director on 26.12.2018. 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:

Particulars	Appointment
Name	Alok Gupta
DIN	00781993
Date of Birth	28.02.1965
Date of Appointment	23.12.2018
Qualification	Commerce Graduate
Experience	5 years in Marketing
Directorship of other Companies (Excluding foreign Companies and Private Limited Companies)	NIL
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

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. 3 of the accompanying Notice except Mr. Alok Gupta himself.

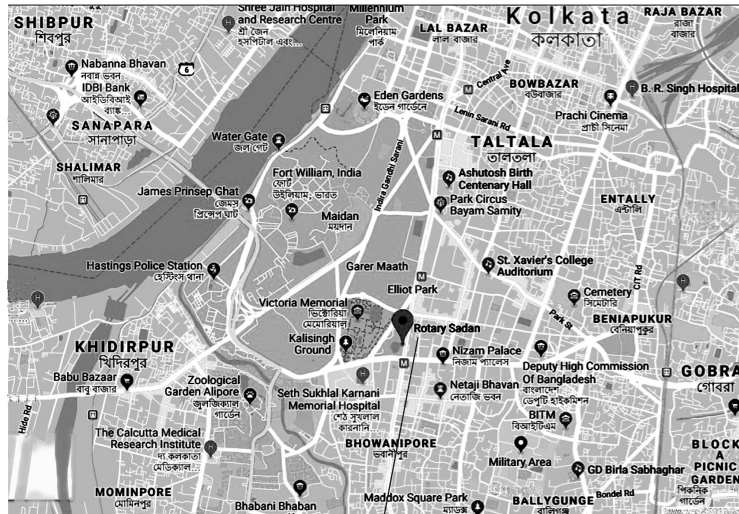
### Item no. 4

Pursuant to resignation of Independent Director Mr. P.D.Bhoot on 29th September, 2018 and to comply with the provisions of Section 149(4), the Board of Directors had decided to appoint Mrs. Rashmi Chitlangia (DIN - 07171476) as Women Independent Director of the Company. Given her vast experience in the Tea industry the Board considers her appointment to be in the interest of the Company and recommends the resolution contained in Item No. 4 of the convening notice for approval of the members as an ordinary resolution. Mrs. Chitlangia's appointment will be up to 30th September, 2023 and her 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. 4 of the accompanying Notice except Mrs. Rashmi Chitlangia herself.

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

Place: Kolkata  
Date: 30th May 2019



**VENUE OF ANNUAL GENERAL MEETING**  
**BHATKAWA TEA INDUSTRIES LIMITED**  
**ROTARY SADAN**  
**94/2, CHOWRINGHEE ROAD**  
**KOLKATA - 700 020**



## 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, 2019 (Rs.)

FINANCIAL RESULTS	31st March 2019	31st March 2018
Gross Revenue	23,94,85,380	29,67,18,366
Profit before Depreciation Finance Cost & Taxation	1,36,17,235	3,49,12,233
Less: Depreciation & Amortization expenses	81,53,334	88,73,099
Finance Cost	27,44,534	17,02,328
Taxation (incl. Deferred Tax)	32,86,230	3,27,560
Profit after taxation	(5,66,863)	2,40,09,246
Other comprehensive income	53,60,378	19,36,431
Total Comprehensive income for the period	47,93,515	2,59,45,677

#### BUSINESS REVIEW & PROSPECTS:

The company's manufactured own crop was 13.22 lakh kg against last year's own crop of 13.99 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 1.89 lakh kg up to 25th May, 2019 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 the Company continues to concentrate on its own business with growth plans in short to medium terms.

#### DIVIDEND

The Board of Directors of your Company, after considering holistically the relevant circumstances has decided that it would be prudent, not to recommend any Dividend for the year under review.

#### 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, 2019 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. 73,282/- for FY - 2010-2011 was transferred to Investor Education & Protection

## **BHATKAWA TEA INDUSTRIES LIMITED**

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Fund on 6th February, 2019. 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 be claimed by the concerned shareholders.

Further, the unclaimed dividend in respect of FY - 2011-2012 amounting to Rs. 54,947/- must be claimed by shareholders on or before 12th December, 2019, 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.

### **PERSONNEL**

There were amicable labour relationship and the Directors acknowledge the co-operation extended by all employees of the garden.

### **DIRECTORS RESPONSIBILITY STATEMENT**

#### **The Board of Directors states:**

- That in the preparation of the Annual Accounts for the year ended 31st March, 2019, 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 2019 and the profit of the company for that period.
- That the Directors has 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, 2019 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 have given declaration as per Section 149 (7) of the Companies Act, 2013 confirming that they meet the criteria of independence as laid down under Section 149 (6) of the Companies Act, 2013.

### **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.

## BHATKAWA TEA INDUSTRIES LIMITED



### DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. P.D.Bhoot resigned (DIN - 00094087) resigned from the Board effective September, 29, 2018 due to personal reasons. The Board hereby places its appreciation for the outstanding contribution made by Mr. P.D.Bhoot during his tenure.

The Board of Directors, in compliance with Section 161 of the Companies Act, 2013 and rules made thereunder, appointed Mr. Alok Gupta (DIN - 00781993) as an additional director w.e.f December 26, 2018. In accordance with the provisions of Section 152 of the Act and the Articles of Association of the Company, Mr. Padmanabh Jalan retires by rotation and being eligible offers himself for re-appointment. Members are requested to refer item no. 3 and 4 of the Notice of the Annual General Meeting for details.

Mrs. Dharini Mehta (Mem. No. A26814) has been appointed the Company Secretary w.e.f 1st April, 2019. She along with Mr. K. Basu being the Chief Financial Officer and Mr. Padmanabh Jalan, Wholetime Director, 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. No Director or Key Managerial Personnel was appointed or resigned during the financial year 2017-18

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 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 2019-2020.

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.24,70,400/-), compares favourably to median employees remuneration. The company has 1676 permanent employees on roles of the company. The percentile increase 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 of the Companies (Accounts) Rule, 2015 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 Mr. Pradip Domadia, Practicing Company Secretary, to undertake the Secretarial Audit of the Company for the year 2018-19. The report of the secretarial

## **BHATKAWA TEA INDUSTRIES LIMITED**

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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 re-appointed Mr. Pradip Domadia, Practicing Company Secretary as Secretarial Auditor for the financial year 2019-20.

### **INTERNAL AUDITORS**

During the year under review, M/s. A.R.Maity, 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**

The related party transactions entered during the year were in ordinary course of business and also on arm's length basis in compliance with the applicable provisions of the Companies Act, 2013 and Listing Regulations. There are no materially significant related party transactions made by the Company with Promoters, Directors or Key Managerial Personnel etc. which may have potential conflict of interest with the Company at large. The Policy on Related Party Transactions as approved by the Board is uploaded on the Company's website at [www.bhatkawatea.com](http://www.bhatkawatea.com).

Accordingly, disclosures of related party transactions in terms of Clause (h) of sub section (3) of Section 134 of Companies Act, 2013 read with Rule 8 (2) of the Companies (Accounts) Rules 2014 in Form AOC - 2, is not applicable. Transactions with related parties, as per requirements of Accounting Standard are disclosed in the notes to the accounts annexed to the financial statements.

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

The meeting dates are circulated in advance to the Directors. During the year ten 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 of the Companies Act, 2013 are covered in the notes of the financial statements for the year ended 31st March, 2019.

### **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.

## **BHATKAWA TEA INDUSTRIES LIMITED**



### **MANAGEMENT DISCUSSION AND ANALYSIS AND CORPORATE GOVERNENCE**

The report on corporate governance and Management discussion and analysis report as required under Clause 49 of the Listing Agreement is annexed herewith as Annexure - C and Annexure - D respectively.

### **THE EXTRACT OF THE ANNUAL RETURN FILED WITH MCA**

Pursuant to Section 92(3) of the Act and the Rules 12(1) of the Companies (Management and Administration) Rules 2014, the extract of Annual Return in Form MGT 9 is annexed as Annexure - E.

### **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 has no formal whistle blower policy to deal with instances of fraud and mismanagement, if any, but no employee is denied access to Audit Committee or to make any reference.

### **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 2018-19.

### **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: 30th May 2019

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

## BHATKAWA TEA INDUSTRIES LIMITED

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

#### ANNEXURE - A

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, 2019.

#### 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

	Current Year	Previous Year
1. Electricity		
a) Purchased		
Units (kwh)	16,12,610	18,06,210
Total Amount (Rs.)	1,52,05,614	1,70,17,031
Rate / Unit (Rs.)	9.43	9.42
b) Own Generation		
i) Through Diesel Generation :		
Units (kWh)	37,334	54,294
Units per Ltr. of Diesel Oil	3.03	3.04
Cost / Unit (Rs.)	22.96	19.51
ii) Through Steam Turbine/Generator :		
Units	-	-
Units per Ltr. of Fuel Oil/Gas	-	-
Cost / Unit (Rs.)	-	-
2. Coal		
Quantity (Tonnes)	903	982
Total Cost (Rs.)	99,13,339	90,69,755
Average Rate	10,978	9,236
3. Furnace Oil		
Quantity (K. Liters)	NIL	NIL
Total Amount (Rs.)	NIL	NIL
Average Rate (Per Liter)	NIL	NIL
4. Other Internal Generation		
Quantity	-	-
Total Cost	-	-
Rate / Unit (Rs.)	-	-

## BHATKAWA TEA INDUSTRIES LIMITED



5. Consumption per unit of Production\*

Product: Tea

Unit: Kgs.

Electricity	1.24	0.83
Furnace Oil	0.00	0.00
Coal	0.68	0.70
Others	-	-

\* There is no prescribed standard

### FORM B

1. Specific area in which R & D carried out by the Company

- Use of Bio-Product for Pest Management.
- On soil structure improvement.
- Vermiculture biotechnology for soil enrichment and nutrient mobilization.

2. Benefits derived as a result of the above R & D

- Improved Pest management and minimizing residual effect on tea.
- Facilitating successful plantation on sub-marginal soil.
- 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

- Capital
- Recurring
- Total
- Total R & D Expenditure as a percentage

R & D activities are carried out as part of company's normal business activities and therefore separate expenditure figures are not available

### Technology Absorption, Adaptation and Innovation

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

#### Foreign exchange earnings and outgo:

- Foreign Currency earnings : Nil
- Expenditure in Foreign Currency : Rs. 463,745

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

Place: Kolkata  
Date: 30th May 2019

## **BHATKAWA TEA INDUSTRIES LIMITED**

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### **ANNEXURE - B**

#### **FORM NO. MR-3**

#### **SECRETARIAL AUDIT REPORT**

#### **FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2019**

**(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, 2019 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, papers, minute books, forms and returns filed and other records maintained by Bhatkawa Tea Industries Limited for the financial year ended on 31st March, 2019 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



- (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. The SEBI (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.

