



BHATKAWA TEA INDUSTRIES LIMITED

CIN : L01132WB1911PLC002077

ANNUAL REPORT AND ACCOUNTS 2017-2018

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BOARD OF DIRECTORS :

Padmanabh Jalan
Purushottom Dass Bhoot
Rashmi Chitlangia
Sunil Kumar Ganguly

CFO & COMPLIANCE OFFICER :

Krishnendu Basu

AUDITORS :

Das & Prasad
Chartered Accountants
Diamond Chamber
4, Chowringhee Lane
Kolkata - 700 016

MAIN BANKERS :

State Bank of India

GARDEN :

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

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
E-mail : contact@bhatkawa.com
Website : www.bhatkawatea.com

BHATKAWA TEA INDUSTRIES LIMITED

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	:	28th September, 2018
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, 2018 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, 2018 and the reports of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted."

2. To declare a Dividend on equity shares for the financial year ended 31st March, 2018 and in this regard pass the following resolution as **Ordinary Resolution**:

"RESOLVED THAT a dividend at the rate of Rs. 0.50/- (Fifty paise only) per equity share of Rs. 10/- (Ten rupees) each fully paid-up of the Company be and is hereby declared for the financial year ended March 31, 2018 and the same be paid as recommended by the Board of Directors of the Company, out of the profits of the Company for the financial year ended March 31, 2018."

SPECIAL BUSINESS:

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

"RESOLVED THAT pursuant to Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR") [to be effective from 1st April, 2019 vide the SEBI LODR (Amendment) Regulations, 2018] and other applicable provisions, if any, recommendation and/ or approval of the Nomination and Remuneration Committee, Audit Committee and the Board of Directors of the Company, consent of the Members of the Company be and is hereby accorded for continuation of the directorship of Mr. Purushottam Das Bhoot [DIN: 00094087] Non-Executive Independent Director of the Company, who had attained the age of 75 years (DOB - 01.03.1929), till the expiry of existing terms of his appointment.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things and give such directions as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard and also to delegate to the extent permitted by law, all or any of the powers herein conferred to any committee of directors or any director(s) or any other Key Managerial Personnel or any other officer(s) of the Company."

By order of the Board
For BHATKAWA TEA INDUSTRIES LTD
Padmanabh Jalan
Wholetime Director
(DIN: 01651268)

Place: Kolkata
Date: 30th May 2018



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 25th September, 2018 to 28th September, 2018 (both days inclusive).

3. Dividend

Dividend that may be declared by the Company will be paid to those members whose names appear on the Company's Register of Members on the cut-off date i.e 24th September, 2018 or to their mandates, subject however, to the provisions of the Act.

4. Share Transfer System

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. Lodgement of Transfer Documents

The instruments of share transfer complete in all respect should reach the Company or its Registrars prior to closure of Register of Members as stated above.

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 advise any change in their 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, 2018 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 or at company's e-mail contact@bhatkawa.com.

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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) 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.

16. Pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018, SEBI has mandated that, with effect from 5th December 2018, shareholders holding share in physical mode shall not be able to transfer their shares unless such shares are converted into dematerialised form. Accordingly, the shareholders holding shares in physical form, in their own interest, are hereby requested to take necessary steps to dematerialise their shares as soon as possible. The amendment does not impact the shareholders requests for transmission or transposition of securities held in physical mode.

The shareholders may approach the nearest Depository Participant or browse through the website of National Securities Depository Limited (www.nsdl.co.in) and Central Depository Services Limited (www.cdsindia.com) for further clarification in this regard.

Shareholders are requested to contact the Company's Registrar & Share Transfer Agents, M/s. S. K. Infosolutions Pvt. Ltd. for any queries in regard to the aforesaid, or contact Mr. K.Basu, Chief Financial Officer at the Registered Office of the Company [Phone: (033) 22489916; Email: contact@bhatkawa.com.]

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

18. Instruction of E-voting

E-voting opens at 10.00 a.m. on 25.09.2018 and closes at 05.00 p.m on 27.09.2018

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

- User ID and initial Password for E-voting is provided in the table on the face of the Attendance Slip circulated with the Notice.
- 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.
- Launch the internet browser by typing the following <https://www.evoting.nsdl.com>
- Click on 'Shareholder-Login'

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- 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.
- 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 with a copy marked to 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
- 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. 24th September, 2018.
- 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.

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- (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 24th September, 2018 (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. 24th September, 2018 may obtain the Login ID and password by sending a request to 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.
- (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 27th September, 2018 (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 of the accompanying Notice dated May 30, 2018.