### 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 May, 2019

**PRADIP DOMADIA**  
*Company Secretaries*  
Mem. No. 3806 C.P. 3867

## **BHATKAWA TEA INDUSTRIES LIMITED**

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### **ANNEXURE - B-1**

(To the Secretarial Audit Report of Bhatkawa Tea Industries Limited for the  
Financial Year Ended 31st March, 2019)

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, 2019 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 May, 2019

**PRADIP DOMADIA**  
*Company Secretaries*  
Mem. No. 3806 C.P. 3867

**ANNEXURE - C****REPORT ON CORPORATE GOVERNANCE**

The Stock Exchange Listing Agreement in clause 49 has laid down a Code of Corporate Governance which the Company has complied 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 2018-19 Mr. P.D.Bhoot has resigned from his office of Director w.e.f 29th September, 2018 and Mr. Alok Gupta has been appointed as Director w.e.f 26th December, 2018. At present the Board consists of two Non-Executive Independent Directors.

Composition of Board as at 31st March, 2019 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
Mr. Purushottam Dass Bhoot (DIN - 00094087)	Non - Executive Independent Director	1	NIL	NIL
Mrs. Rashmi Chitlangia (DIN - 07171476)	Non-Executive Independent Woman Director	NIL	NIL	NIL
Mr. Sunil Kumar Ganguly (DIN - 07332950)	Non - Executive Independent Director	NIL	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, ten Board Meetings were held, the dates being 15th May 2018, 30th May 2018, 13th August 2018, 20th September 2018, 28th September 2018, 29th September 2018, 14th November 2018, 26th December 2018, 14th February 2019 and 25th March, 2019.

The last AGM was held on 28th September, 2018.

## BHATKAWA TEA INDUSTRIES LIMITED

### Details of attendance

Director	No. of Board Meetings Attended	Whether attended last AGM
Mr. Padmanabh Jalan	10	Yes
Mr. Purushottam Dass Bhoot (till 29th September, 2018)	2	Yes
Ms. Rashmi Chitlangia	10	Yes
Mr. Sunil Kumar Ganguly	10	Yes
Mr. Alok Gupta (w.e.f 26th December, 2018)	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 15th May, 2018, 13th August, 2018, 14th November, 2018 and 14th February, 2019. The composition and attendance at the Audit committee meetings are as follows:

Director	No. of Audit Committee Meetings Attended
Mr. Sunil Kumar Ganguly, Chairman	4
Mr. Padmanabh Jalan, Member	4
Mrs. Rashmi Chitlangia, Member	4

## 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 2019 is as follows.

Director	No. of meetings attended
Mr. Sunil Kumar Ganguly, Chairman	1
Mrs. Rashmi Chitlangia	1
Mr. Alok Gupta	1

The Committee had met on 30th March, 2019.

- a. Remuneration paid to Managing Director and Wholetime Director during the year ended 31st March, 2019. (Rs.)

Name	Salary	Value of Perquisites	Provident Fund	Total
Mr. Padmanabh Jalan Wholetime Director	20,80,000	1,60,000	2,30,400	24,70,400

Service contract : Wholetime Director - 1st April 2017 to 31st March, 2020.

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, 2019 is as follows.

Name	No. of meetings attended
Mr. Purushottam Dass Bhoot, Chairman (till 29.09.18)	0
Mrs. Rashmi Chitlangia (Chairman w.e.f 30.09.18)	1
Mr. Padmanabh Jalan	1
Mr. Alok Gupta (w.e.f 26.12.18)	1

The Committee had met on 30th March, 2019.

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

### 5. General Body Meetings:

Location and time where last three AGMs were held:

Date	Location	Time
28th September, 2016	Rotary Sadan, 94/2, Chowringhee Road, Kolkata-700 020.	10.30 A.M.
25th September, 2017	Rotary Sadan, 94/2, Chowringhee Road, Kolkata-700 020.	10.30 A.M.
28th September, 2018	Rotary Sadan, 94/2, Chowringhee Road, Kolkata-700 020.	10.30 A.M.

One special resolution was passed each at the AGM held in 2017 and 2018. 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. There is no formal whistle blower policy but no employee is denied access to the Audit Committee or to make any reference.

### 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.
- 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:

Friday 28th September, 2018 at 10.30 AM  
at Rotary Sadan, 94/2, Chowringhee Road, Kolkata-700 020.

## BHATKAWA TEA INDUSTRIES LIMITED



**(b) Book closure and Dividend payment date:**

Tuesday, 25th September 2018 to Friday, 28th September 2018, both days inclusive.

Cut-off date will be Monday, 24th September, 2018.

Dividend payment date: within 10 days from AGM date

**(c) 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

**(d) Stock Price Data: Year 2018-19**

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.

**(e) Stock Performance:**

Company's Share Price in relation to CSE SENSEX: (April 2018 to March 2019) N.A.

**(f) 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.

**(g) Dematerialisation of Shares:**

As on 31st March, 2019, 86.14% of total holdings have been dematerialized.

**(h) (i) Distribution of shareholding as on 31st March, 2018**

Group of Shares	No. of Shareholders	%	No. of Shares held	% of Total Shares
1 to 500	191	60.06	27057	1.21
501 to 1000	35	11.01	24016	1.07
1001 to 2000	51	16.04	70838	3.16
2001 to 3000	12	3.77	31747	1.42
3001 to 4000	2	0.63	6886	0.31
4001 to 5000	6	1.89	25900	1.16
5001 to 10000	5	1.57	39480	1.76
10001 to higher	16	5.03	2014076	89.91
<b>Total</b>	<b>318</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, 2018**

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	267	147660	6.59
Directors & their relatives	10	1362786	60.84
Bodies Corporate	18	617610	27.57
<b>Total</b>	<b>318</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: 30th May, 2019

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



**ANNEXURE - D****MANAGEMENT DISCUSSION & ANALYSIS REPORT**

The year 2018-19, in terms of crop, the Company has sustained its production with marginal decrease 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 13.22 lakh kgs as compared to 13.99 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:

	2018-19 (Rs.)	2017-18 (Rs.)	2016-17 (Rs.)
Average Price realization per kg	178.09	174.88	170.15

**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 1676 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: 30th May, 2019

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

## **BHATKAWA TEA INDUSTRIES LIMITED**

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### **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, 2019, 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 May, 2019

**PRADIP DOMADIA**  
*Company Secretaries*  
Mem. No. 3806 C.P. 3867

## BHATKAWA TEA INDUSTRIES LIMITED



### COMPLIANCE CERTIFICATE FURNISHED BY WHOLETIME DIRECTOR AND CHIEF FINANCIAL OFFICER OF THE COMPANY AS FOR FINANCIAL YEAR ENDED 31ST MARCH, 2018 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 Wholetime 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, 2019 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 May, 2019

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

**Krishnendu Basu**  
Chief Financial Officer

## BHATKAWA TEA INDUSTRIES LIMITED

### ANNEXURE - E

#### FORM NO. MGT - 9

#### EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2018

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company  
(Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:		
1	CIN	L01132WB1911PLC002077
2	Registration Date	17.11.1911
3	Name of the Company	BHATKAWA TEA INDUSTRIES LIMITED
4	Category/Sub-category of the Company	PUBLIC LIMITED COMPANY LIMITED BY SHARES
5	Address of the Registered office & contact details	NICCO HOUSE, 6TH. FLOOR, 2,HARE STREET, KOLKATA 700001 PHONE NO 22489916/5422 FAX 22485362, e-mail : contact@bhatkawa.com
6	Whether listed company	YES - CALCUTTA STOCK EXCHANGE
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	S.K.INFO SOLUTIONS PVT. LTD. 34/1A,SUDHIR CHATTERJEE STREET, KOLKATA 700006 PHONE NO 033 22194815/6797 e-mail: skc@skinfo.in

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/Service	% to total turnover of the company
1	Plantation & Manufacturing of Tea	0100	100

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable Section
1	NIL				

## BHATKAWA TEA INDUSTRIES LIMITED



### IV. SHARE HOLDING PATTERN

(Equity share capital breakup as percentage of total equity)

#### (i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April-2018]				No. of Shares held at the end of the year [As on 31-March-2019]				% Change During the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	1,153,613	209,173	1,362,786	60.84%	1,308,463	54,323	1,362,786	60.84%	-
b) Central Govt			-	-			-	-	-
c) State Govt(s)			-	-			-	-	-
d) Bodies Corp.			-	-			-	-	-
e) Banks / FI			-	-			-	-	-
f) Any other			-	-			-	-	-
<b>Sub Total (A) (1)</b>	<b>1,153,613</b>	<b>209,173</b>	<b>1,362,786</b>	<b>60.84%</b>	<b>1,308,463</b>	<b>54,323</b>	<b>1,362,786</b>	<b>60.84%</b>	<b>-</b>
<b>(2) Foreign</b>									
a) NRI Individuals			-	-			-	-	-
b) Other Individuals			-	-			-	-	-
c) Bodies Corp.			-	-			-	-	-
d) Any other			-	-			-	-	-
<b>Sub Total (A) (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL (A)</b>	<b>1,153,613</b>	<b>209,173</b>	<b>1,362,786</b>	<b>60.84%</b>	<b>1,308,463</b>	<b>54,323</b>	<b>1,362,786</b>	<b>60.84%</b>	<b>-</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds			-	-			-	-	-
b) Banks / FI	-	59,556	59,556	2.66%	-	59,556	59,556	2.66%	-
c) Central Govt			-	-			-	-	-
d) State Govt(s)			-	-			-	-	-
e) Venture Capital Funds			-	-			-	-	-
f) Insurance Companies			-	-			-	-	-
g) FIs			-	-			-	-	-
h) Foreign Venture Capital Funds			-	-			-	-	-
i) Others (specify)			-	-			-	-	-
<b>Sub-total (B)(1):-</b>	<b>-</b>	<b>59,556</b>	<b>59,556</b>	<b>2.66%</b>	<b>-</b>	<b>59,556</b>	<b>59,556</b>	<b>2.66%</b>	<b>-</b>

## BHATKAWA TEA INDUSTRIES LIMITED

### IV. SHARE HOLDING PATTERN

(Equity share capital breakup as percentage of total equity)

#### (i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April-2018]				No. of Shares held at the end of the year [As on 31-March-2019]				% Change During the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	598,697	18,619	617,316	27.56%	599,005	18,605	617,610	27.57%	0.00
ii) Overseas			-	-			-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	17,596	117,758	135,354	6.04%	22,136	125,524	147,660	6.59%	0.09
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	12,600	12,600	0.56%	-	-	-	0.00%	(1.00)
c) Others (specify) NRI	-	52,388	52,388	2.34%	-	52,388	52,388	2.34%	-
<b>Sub-total (B)(2):-</b>	<b>616,293</b>	<b>201,365</b>	<b>817,658</b>	<b>36.50%</b>	<b>621,141</b>	<b>196,517</b>	<b>817,658</b>	<b>36.50%</b>	<b>-</b>
<b>Total Public (B)</b>	<b>616,293</b>	<b>260,921</b>	<b>877,214</b>	<b>39.16%</b>	<b>621,141</b>	<b>256,073</b>	<b>877,214</b>	<b>39.16%</b>	<b>-</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
			-	-				-	-
<b>Grand Total (A+B+C)</b>	<b>1,769,906</b>	<b>470,094</b>	<b>2,240,000</b>	<b>100.00%</b>	<b>1,929,604</b>	<b>310,396</b>	<b>2,240,000</b>	<b>100.00%</b>	<b>-</b>

## BHATKAWA TEA INDUSTRIES LIMITED



### (ii) Shareholding of Promoter

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	
1	Sudarshan Jalan	446,508	19.93%	-	492,752	22.00%	-	0.10
2	Minakshi Jalan	546,194	24.38%	-	560,194	25.01%	-	0.03
3	Padmanabh Jalan	244,090	10.90%	-	244,090	10.90%	-	-
4	Minakshi Jalan Welfare Trust	14,350	0.64%	-	14,350	0.64%	-	-
5	P.Jalan Welfare Trust	1,400	0.06%	-	1,400	0.06%	-	-
6	Shivank Jalan Family Trust	-	0.00%	-	50,000	2.23%	-	-
7	Sudarshan Jalan HUF	96,244	4.30%	-	-	0.00%	-	(1.00)
8	Pradyumna Jalan	14,000	0.63%	-	-	0.00%	-	(1.00)

### (iii) Change in Promoters' Shareholding (please specify, if there is no change)

SN	Shareholder's Name	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares	No. of Shares	% of total shares
	At the beginning of the year			1,362,786	60.84%	1,362,786	60.84%
	Changes during the year			No Change	-	-	-
	At the end of the year			-	-	1,362,786	60.84%

## BHATKAWA TEA INDUSTRIES LIMITED

**(iv) Shareholding Pattern of top ten Shareholders**

*(Other than Directors, Promoters and Holders of GDRs and ADRs):*

SN	For each of the Top 10 Shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares	No. of Shares	% of total shares
<b>1</b>	<b>Kirti Industrial Co. Ltd.</b>						
	At the beginning of the year			315,915	14.10%	315,915	14.10%
	Changes during the year			-	-	-	-
	At the end of the year					315,915	14.10%
<b>2</b>	<b>Uphaar Financial Services Ltd.</b>						
	At the beginning of the year			165,575	7.39%	165,575	7.39%
	Changes during the year			-	-	-	-
	At the end of the year			-	165,575		7.39%
<b>3</b>	<b>Bhakti Fiscal Pvt. Ltd.</b>						
	At the beginning of the year			100,700	4.50%	100,700	4.50%
	Changes during the year			-	-	-	-
	At the end of the year				0.00%	100,700	4.50%
<b>4</b>	<b>Central Bank Of India</b>						
	At the beginning of the year			30,800	1.38%	30,800	1.38%
	Changes during the year			-	-	-	-
	At the end of the year				-	30,800	1.38%
<b>5</b>	<b>Lake view Dealers Pvt. Ltd.</b>						
	At the beginning of the year			14,500	0.65%	14,500	0.65%
	Changes during the year			-	-	-	-
	At the end of the year				-	14,500	0.65%
<b>6</b>	<b>Bank Of India</b>						
	At the beginning of the year			12,600	0.56%	12,600	0.56%
	Changes during the year			-	-	-	-
	At the end of the year				-	12,600	0.56%
<b>7</b>	<b>Prasanta Kumar Banerjee</b>						
	At the beginning of the year			12,600	0.56%	12,600	0.56%
	Changes during the year			-	-	-	-
	At the end of the year				-	12,600	0.56%
<b>8</b>	<b>Jadavpur University</b>						
	At the beginning of the year			9,296	0.42%	9,296	0.42%
	Changes during the year			-	-	-	-
	At the end of the year				-	9,296	0.42%
<b>9</b>	<b>Central Bank Of India</b>						
	At the beginning of the year			8,400	0.38%	8,400	0.38%
	Changes during the year			-	-	-	-
	At the end of the year				-	8,400	0.38%
<b>10</b>	<b>Lloyd Amelia Irene</b>						
	At the beginning of the year			7,980	0.36%	7,980	0.36%
	Changes during the year			-	-	-	-
	At the end of the year				-	7,980	0.36%



## BHATKAWA TEA INDUSTRIES LIMITED



### (v) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares	No. of Shares	% of total shares
1	<b>Padmanabh Jalan</b>						
	At the beginning of the year			244,090	10.90%	244,090	10.90%
	Changes during the year			No change	-	-	-
	At the end of the year			-	-	244,090	10.90%

### V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment. (Rs. in Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	112.20			112.20
ii) Interest due but not paid	-			-
iii) Interest accrued but not due	0.27			0.27
<b>Total (i+ii+iii)</b>	<b>112.47</b>	<b>-</b>	<b>-</b>	<b>112.47</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	(97.58)			(97.58)
* Reduction	-			-
Net Change	(97.58)	-	-	(97.58)
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	14.89			14.89
ii) Interest due but not paid	-			-
iii) Interest accrued but not due	-			-
<b>Total (i+ii+iii)</b>	<b>14.89</b>	<b>-</b>	<b>-</b>	<b>14.89</b>

## BHATKAWA TEA INDUSTRIES LIMITED

### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

#### A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (Rs. in Lakhs)

SN	Particulars of Remuneration	Name of MD/WTM/Manager	Total Amount
	Name	P.Jalan	(Rs/Lac)
	Designation	Whole Time Director	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	20.80	20.80
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1.60	1.60
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961		
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission	-	
	- as % of profit	-	-
	- others, specify	-	-
5	Others - Contribution to PF	2.30	2.30
	Total (A)	24.70	24.70
	Ceiling as per the Act		

#### B. Remuneration to other Directors (Rs. in Lakhs)

SN	Particulars of Remuneration	Name of Directors			Total Amount
1	Independent Directors				
	Fee for attending board committee meetings		-		
	Commission		-		
	Others, please specify		-		
	Total (1)	-	-	-	-
2	Other Non-Executive Directors				-
	Fee for attending board committee meetings				-
	Commission				-
	Others, please specify				-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	-	-	-	-
	Total Managerial Remuneration (A+B)				24.70
	Overall Ceiling as per the Act				

## BHATKAWA TEA INDUSTRIES LIMITED



### C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD (Rs. in Lakhs)

SN	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount
	Name	Mr. Krishnendu Basu			(Rs/Lac)
	Designation	CFO	CEO	CS	
1	Gross salary				3.58
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3.58			3.58
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-			-
2	Stock Option	-			-
3	Sweat Equity	-			-
4	Commission	-			
	- as % of profit	-			-
	- others, specify	-			-
5	Others - Contribution to PF	0.38			0.38
	Total	3.96	-	-	3.96

### VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES :

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD/NCLT/COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty			-		
Punishment			-		
Compounding			-		
<b>B. DIRECTORS</b>					
Penalty			-		
Punishment			-		
Compounding			-		
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			-		
Punishment			-		
Compounding			-		

## 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, 2019, 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, 2019, the loss 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 judgment, 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.	<b>Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 Revenue from Contracts with customers(New Revenue Accounting Standards)</b> <ul style="list-style-type: none"><li>The application of new accounting standards involves certain key judgments relating to identification of distinct performance obligations, determination of</li></ul>	<p>Our audit procedures included the following:-</p> <p>We assessed the Company's process to identify the impact of adoption of the new revenue accounting standard. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:</p> <ul style="list-style-type: none"><li>Evaluated the design of internal controls relating to implementation of the new revenue accounting standard.</li></ul>

	<p>transaction price of the identified performance obligations, the appropriateness of basis used to measure revenue recognized over a period and estimate of variable consideration. Additionally, new revenue accounting standards contains disclosures which involves collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to balance sheet date.</p>	<ul style="list-style-type: none"> <li>• Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, re-performance and inspection of evidence in respect of operation of these controls.</li> <li>• Tested the relevant information technology systems access and change management controls relating to contracts and related information used in recording and disclosing revenue in accordance with the new revenue accounting standard.</li> <li>• Selected a sample of continuing and new contracts and performed the following procedures :</li> <li>• Read, analysed and identified the distinct performance obligations in these contracts. - Compared these performance obligations with that identified and recorded by the Company.</li> <li>• Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration.</li> <li>• Sample of revenues disaggregated by type and service offerings was tested with the performance obligations specified in the underlying contracts.</li> <li>• Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings.</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 Management Discussion and 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.

## BHATKAWA TEA INDUSTRIES LIMITED

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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 judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 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 judgment 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.
  - 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, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 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:

## BHATKAWA TEA INDUSTRIES LIMITED

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- 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 were no amounts, which were 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.

**For Das & Prasad**  
Chartered Accountants  
(Firm's Registration No.303054E)  
**Sweta Shah**  
(Partner)  
(Membership No. 067564)

Place: Kolkata  
Date: 30th May, 2019

### **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, 2019 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 judgment, 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, 2019, 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)  
**Sweta Shah**  
(Partner)  
(Membership No. 067564)

Place: Kolkata  
Date: 30th May, 2019

## **BHATKAWA TEA INDUSTRIES LIMITED**

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### **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, 2019, 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.
- (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, Sales Tax, Service Tax, Value Added 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, Service Tax, Value Added Tax, GST, cess or other material statutory dues were in arrears as at March 31, 2019 for a period of more than six months from the date they become payable except Dividend Distribution Tax amounting to Rs.5191/-

- (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, 2019:

## BHATKAWA TEA INDUSTRIES LIMITED



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	High Court
	Income Tax	5,39,644	2009-10 and 2010-11	Commissioner of Income Tax (Appeals)
West Bengal Value Added Tax Act, 2003	Sales Tax	5,16,940	2010-11	West Bengal Commercial Taxes Appellate and Revisional Board
Central Sales Tax Act	Sales Tax	5,16,940	2010-11	West Bengal Commercial Taxes Appellate and Revisional Board
Bengal Agricultural Income Tax Act, 1944	Agricultural 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, 2019. 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;
- (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.

**For Das & Prasad**  
 Chartered Accountants  
 (Firm's Registration No.303054E)  
**Sweta Shah**  
 (Partner)  
 (Membership No. 067564)

Place: Kolkata  
 Date: 30th May, 2019

## BHATKAWA TEA INDUSTRIES LIMITED

### BALANCE SHEET AS AT 31ST MARCH 2019

	Note	As at 31.03.2019 Rs.	As at 31.03.2018 Rs.
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
(A) Property, plant and equipment	3.1	67,323,578	70,745,047
(B) Capital work-in-progress	3.2	2,456,638	1,532,311
(C) Other Intangible Assets	3.1	6,038	12,461
(D) Financial assets :			
(i) Investments	4	45,851,149	31,612,280
(ii) Other Financial assets	5	4,573,257	373,232
(E) Other Non Current Assets	6	2,376,445	2,376,445
<b>Total Non-Current Assets</b>		<b>122,587,105</b>	<b>106,651,776</b>
<b>Current Assets</b>			
(A) Inventories	7	20,422,684	16,070,635
(B) Financial assets:			
(i) Investments	4	47,010,865	80,383,645
(ii) Trade receivables	8	13,753,251	17,553,608
(iii) Cash and cash equivalents	9	2,371,045	252,032
(iv) Bank balance other than (iii) above	10	22,936,675	1,332,530
(v) Loans	11	25,721,949	36,966,432
(vi) Other Financial assets	5	1,143,555	1,077,861
(C) Other Current Assets	6	4,039,518	3,285,044
<b>Total Current Assets</b>		<b>137,399,542</b>	<b>156,921,787</b>
<b>Total Assets</b>		<b>259,986,647</b>	<b>263,573,563</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(A) Equity Share capital	12	22,400,000	22,400,000
(B) Other Equity	13	155,356,061	151,928,445
<b>Total Equity</b>		<b>177,756,061</b>	<b>174,328,445</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
(A) Financial liabilities:			
(i) Borrowings	14	993,151	1,489,727
(B) Provisions	15	23,078,430	18,816,682
(C) Deferred tax (assets)/Liabilities (net)	16	4,626,642	2,888,467
(D) Other Non-Current Liabilities	17	4,140,010	5,709,033
<b>Total Non-Current Liabilities</b>		<b>32,838,233</b>	<b>28,903,909</b>
<b>Current liabilities</b>			
(A) Financial liabilities:			
(i) Borrowings	14	-	9,233,473
(ii) Trade payables	18		
(a) total outstanding dues of micro enterprises and small enterprises		631,293	-
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		9,593,151	10,279,893
(iii) Other financial Liabilities	19	10,598,364	10,429,883
(B) Provisions	15	25,594,273	24,644,187
(C) Other current liabilities	17	2,975,272	5,753,773
<b>Total Current Liabilities</b>		<b>49,392,353</b>	<b>60,341,209</b>
<b>Total Equity and Liabilities</b>		<b>259,986,647</b>	<b>263,573,563</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**

Chartered Accounts

Firm Registration No. 303054E

Place : Kolkata	<b>Sweta Shah</b> (Partner)	<b>Dharini Mehta</b> Company Secretary (ACS-26814)	<b>Padmanabh Jalan</b> Wholetime Director (DIN :01651268)	<b>Sunil Kumar Ganguly</b> Director (DIN :07332950)	<b>Krishnendu Basu</b> Chief Financial Officer
Date : 30th May, 2019	Membership No. 067564				

# BHATKAWA TEA INDUSTRIES LIMITED



## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2019

	Note	For the year ended 31.03.2019 Rs.	For the year ended 31.03.2018 Rs
<b>Income</b>			
Revenue from operations	20	230,914,177	286,749,129
Other income	21	8,571,203	9,969,239
<b>Total revenue</b>		<b>239,485,380</b>	<b>296,718,368</b>
<b>Expenses</b>			
Change in inventories of Finished Goods	22	(4,137,248)	36,099,856
Employee benefits expenses	23	155,740,428	142,553,849
Finance costs	24	2,744,534	1,654,794
Depreciation and amortization expenses	25	8,153,334	8,873,101
Excise duty on sale of goods		-	115,150
Other expenses	26	74,264,965	83,084,813
<b>Total expenses</b>		<b>236,766,013</b>	<b>272,381,563</b>
Profit/(Loss) before tax		2,719,367	24,336,805
Less: Tax expenses :			
Current tax		2,098,851	2,170,620
Deferred tax Assets/ (Liability)	16	1,187,379	(1,074,592)
MAT credit entitlement		-	(59,664)
Income Tax relating to earlier years		-	(712,330)
Profit/(Loss) for the year		<b>(566,863)</b>	<b>24,012,771</b>
Other Comprehensive Income/(Expenses) (OCI)			
Items that will not be reclassified to profit or loss:			
Remeasurement gains/ (losses) on defined benefit plans		1,908,878	(3,968,838)
Less: Tax effect	16	(540,212)	1,123,181
		<b>1,368,666</b>	<b>(2,845,657)</b>
Net (loss)/gain on FVTOCI equity securities		4,002,296	6,069,370
Less: Tax effect	16	(10,583)	(1,287,282)
		<b>3,991,713</b>	<b>4,782,088</b>
<b>Other Comprehensive Income/(Expenses) (OCI), net of taxes</b>		<b>5,360,378</b>	<b>1,936,431</b>
<b>Total Comprehensive Income /(Loss) for the year</b>		<b>4,793,516</b>	<b>25,949,202</b>
<b>Earnings per equity share [nominal value: Rs. 10 per share]</b>	<b>27</b>		
Basic (Rs.)		(0.25)	10.72
Diluted (Rs.)		(0.25)	10.72
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

For and on behalf of the Board of Directors

Place : Kolkata	<b>Sweta Shah</b> (Partner)	<b>Dharini Mehta</b> Company Secretary (ACS-26814)	<b>Padmanabh Jalan</b> Wholetime Director (DIN :01651268)	<b>Sunil Kumar Ganguly</b> Director (DIN :07332950)	<b>Krishnendu Basu</b> Chief Financial Officer
Date : 30th May, 2019      Membership No. 067564					

## BHATKAWA TEA INDUSTRIES LIMITED

### STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2019

#### A. Equity Share Capital

(Rs.)

	As at 31st March 2019	As at 31st March 2018
<b>At the beginning of the year</b>	<b>22,400,000</b>	<b>22,400,000</b>
Add: Addition during the year	-	-
<b>At the End of the year</b>	<b>22,400,000</b>	<b>22,400,000</b>

#### B. Other Equity

(Rs.)

	Reserve & Surplus		Other Reserves	Total Equity
	General Reserve	Retained Earning	FVOCI Equity Investments	
<b>Balance as at 31st March 2017</b>	<b>35,668,314</b>	<b>83,491,173</b>	<b>8,030,958</b>	<b>127,190,445</b>
Add: Profit/(Loss) for the year	-	24,012,771	-	24,012,771
Add/Less: Other Comprehensive Income	-	(4,132,939)	6,069,370	1,936,431
Add/Less: Transfer to General Reserve	1,500,000	(1,500,000)	-	-
Add/Less: Profit on sale of Equity Share	-	1,070,215	(1,070,215)	-
Less: Dividend Paid	-	(1,120,000)	-	(1,120,000)
Less: Tax on Dividend	-	(91,202)	-	(91,202)
<b>Balance as at 31st March, 2018</b>	<b>37,168,314</b>	<b>101,730,018</b>	<b>13,030,113</b>	<b>151,928,445</b>
Add: Profit/(Loss) for the year	-	(566,863)	-	(566,863)
Add/Less: Other Comprehensive Income	-	1,358,082	4,002,296	5,360,378
Add/Less: Transfer to General Reserve	-	-	-	-
Add/Less: Profit on sale of Equity Share	-	4,086,880	(4,086,880)	-
Less: Dividend Paid	-	(1,120,000)	-	(1,120,000)
Less: Tax on Dividend	-	(245,899)	-	(245,899)
<b>Balance as at 31st March, 2019</b>	<b>37,168,314</b>	<b>105,242,218</b>	<b>12,945,529</b>	<b>155,356,061</b>

#### 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

For and on behalf of the Board of Directors

Place : Kolkata	<b>Sweta Shah</b> (Partner)	<b>Dharini Mehta</b> Company Secretary (ACS-26814)	<b>Padmanabh Jalan</b> Wholetime Director (DIN :01651268)	<b>Sunil Kumar Ganguly</b> Director (DIN :07332950)	<b>Krishnendu Basu</b> Chief Financial Officer
Date : 30th May, 2019      Membership No. 067564					

## BHATKAWA TEA INDUSTRIES LIMITED



### CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019

	Year ended 31st March, 2019 Rs.	Year ended 31st March, 2018 Rs
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/(Loss) before tax	2,719,367	24,336,805
Adjustments for :		
Depreciation & Amortization Expense	8,153,334	8,873,101
Finance Costs	602,649	415,055
Remeasurement gains/(losses) on defined benefit plans	1,908,878	(3,968,838)
Profit on Sale of Fixed Asset (Net)	-	(159,958)
Deferred Government Grants	(712,453)	(712,453)
Dividend Income	(261,246)	(274,478)
Interest Income	(5,815,374)	(6,206,097)
<b>Operating Profit before Working Capital Changes</b>	<b>6,595,155</b>	<b>22,303,137</b>
Adjustments for:		
(Increase)/Decrease in Inventories	(4,352,049)	38,906,206
(Increase)/Decrease in Trade and other receivables	(11,620,266)	3,796,445
Increase/(Decrease) in Trade and other payables	(6,660,347)	(22,632,661)
<b>Cash Generated from Operations</b>	<b>(16,037,506)</b>	<b>41,509,222</b>
<b>Tax Paid</b>	<b>1,886,888</b>	<b>3,606,734</b>
<b>Net Cash (Outflow)/Inflow from Operating Activities</b>	<b>(17,924,394)</b>	<b>37,902,488</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Acquisition of Property, Plant & Equipment	(2,735,026)	(2,161,042)
Work In Progress of Bearer Plant	(2,914,747)	(1,207,039)
Sale of Property, Plant & Equipment	-	159,958
Capital Subsidy Received	-	2,379,666
Capital Expenditure	(856,570)	(856,570)
Dividend Received	261,246	274,478
Sale of Investments	70,654,872	56,987,764
Acquisition of Investments	(47,518,665)	(98,543,001)
Interest Received	5,644,180	22,535,290
<b>Net Cash (Outflow)/Inflow from Investing Activities</b>	<b>22,535,290</b>	<b>(36,661,966)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of Long-Term Borrowings	(496,576)	(625,015)
Repayment of Long-Term Loan Given	-	1,000,000
Dividend Paid (including tax on dividend)	(1,365,899)	(1,211,202)
Interest and Other Finance charges paid	(629,410)	(466,407)
<b>Net Cash Inflow/(Out flow) from Financing Activities</b>	<b>(2,491,885)</b>	<b>(1,302,624)</b>
<b>Net Increase/ (Decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>2,119,011</b>	<b>(62,102)</b>
Cash & Cash Equivalents as at Opening	252,034	314,136
<b>Cash &amp; Cash Equivalents as at Closing</b>	<b>2,371,045</b>	<b>252,034</b>

- 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'.
- 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 2019 (*contd.*)

	As at 31st March, 2019 Rs.	As at 31st March, 2018 Rs
<b>Components of Cash and Cash Equivalents</b>		
<b>Balances with banks:</b>		
On current accounts	2,141,054	101,300
Remittance in Transit	229,991	-
Cash in hand	229,991	150,732
<b>Total Cash &amp; Cash Equivalents</b>	<b>2,371,045</b>	<b>252,032</b>

In terms of our report of even date  
For **DAS & PRASAD**  
Chartered Accounts  
Firm Registration No. 303054E

For and on behalf of the Board of Directors

Place : Kolkata Date : 30th May, 2019	<b>Sweta Shah</b> (Partner) Membership No. 067564	<b>Dharini Mehta</b> Company Secretary (ACS-26814)	<b>Padmanabh Jalan</b> Wholetime Director (DIN :01651268)	<b>Sunil Kumar Ganguly</b> Director (DIN :07332950)	<b>Krishnendu Basu</b> Chief Financial Officer
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## BHATKAWA TEA INDUSTRIES LIMITED



### NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 31ST MARCH, 20189

#### 1. CORPORATE INFORMATION

Bhatkawa Tea Industries Limited (the Company) is a public limited company domiciled in India. 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.

### **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.

**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.

## BHATKAWA TEA INDUSTRIES LIMITED

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### 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.

**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.

## BHATKAWA TEA INDUSTRIES LIMITED

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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.

#### **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.

## BHATKAWA TEA INDUSTRIES LIMITED

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### **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 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.

## BHATKAWA TEA INDUSTRIES LIMITED

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### **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, 2019

### 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	
Gross Block (At Cost):														
As at 31st March 2017	5,940,313	15,066,346	11,551,685	30,734,321	450,071	548,712	551,816	7,370,443	8,920,221	1,698,904	82,832,832	191,527	191,527	83,024,359
Additions	-	2,714,999	-	39,964	-	17,267	176,041	349,552	34,589	-	3,332,412	-	-	3,332,412
Devaluation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 31st March 2018	5,940,313	17,781,345	11,551,685	30,774,285	450,071	565,979	727,857	7,719,995	8,954,810	1,698,904	86,165,244	191,527	191,527	86,356,771
Additions		635,059	1,368,361	1,680,681	-	21,300	134,363	781,250	104,432	-	4,725,446	-	-	4,725,446
Devaluation		-	-	-	-	-	-	-	-	-	-	-	-	-
As at 31st March 2019	5,940,313	18,416,404	12,920,046	32,454,966	450,071	587,278	862,220	8,501,245	9,059,242	1,698,904	90,890,690	191,527	191,527	91,082,217
Accumulated Depreciation/Amortisation:														
As at 31st March 2017	371,269	565,587	715,281	2,546,443	114,010	235,630	89,779	944,662	911,587	136,979	6,631,227	94,935	94,935	6,726,162
Charge for the year	-	611,411	1,199,724	2,720,290	154,754	175,049	96,589	1,474,772	933,122	137,077	7,502,788	84,131	84,131	7,586,919
Charge/ Adjustment for the year	1,286,182	-	-	-	-	-	-	-	-	-	1,286,182	-	-	1,286,182
Disposals/ Discard	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 31st March 2018	1,657,451	1,176,998	1,915,004	5,266,733	268,764	410,679	186,368	2,419,434	1,844,709	274,056	15,420,197	179,066	179,066	15,599,263
Charge for the year		620,300	1,194,885	2,735,732	100,638	122,812	105,278	1,338,885	934,838	136,972	7,290,340	6,424	6,424	7,296,764
Charge / Adjustment for the year	856,570	-	-	-	-	-	-	-	-	-	856,570	-	-	856,570
Disposals/ Discard	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 31st March 2019	2,514,021	1,797,298	3,109,889	8,002,465	369,402	533,492	291,646	3,758,319	2,779,548	411,028	23,567,107	185,490	185,490	23,752,597
Net Block														
As at 31st March 2017	5,569,044	14,500,758	10,836,404	28,187,878	336,061	313,082	462,037	6,425,781	8,008,634	1,561,925	76,201,605	96,592	96,592	76,298,197
As at 30th March 2018	4,282,862	16,604,347	9,636,680	25,507,552	181,307	155,299	541,489	5,300,561	7,110,101	1,424,848	70,745,047	12,461	12,461	70,757,508
As at 30th March 2019	3,426,292	16,619,105	9,810,156	24,452,501	80,669	53,785	570,574	4,742,926	6,279,694	1,287,876	67,323,578	6,038	6,038	67,329,616

i) Land (leasehold) and Development includes Rs. 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 Rs. 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, 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.

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, 2019

#### 3.2 Capital Work in Progress

(Rs.)

	As at 31st March 2019	As at 31st March 2018
<b>Opening Balance</b>		
Bearer Plant	1,532,311	1,496,642
	<b>1,532,311</b>	<b>1,496,642</b>
Less: Transfer to Fixed Assets	1,990,420	1,171,370
	<b>(458,109)</b>	<b>325,272</b>
Add: Addition during the year	2,914,747	1,207,039
<b>Total</b>	<b>2,456,638</b>	<b>1,532,311</b>

#### 4. Investments

	As at 31st March 2019		As at 31st March 2018	
	No.	Amount (Rs.)	No.	Amount (Rs.)
<b>A. Non-Current at fair value through Other Comprehensive Income (FVOCI)</b>				
<b>a. Quoted</b>				
<b>Equity Shares</b>				
Larsen & Toubro Limited (Face Value: Rs. 2 each)	5,493	7,609,453	5,493	7,200,774
Balmer Lawrie Limited (Face Value: Rs. 10 each)	1,400	259,140	1,400	303,660
State Bank of India (Face Value: Rs. 1 each)	6,000	1,924,500	6,000	1,499,400
Oil & Natural Gas Corporation Limited (Face Value: Rs. 5 each)	-	-	9,000	1,600,200
Balrampur Chini Mills Limited (Face Value: Rs. 1 each)	10,000	1,371,000	14,601	1,104,566
Steel Authority of India Limited (Face Value: Rs. 10 each)	12,000	645,000	12,000	842,400
Nagarjuna Fertilizer Limited (Face Value: Rs. 1 each)	20,350	140,415	20,350	312,373
Public Sector Undertaking Bonds (at cost)				
8.20% Power Finance Corp Limited (Face Value: Rs. 1000 each)	712	712,000	712	712,000
8.38% India Infrastructure Finance Co. Limited (Face Value: Rs. 1000 each)	3,100	3,100,000	3,100	3,100,000
8.26% India Infrastructure Finance Co. Limited (Face Value: Rs. 10 Lakhs each)	1	1,011,300	1	1,011,300
8.76% National Housing Bank (Face Value: Rs. 5000 each)	231	1,155,000	231	1,155,000
8.50% National Highway Authority of India (Face Value: Rs. 1000 each)	2,100	2,100,000	2,100	2,100,000
<b>Total (I)</b>		<b>20,027,808</b>		<b>20,941,672</b>
<b>b. Unquoted</b>				
Government Securities (at Cost)				
12 Year National Defence Certificates (Deposited with Central Excise)	1	800	1	800
Shares (at Cost)				
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

# BHATKAWA TEA INDUSTRIES LIMITED



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

	As at 31st March 2017		As at 31st March 2018	
	No.	Amount (Rs.)	No.	Amount (Rs.)
Pahargoomiah Tea Industries Private Limited (Face Value: Rs. 10 each)	230,000	4,510,208	230,000	4,510,208
"Purple Style Labs Private Limited (Face Value: Rs. 10 each) (Compulsory Convertible Preference Shares)	100	500,000	100	500,000
Debentures (at Cost)				
0.5% Registered Mortgage Debentures (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	1,040,200	1	1,040,200
8.76% Housing & Urban Dev Corp Limited (Face Value: Rs. 1000 each)	3,000	3,000,000	3,000	3,000,000
7.35% National Highway Authority of India (Face Value: Rs. 1000 each)	571	571,000	571	571,000
9.75% IFCI Limited 2030 Bond (Face Value: Rs. 10 Lakhs each)	1	1,045,400	1	1,045,400
8.3% National Highway Authority of India (Face Value: Rs. 1000 each)	4,200	4,838,233	-	-
Edelweiss Finvest Pvt Ltd. Variable Interest Index Linked Bond (Face Value: Rs. 1 Lakh each)	100	10,314,500	-	-
<b>Total (II)</b>		<b>25,823,341</b>		<b>10,670,608</b>
<b>(I+II)</b>		<b>45,851,149</b>		<b>31,612,280</b>
<b>Aggregate amount of quoted investments and market value there of</b>		20,027,808		20,941,672
<b>Aggregate amount of unquoted investments</b>		25,823,341		10,670,608
<b>B. Current at fair value through Other Comprehensive Income (FVOCI)</b>				
<b>a. Quoted Share</b>				
Tata Global Beverages Limited (Face Value: Rs. 1 each)	14,000	2,855,300	14,000	3,622,500
Tata Consultancy Services Limited (Face Value: Rs. 1 each)	232	464,383	116	330,501
Ultratech Ltd (Face Value: Rs. 10 each)	400	1,599,340	400	1,580,000
Link Pen & Plastic Limited (Face Value: Rs. 10 each)	1,000	194,900	1,000	419,650
Reliance Industries Limited (Face Value: Rs. 10 each)	800	1,090,600	800	706,160
Star Ferro & Cement Limited (Face Value: Rs. 10 each)	10,507	1,034,414	10,507	1,219,863
Shyam Century Ferrous Limited (Face Value: Rs. 10 each)	8,500	55,675	8,500	75,650
Castrol India Limited (Face Value: Rs. 5 each)	600	99,840	600	122,940
Tata Steel Limited (Face Value: Rs. 10 each)	1,900	989,900	1,900	1,084,995
Maharashtra Seamless Ltd (Face Value: Rs. 5 each)	1,000	480,000	1,000	423,500
Jindal Steel & Power Limited (Face Value: Rs. 1 each)	2,500	449,250	2,500	547,750
Motherson Sumi System Limited (Face Value: Rs. 1 each)	1,800	269,460	1,200	373,140
Kotak Mahindra Bank (Face Value: Rs. 5 each)	200	266,900	200	209,560
Mahindra & Mahindra Limited (Face Value: Rs. 5 each)	200	134,780	200	147,780
RBL Bank Limited (Face Value: Rs. 10 each)	1,600	1,088,560	1,600	767,760
Godfrey Phillips India Limited (Face Value: Rs. 2 each)	200	231,820	200	164,250
Kanpur Fertilizers & Cement Limited (Face Value: Rs. 10 each)	429	4,290	429	4,290
Chambal Fertilizers & Cement Limited (Face Value: Rs. 10 each)	6,000	1,002,300	1,500	246,975
ITC Ltd.(Face Value: Rs. 10 each)	2,500	743,125	-	-
Texmoco Rail and Engineering Ltd.(Face Value: Rs. 10 each)	10,000	690,000	-	-
<b>Total (I)</b>		<b>13,744,837</b>		<b>12,047,264</b>

## BHATKAWA TEA INDUSTRIES LIMITED

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

	As at 31st March 2019		As at 31st March 2018	
	No.	Amount (Rs.)	No.	Amount (Rs.)
<b>b. Mutual fund</b>				
DSP Blackrock Micro Chip	9,671	543,469	6,107	382,388
Birla Sunlife Medium Term Plan	-	-	483,054	10,616,419
ICICI Prudential Value Discovery Funds	17,508	2,561,253	10,770	1,497,295
ICICI Prudential Long term Funds	-	-	245,250	5,319,644
SBI Corp Bond	157,922	4,716,783	157,922	4,411,062
BSL Frontline Equity Fund Growth	11,315	2,565,242	7,230	1,512,556
SBI Magnum Income Fund	-	-	93,076	4,057,921
UTI Dynamic Bond Fund Direct (G)	-	-	122,055	2,528,121
ICICI Prudential Regular Saving Fund Growth	-	-	387,323	7,194,557
Reliance Regular Savings Fund Debt Fund Growth Plan Growth Opt	-	-	425,294	10,295,380
ICICI Prudential Balanced Advantage Fund Growth	297,825	10,525,130	48,405	1,602,685
Aditya Birla Sunlife Savings Fund Growth Regular Plan	31,444	11,607,002	55,332	18,918,353
INVESCO India Contra Fund Direct Plan Growth	7,087	376,097	-	-
SUNDARAM Rural & Consumotion Fund	8,511	371,052	-	-
<b>Total (II)</b>		<b>33,266,028</b>		<b>68,336,381</b>
<b>(I+II)</b>		<b>47,010,865</b>		<b>80,383,645</b>
<b>Aggregate amount of quoted investments and market value there of</b>		<b>47,010,865</b>		<b>80,383,645</b>
<b>Aggregate amount of unquoted investments</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, 2019

### 5. Loans (Unsecured, considered good unless stated otherwise) (Rs.)

	As at 31st March 2017	As at 31st March 2016
<b>A. Non Current</b>		
Security Deposits	4,118,664	115,716
Tea Board Default Reserve	218,493	218,493
Advance to Staffs	236,100	39,023
<b>Total</b>	<b>4,573,257</b>	<b>373,232</b>
<b>B. Current</b>		
Interest Receivable on :		
Other Advances	543,555	372,361
Security Deposits	600,000	600,000
Advance to Staffs	-	105,500
	<b>1,143,555</b>	<b>1,077,861</b>

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

	As at 31st March 2017	As at 31st March 2016
<b>A. Non Current</b>		
Capital advances		
Considered good - To Others	1,000,000	1,000,000
Tea Board Subsidy Receivable	1,376,445	1,376,445
<b>Total</b>	<b>2,376,445</b>	<b>2,376,445</b>
<b>B. Current</b>		
Advances recoverable in cash or kind		
Considered good - To Others	2,609,799	670,058
Prepaid expenses	392,785	314,631
Tea Board Subsidy Receivable	-	1,293,690
Balances with statutory / Government authorities	289,003	362,141
Advance Income-Tax (Net of Provision)	328,019	539,982
Advance to Suppliers	419,912	104,542
<b>Total</b>	<b>4,039,518</b>	<b>3,285,044</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, 2019

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

	As at 31st March 2019	As at 31st March 2018
Stock of Finished Goods - Tea	13,533,707	9,396,459
Stores & Spares	6,113,077	5,709,555
Stock in transit	763,415	904,450
Stock of Foodstuff	12,485	60,171
<b>Total</b>	<b>20,422,684</b>	<b>16,070,635</b>

#### 8. Trade receivables (Rs.)

	As at 31st March 2019	As at 31st March 2018
Current, Unsecured		
Considered good	13,753,251	17,553,608
Doubtful	-	-
	<b>13,753,251</b>	<b>17,553,608</b>
Less: Provision for doubtful receivables	-	-
<b>Total</b>	<b>13,753,251</b>	<b>17,553,608</b>

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

61-90 days	4,518,711	2,009,655
91-180 days	1,008,916	901,177
>180 days	490,209	926,163

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, 2019

#### 9. Cash and Cash Equivalents

(Rs.)

	As at 31st March 2019	As at 31st March 2018
Balances with banks:		
On current accounts	2,141,054	101,300
Cash in hand (As certified by management)	229,991	150,732
<b>Total</b>	<b>2,371,045</b>	<b>252,032</b>

#### 10. Bank Balance Other Than Cash and Cash Equivalents

(Rs.)

	As at 31st March 2019	As at 31st March 2018
Unpaid dividend account	514,021	501,878
Deposits with original maturity for more than 3 months but less than 12 months	41,500	41,500
Deposits with original maturity for more than 12 months (#)	22,381,154	789,152
<b>Total</b>	<b>22,936,675</b>	<b>1,332,530</b>

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

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

(Rs.)

	As at 31st March 2019	As at 31st March 2018
<b>Current</b>		
Inter corporate Loans (*)	25,721,949	36,966,432
<b>Total</b>	<b>25,721,949</b>	<b>36,966,432</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, 2019

#### 12. Share capital

(Rs.)

	As at 31st March 2019	As at 31st March 2018
<b>Authorized shares</b> 4,000,000 Ordinary Shares of Rs.10 each	40,000,000	40,000,000
<b>Issued, subscribed and fully paid-up shares</b> 22,40,000 Ordinary Shares of Rs.10 each fully paid up	22,400,000	22,400,000
	<b>22,400,000</b>	<b>22,400,000</b>

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

	As at 31st March 2019	As at 31st March 2018
<b>At the beginning of the year</b>	2,240,000	2,240,000
Issued during the period	-	-
<b>At the end of the year</b>	<b>2,240,000</b>	<b>2,240,000</b>

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

The company has one class of equity shares having per value of ` 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 2019		As at 31st March 2018	
	Share holding (in Number)	Share Holding (%)	Share holding (in Number)	Share Holding (%)
<b>Equity shares of Rs. 10 each fully paid</b>				
Minakshi Jalan	560,194	25.01	546,194	24.38
Sudarshan Jalan	492,752	22.00	446,508	19.93
M/S Kirti Industrial Company Limited	315,915	14.10	315,915	14.10
Padmanabh Jalan	244,090	10.90	244,090	10.90
Uphaar Financial Services Pvt. Ltd	166,109	7.42	166,109	7.42

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, 2019

### 13. Other Equity

(Rs.)

		As at 31st March 2019	As at 31st March 2018
<b>Reserves &amp; Surplus</b>			
General Reserve	(A)	37,168,314	37,168,314
Retained Earnings	(B)	105,242,218	101,730,018
<b>Total</b>	<b>(A to B)</b>	<b>142,410,532</b>	<b>138,898,332</b>
<b>Other Reserves</b>			
FVOCI Equity Investments	(C)	12,945,529	13,030,113
<b>Total</b>	<b>(C)</b>	<b>12,945,529</b>	<b>13,030,113</b>
<b>Total Other Equity</b>		<b>155,356,061</b>	<b>151,928,4451</b>

### 14. Borrowings (at amortised cost)

(Rs.)

		As at 31st March 2019	As at 31st March 2018
<b>A. Non Current</b>			
<b>Secured</b>			
<b>Term Loans from :</b>			
Others (*)		1,489,727	1,986,303
		<b>1,489,727</b>	<b>1,986,303</b>
Less: Amount disclosed under the head "other current liabilities" (Refer Note No. 19)		(496,576)	(496,576)
<b>Total</b>		<b>993,151</b>	<b>1,489,727</b>
<b>B. Current</b>			
<b>Secured</b>			
Cash credits from banks (#)		-	9,233,473
<b>Total (A)</b>		<b>-</b>	<b>9,233,473</b>

\* 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, 2019

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

	As at 31st March 2019	As at 31st March 2018
<b>Borrowings Repayable</b>		
In first Year	496,576	496,576
<b>Current Maturities of Long Term Debts</b>	<b>496,576</b>	<b>496,576</b>
In One to Three Years	993,151	1,489,728
In Three to Five Years	-	-
After Five Years	-	-
<b>Long Term Borrowings</b>	<b>993,151</b>	<b>1,489,728</b>

# Cash Credit facilities from State Bank of India Secured by Equitable Mortgage of immovable properties at garden and hypothecation of plant and machinery and other movable assets of the company and hypothecation of raw materials, stock-in-trade, finished goods, book debts and other current assets of the company by way of First Charge, guarantee of a director and a corporate.

#### 15. Provisions (Rs.)

	As at 31st March 2019	As at 31st March 2018
<b>A. Non Current</b>		
Provision for employee benefits: Gratuity (Refer Note No. 30)	23,078,430	18,816,682
	<b>23,078,430</b>	<b>18,816,682</b>
<b>B. Current</b>		
Provision for employee benefits: Gratuity (Refer Note No. 30)	7,687,566	7,505,969
For Leave & Bonus	17,901,516	16,951,636
For Tax on Dividend	5,191	5,191
For Staff welfare	-	181,391
	<b>25,594,273</b>	<b>24,644,187</b>

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

	As at 31st March 2019	As at 31st March 2018
<b>Deferred Tax Liabilities</b>		
Property, Plant & Equipment	9,528,392	10,063,803
Financial Asset at FVOCI	3,365,838	3,355,254
<b>(A)</b>	<b>12,894,230</b>	<b>13,419,057</b>
<b>Deferred Tax Assets</b>		
Timing Difference u/s 43B	8,098,118	10,361,120
MAT Credit Entitlement	169,470	169,470
<b>(B)</b>	<b>8,267,588</b>	<b>10,530,590</b>
<b>Net Deferred Tax (Assets)/ Liabilities (A-B)</b>	<b>4,626,642</b>	<b>2,888,467</b>

## BHATKAWA TEA INDUSTRIES LIMITED



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

#### Movement in Deferred Tax Assets

(Rs.)

	Property, Plant & Equipment	Financial Asset at FVOCI	Timing Difference u/s 43B	Total
<b>As at 31st March 2018</b>	<b>10,063,803</b>	<b>3,355,254</b>	<b>(10,361,120)</b>	<b>3,057,938</b>
Charged/ (Credit) to				
- profit & loss	(535,412)	-	1,722,788	1,187,376
- other comprehensive income	-	10,583	540,212	550,796
<b>As at 31st March 2019</b>	<b>9,528,391</b>	<b>3,365,837</b>	<b>(8,098,119)</b>	<b>4,796,110</b>
Less: MAT Credit Entitlement				(169,470)
<b>Net Deferred Tax Liability</b>				<b>4,626,640</b>

#### 17. Other Liabilities

(Rs.)

	As at 31st March 2019	As at 31st March 2018
<b>A. Non Current</b>		
Liability for Capital Expenditure (*)	2,569,722	3,426,292
Deferred Government Grant	1,570,288	2,282,741
	<b>4,140,010</b>	<b>5,709,033</b>
<b>B. Current</b>		
Liability for Capital Expenditure (*)	856,570	856,570
Deferred Government Grant	760,917	760,917
Advance from customers	803,825	1,824,922
Statutory Liabilities	553,960	1,980,180
LIC Premium Payable	-	331,184
	<b>2,975,272</b>	<b>5,753,773</b>

\* Liability for capital expenditure amounting to Rs. 25,69,722/- (Rs. 34,26,292/-) 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 in 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, 2019

#### 18. Trade Payables

(Rs.)

	As at 31st March 2019	As at 31st March 2018
(a) Total outstanding dues of micro enterprises and small enterprises	631,293	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	9,593,151	10,279,893
	<b>10,224,444</b>	<b>10,279,893</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 2019	As at 31st March 2018
(a) Amounts outstanding but not due as at year end	573,073	-
(b) Amounts due but unpaid as at year end	58,220	-
(c) Amounts paid after appointed date during the year	-	-
(d) Amount of interest accrued and unpaid as at year end	283	-
(e) The amount of further interest due and payable even in the succeeding year	-	-
<b>Total</b>	<b>631,576.00</b>	<b>-</b>

#### 19. Other financial Liabilities

(Rs.)

	As at 31st March 2019	As at 31st March 2018
<b>Current</b>		
Current Maturities of Long-term borrowings (Refer Note No. 14)	496,576	496,576
Interest accrued but not due on borrowings	-	26,761
Employee Related Liability	-	2,885,475
Unpaid Dividend	514,021	501,878
Others	9,587,767	6,519,193
	<b>10,598,364</b>	<b>10,429,883</b>

#### 20. Revenue from operations

(Rs.)

Revenue from operations	Year ended 31st March, 2019	Year ended 31st March, 2018
Sale of products		
Finished goods	229,147,310	284,387,814
Other operating revenue		
Misc. Income	1,766,867	2,361,315
<b>Revenue from operations</b>	<b>230,914,177</b>	<b>286,749,129</b>

# BHATKAWA TEA INDUSTRIES LIMITED



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

### 21. Other Income

(Rs.)

Revenue from operations	Year ended 31st March, 2019	Year ended 31st March, 2018
Interest income on		
Bonds	1,169,960	1,226,311
Others	4,645,414	4,979,786
Dividend income	261,246	274,478
Liabilities no longer required written back	313,140	1,340,752
Sundry Balance Written off	1,244,424	-
Rent	224,567	160,700
Deferred Government Grant Income	712,453	712,453
Surplus on tangible assets sold (net)	-	159,958
Claims Receivable	-	1,328
Miscellaneous Income	-	1,113,471
	<b>8,571,204</b>	<b>9,969,237</b>

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

	Year ended 31st March, 2019	Year ended 31st March, 2018	(Increase) Decrease
Inventories at the end of the year:			
Finished Goods	13,533,707	9,396,459	(4,137,248)
(A)	<b>13,533,707</b>	<b>9,396,459</b>	<b>(4,137,248)</b>
Inventories at the beginning of the year:			
Finished Goods	9,396,459	45,496,315	36,099,856
(B)	<b>9,396,459</b>	<b>45,496,315</b>	<b>36,099,856</b>
(B-A)	<b>(4,137,248)</b>	<b>36,099,856</b>	

### 23. Employee benefits expense

(Rs.)

	Year ended 31st March, 2019	Year ended 31st March, 2018
Salaries, wages and bonus	136,264,859	121,119,713
Contribution to provident fund and other fund	11,345,288	10,963,079
Gratuity expense (Refer Note No. 30)	6,220,320	8,189,256
Workmen and Staff Welfare Expenses	1,909,961	2,281,801
	<b>155,740,428</b>	<b>142,553,849</b>

### 24. Finance costs

(Rs.)

	Year ended 31st March, 2018	Year ended 31st March, 2017
<b>Interest:</b>		
To Bank and Others	467,711	192,634
On Fixed Loans & Deposits	134,938	222,421
Other borrowing costs	2,141,885	1,239,739
	<b>2,744,534</b>	<b>1,654,794</b>

## BHATKAWA TEA INDUSTRIES LIMITED

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

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

	As at 31st March 2019	As at 31st March 2018
Depreciation on Tangible assets	7,296,764	7,502,788
Amortization of intangible assets	-	84,131
Other amortization	856,570	1,286,182
	<b>8,153,334</b>	<b>8,873,101</b>

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

	Year ended 31st March, 2018	Year ended 31st March, 2017
Stores, Spares and Packing Material consumed-Indigenous	24,121,976	24,615,172
Power & Fuel	25,381,141	28,372,108
<b>Repairs &amp; Maintenance :</b>		
- Plant & Machinery	2,659,835	3,285,878
- Buildings	1,844,575	3,059,555
- Others	505,453	528,980
Rent	1,031,700	831,900
Rates and Taxes	251,715	477,177
Insurance	354,596	302,655
Carriage outward	5,193,459	5,625,257
Brokerage and Commission	2,214,244	4,499,791
Selling and Distribution Expenses	678,529	1,443,799
Subscription	1,201,154	1,153,375
Service Charges	480,000	300,000
Professional charges	2,237,631	1,709,870
Bank charges	-	200,349
Auditor's Remuneration (excluding GST):		
- Audit fees	165,000	165,000
- Tax Audit	25,000	25,000
- Certification etc	-	-
Travelling Expenses	1,507,332	1,510,808
Loss on Cash In Transit	-	1,050,000
Miscellaneous Expenses	4,411,625	3,928,139
	<b>74,264,965</b>	<b>83,084,813</b>

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

Particulars	2018-19	2017-18
Net Profit / (Loss) after tax for calculation of basic and diluted EPS (Rs.)	(566,863)	24,012,771
Weighted average number of equity shares	2,240,000	2,240,000
Nominal Value of equity shares (Rs.)	10.00	10.00
Basic Earnings Per Share (Rs.)	(0.25)	10.72
Diluted Earnings Per Share (Rs.)	(0.25)	10.72



## BHATKAWA TEA INDUSTRIES LIMITED



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

#### 28. Contingent Liabilities

(Rs.)

Particulars	2018-19	2017-18
Bank Guarantee to WBSEDCL	-	4,062,533
Central Sales Tax under appeal	516,940	516,940
Value Added Tax under appeal	539,644	539,644
Default in Payment of TDS	212,766	211,194
Income Tax	1,119,669	1,326,765
Agricultural Income Tax under appeal	547,007	547,007
<b>Total</b>	<b>2,936,026</b>	<b>7,204,083</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 2019	As at 31st March 2018
<b>Non-Current Assets</b>			
(a) Property, plant and equipment	3	67,323,578	70,745,047
<b>Total Non-Current Assets pledged as security</b>		<b>67,323,578</b>	<b>70,745,047</b>
<b>Current Assets</b>			
(a) Inventories	9	20,422,684	16,070,635
(b) Financial assets:			
(i) Trade receivables	10	13,753,251	17,553,608
<b>Total Current Assets pledged as security</b>		<b>34,175,935</b>	<b>33,624,243</b>
<b>Total Assets pledged as security</b>		<b>101,499,513</b>	<b>104,369,290</b>

#### 30. EMPLOYEE BENEFITS

##### a) Defined Contribution Plan

(Rs.)

	2018-19	2017-18
Employer's Contribution to Provident Fund	11,029,505	9,986,900
<b>Employee's Contribution to Provident Fund</b>	<b>11,029,505</b>	<b>9,986,900</b>

##### 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, 2019

#### 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 2019	As at 31st March 2018
<b>(A) Changes in Defined Benefit Obligation</b>		
Present Value of Defined Benefit Obligation as at the beginning of the year	83,580,903	70,850,578
Current Service Cost	6,028,741	4,915,333
Past Service Cost	-	1,079,552
Interest Cost	6,435,730	5,193,347
Actuarial (gains)/loss	(1,109,509)	4,383,156
Benefits Paid	(3,227,622)	(2,841,063)
<b>Present Value of Defined Benefit Obligation as at the end of the year</b>	<b>91,708,243</b>	<b>83,580,903</b>
<b>(B) Changes in the Fair Value of Assets</b>		
Fair Value of Plan Assets at the beginning of the year	64,764,221	53,937,358
Expected Return on Plan Assets	4,293,845	414,318
Actuarial (gains)/loss	799,369	3,953,608
Contributions	2,000,000	9,300,000
Benefits Paid	(3,227,622)	(2,841,063)
<b>Fair Value of Plan Assets at the end of the year</b>	<b>68,629,813</b>	<b>64,764,221</b>

# BHATKAWA TEA INDUSTRIES LIMITED



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

(Rs.)

	As at 31st March 2019	As at 31st March 2016
<b>(C) Amount recognised in the Balance Sheet</b>		
Present Value of Defined Benefit Obligation	91,708,243	83,580,903
Fair Value of Plan Assets	68,629,813	64,764,221
<b>Net Assets/ (Liability) recognised in the Balance Sheet</b>	<b>(23,078,430)</b>	<b>(18,816,682)</b>
<b>(D) Current and Non Current Liability and Asset</b>		
Current Defined Benefit Obligation	7,507,168	12,216,519
Non-Current Defined Benefit Obligation	84,201,075	71,364,384
<b>Total Defined Benefit Obligation</b>	<b>91,708,243</b>	<b>83,580,903</b>

(Rs.)

	As at 31st March, 2019	As at 31st March, 2018
<b>(E) Expense recognized in Statement of Profit and Loss</b>		
Total Service Cost	6,028,741	5,994,885
Net Interest (Income)/ Cost	2,141,885	1,239,739
<b>Total Expense required to be recognized in Statement of Profit and Loss</b>	<b>8,170,626</b>	<b>7,234,624</b>
<b>(F) Expense recognized in the Other Comprehensive Income (OCI) for Current Year</b>		
Actuarial (Gain)/Losses due to Financial Assumption changes in DBO	924,486	2,944,944
Actuarial (Gain)/ Losses due to Experience on DBO	(2,033,995)	1,438,212
Return on Plan Assets , excluding amount recognised in net interest expense	(799,369)	(414,318)
<b>Net (Income)/ Expense for the period to be recognized in OCI</b>	<b>(1,908,878)</b>	<b>3,968,838</b>

### (G) Sensitivity Analysis :

(Rs.)

	As at 31st March 2019		As at 31st March 2018	
	% increase in DBO	Liability	% increase in DBO	Liability
<b>Discount Rate</b>				
+1%	11.11%	101,893,250	10.44%	92,305,603
-1%	-9.35%	83,129,912	-8.80%	76,229,678
<b>Salary Growth</b>				
+1%	-9.44%	83,053,121	-8.86%	76,175,417
-1%	10.98%	101,777,364	10.31%	92,195,412
<b>Attrition Rate</b>				
+50%	1.33%	92,928,692	1.19%	84,577,116
-50%	-1.17%	90,638,784	-1.05%	82,707,314
<b>Mortality Rate</b>				
+10%	0.20%	91,888,632	0.19%	83,738,897
-10%	-0.19%	91,531,769	-0.18%	83,426,657

## BHATKAWA TEA INDUSTRIES LIMITED

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

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

(Rs.)

Particulars	31st March 2019	31st March 2018
i) 1year	7,507,168	12,216,519
ii) 2 to 5 years	29,389,379	24,270,391
iii) 6 to 10 years	33,696,254	30,379,089
iii) >10 years	182,965,604	159,058,280

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

	As at 31st March 2019		As at 31st March 2018	
	Rs.	%	Rs.	%
Qualifying Insurance Policy with HDFC Life	68,629,813	100%	64,764,221	100%

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

	31st March 2019	31st March 2018
Discount rate (per annum)	7.60%	7.70%
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, 2019

#### 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 2019	As at 31st March 2018
i) Equity share capital	22,400,000	22,400,000
ii) Other equity	155,356,061	151,928,445
<b>Total Equity (a)</b>	<b>177,756,061</b>	<b>174,328,445</b>
i) Borrowings	993,151	10,723,200
ii) Current Maturity of long term debt	496,576	496,576
iii) Interest accrued and due on borrowings	-	26,761
<b>Total debt (b)</b>	<b>1,489,727</b>	<b>11,246,537</b>
i) Cash and cash equivalents	2,371,045	252,032
ii) Bank balance other than above	22,936,675	1,332,530
<b>Total cash (c)</b>	<b>25,307,720</b>	<b>1,584,562</b>
<b>Net debt {d=(b-c)}</b>	<b>(23,817,992)</b>	<b>9,661,975</b>
<b>Total capital (equity + net debt)</b>	<b>153,938,068</b>	<b>183,990,419</b>
<b>Net debt to equity ratio</b>	<b>(0.13)</b>	<b>0.06</b>

#### 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, 2019

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, 2019</b>			
Amount in Rs.	+ 100	(14,897)	(11,061)
Amount in Rs.	(-) 100	14,897	11,061
<b>31st March, 2018</b>			
Amount in Rs.	+ 100	(43,282)	(32,137)
Amount in Rs.	(-) 100	43,282	32,137

**(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, 2019 is ` 3,32,66,028/- (` 6,83,36,381/-).

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, 2019

(Rs.)

	On Demand	Less than 1 Year	1 to 5 Years	> 5 Years	Total
<b>31st March, 2018</b>					
Borrowings -	496,576	993,151	-	1,489,727	
Trade payables -	10,224,444	-	-	10,224,444	
Other financial liabilities	-	10,101,788	-	-	10,101,788
	-	<b>20,822,808</b>	<b>993,151</b>	-	<b>21,815,959</b>
<b>31st March, 2018</b>					
Borrowings	9,233,473	496,576	1,489,728	-	11,219,777
Trade payables	-	10,279,893	-	-	10,279,893
Other financial liabilities	-	9,933,307	-	-	9,933,307
	<b>9,233,473</b>	<b>20,709,776</b>	<b>1,489,728</b>	-	<b>31,432,977</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.

## BHATKAWA TEA INDUSTRIES LIMITED

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

#### 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 2019		31st March 2018	
	FVOCI	Amortised cost	FVOCI	Amortised cost
<b>Assets:</b>				
Trade receivables	-	13,753,251	-	17,553,608
Investments	92,862,014	-	111,995,925	-
Loans	-	25,721,949	-	36,966,432
Cash and cash equivalents	-	25,307,720	-	1,584,562
Other financial assets	-	5,716,812	-	1,451,093
<b>Total</b>	<b>92,862,014</b>	<b>70,499,732</b>	<b>111,995,925</b>	<b>57,555,695</b>
<b>Liabilities:</b>				
Borrowings	-	993,151	-	10,723,200
Trade payables	-	10,224,444	-	10,279,893
<b>Total</b>	<b>-</b>	<b>11,217,595</b>	<b>-</b>	<b>21,003,093</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, 2019

(Rs.)

	Level 1	Level 2	Level 3
<b>As at 31st March, 2019</b>			
<b>Financial Assets:</b>			
Financial investments at FVOCI			
Quoted Investments	67,038,673	-	-
Unquoted Investments	-	-	25,823,341
<b>Total</b>	<b>67,038,673</b>	<b>-</b>	<b>25,823,341</b>
<b>As at 31st March, 2018</b>			
<b>Financial Assets:</b>			
Financial investments at FVOCI			
Quoted Investments	101,325,317	-	-
Unquoted Investments	-	-	10,670,608
<b>Total</b>	<b>101,325,317</b>	<b>-</b>	<b>10,670,608</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, 2018, 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 2019	As at 31st March 2018
Travelling & Others	463,745	284,895

## BHATKAWA TEA INDUSTRIES LIMITED

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

#### 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. Purushottam Dass Bhoot	Non Executive Director
C. Mrs. Rashmi Chitlangia	Non Executive Director
D. Mr. Sunil Kumar Ganguly	Non Executive Director
E. Mr. Krishnendu Basu	Chief Financial Officer
<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	
		2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
<b>1</b>	<b>Remuneration Paid</b>						
	Mr. Padmanabh Jalan	2,470,400	2,007,200	-	-	-	-
	Mr. Krishnendu Basu	396,160	359,840	-	-	-	-
	Mr. S. Jalan	-	-	1,868,240	1,775,583	-	-
<b>2</b>	<b>Purchases</b>						
	M/s Pahargoomiah Tea Industries Pvt. Ltd.	-	-	-	-	151,040	-
	M/s Uphaar Financial Services Pvt. Ltd. -	-	-	-	2,677,363	105,315	-
<b>3</b>	<b>Rent &amp; Service Charge Paid</b>						
	M/s Uphaar Financial Services Pvt. Ltd.	-	-	-	-	226,206	171,900
	M/s Kriti Industries Co. Ltd.	-	-	-	-	1,557,600	660,000
<b>4</b>	<b>Reimbursement of Expenses</b>						
	M/s Kriti Industries Co. Ltd. (Electricity)	-	-	-	-	115,605	129,000
<b>5</b>	<b>Office Maintenance</b>						
	M/s Kriti Industries Co. Ltd.	-	-	-	-	-	300,000
<b>6</b>	<b>Rent Income</b>						
	M/s Lake View Dealers Pvt. Ltd.	-	-	-	-	189,384	160,500
<b>7</b>	<b>Telephone &amp; Internet Expenses Recovered</b>						
	M/s Pahargoomiah Tea Industries Pvt. Ltd.	-	-	-	-	118,800	39,600
<b>8</b>	<b>Miscellaneous Receipt on Account of Sales of Store</b>						
	M/s Pahargoomiah Tea Industries Pvt. Ltd.	-	-	-	-	23,600	678,142

## 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.)**

<b>9</b>	<b>Advance Given</b>						
	Lake View Dealers Pvt. Ltd.	-	-	-	-	-	100,000
	Mr. S. Jalan	-	-	1,000,000	-	-	-
	M/s Pahargoomiah Tea Industries Pvt. Ltd.	-	-	-	-	1,500,000	-
<b>10</b>	<b>Advance Taken</b>						
	M/s Uphaar Financial Services Pvt. Ltd.	-	-	-	-	2,000,000	-
<b>11</b>	<b>Advance Refunded</b>						
	Lake View Dealers Pvt. Ltd.	-	-	-	-	-	100,000
	Mr. S. Jalan	-	-	1,000,000	-	-	-
	M/s Pahargoomiah Tea Industries Pvt. Ltd.	-	-	-	-	1,500,000	-
	M/s Uphaar Financial Services Pvt. Ltd.	-	-	-	-	2,000,000	-
<b>12</b>	<b>Sale of Share</b>						
	Lake View Dealers Pvt. Ltd.	-	-	-	-	-	4,900,000
<b>13</b>	<b>Balances on account of Security Deposit</b>						
	Mr. Padmanabh Jalan	1,500	1,500	-	-	-	-
	M/s Kriti Industries Co. Ltd.	-	-	-	-	600,000	600,000
	Rental Income						
	Lake View Dealers Pvt. Ltd.	-	-	-	-	47,347	-
	Rent & Service Charges						
	M/s Kriti Industries Co. Ltd.	-	-	-	-	122,000	-
	Bonus/ Leave Salary Payable						
	Mr. Padmanabh Jalan	160,000	130,000	-	-	-	-
	Mr. S. Jalan		-	121,000	114,583	-	-
	Mr. Krishnendu Basu	22,000	24,938	-	-	-	-

In terms of our report of even date  
For **DAS & PRASAD**  
Chartered Accounts  
Firm Registration No. 303054E

For and on behalf of the Board of Directors

Place : Kolkata Date : 30th May, 2019	<b>Sweta Shah</b> (Partner) Membership No. 067564	<b>Dharini Mehta</b> Company Secretary (ACS-26814)	<b>Padmanabh Jalan</b> Wholetime Director (DIN :01651268)	<b>Sunil Kumar Ganguly</b> Director (DIN :07332950)	<b>Krishnendu Basu</b> Chief Financial Officer
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