Item no. 3

The Members of the Company are informed that SEBI has recently come out with a Notification on 9th May, 2018 amending the existing Listing Regulations by issuing the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 (hereinafter referred to as "New Regulations"). The New Regulations shall be effective from 1st April, 2019 unless any other specific date is provided for a specific Regulation. Regulation 17 is one of the provisions in which the amendments have been made by insertion of a new sub- regulation (1A) thereunder and the same shall be applicable with effect from 1st April, 2019. In terms of the said new sub- regulation, a person

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shall not be eligible to get appointed as a non-executive director or in case of an existing non- executive director, shall not be eligible to continue such directorship, if he/ she has attained the age of seventy five years unless the approval of the shareholders of the company is obtained by way of a special resolution. The said regulation is reproduced for ready reference of the Members:

"(1A) No listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy five years unless a special resolution is passed to that effect, in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such a person."

Though, the aforesaid provision shall be applicable to the Company from 1st April, 2019, however, considering the implication of such amendment, the same shall result in the immediate vacation of such directors as the restriction is not imposed only on the appointment but on the continuation of the existing tenure too. In view of the above, the Company is required to take approval from the shareholders by way of a special resolution beforehand so that the existing non-executive directors attaining such age can complete their existing term as approved by the shareholders earlier.

The members are further apprised that Mr. Purushottam Das Bhoot [DIN: 00094087] was appointed as Non-Executive Independent Directors by the Company in its Annual General Meeting held on 28th September, 2015 for a period of five years from the said date till the Annual General Meeting to be held in 2020. Since Mr. Bhoot has already attained the specified age limit of 75 years, continuation of his directorship shall require approval of shareholders by way of special resolution. Keeping in view of Mr. Bhoot's rich and varied experience in the industry in which the Company operates and that his continued association with the Company would be of immense benefit to the Company, it is desirable to continue to avail his services as Independent Director.

The Board recommends the resolution set forth in Item No 3 for approval of the members as Special 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. Purushottam Das Bhoot [DIN: 00094087].

Place: Kolkata
Date: 30th May 2018

By order of the Board
For BHATKAWA TEA INDUSTRIES LTD
Padmanabh Jalan
Wholetime Director
(DIN: 01651268)

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DIRECTORS' REPORT

TO THE MEMBERS

The Directors have pleasure in presenting the Annual Report and the Audited Accounts for the year ended 31st March, 2018 (Rs.)

FINANCIAL RESULTS	31st March 2018	31st March 2017
Gross Revenue	29,67,18,366	24,08,49,845
Profit before Depreciation Finance Cost & Taxation	3,48,64,698	3,16,82,326
Less: Depreciation & Amortization expenses	88,73,101	74,59,666
Finance Cost	16,54,794	27,50,805
Taxation (incl. Deferred Tax)	3,24,034	61,30,399
Profit after taxation	2,40,12,769	1,53,41,456
Other comprehensive income	19,36,431	24,68,778
Total Comprehensive income for the period	2,59,49,200	1,78,10,234

BUSINESS REVIEW & PROSPECTS:

The company's manufactured own crop was 13.99 lakh kg against last year's own crop of 14.13 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 1.74 lakh kg up to 25th May, 2018 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.

DIVIDEND

The Board recommends a dividend of 5% (Previous year 5%). On approval at the forthcoming Annual General Meeting, dividend will be paid to those members whose names are recorded in the Register of Members at the close of business on 24th September, 2018, subject, however to the provisions of Section 126 of the Companies Act, 2013. This equity dividend has not been included as a liability in the financial statement.

AMOUNT TO BE CARRIED TO RESERVES

The Company has transferred Rs.15,00,000/- to the General Reserve during the current financial year.

SHARE CAPITAL

During the year under review there is no change in the share capital of the Company.

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. 84,915/- for FY - 2009-2010 was transferred to Investor Education & Protection Fund on 8th February, 2018. In terms of the Investor Education and Protection Fund Authority (Accounting, Audit,

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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 - 2010-2011 must be claimed by shareholders on or before 5th January, 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, 2018, 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 2018 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, 2018 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.

DIRECTORS

The SEBI has recently come out with a Notification on 9th May, 2018 amending the existing Listing Regulations by issuing the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 (hereinafter referred to as "New Regulations"). The New Regulations shall be effective from 1st April, 2019 unless any other specific date is provided for a specific Regulation. Regulation 17 is one of the provisions in which the amendments have been made by insertion of a new sub- regulation (1A) thereunder and the same shall be applicable with effect from 1st April, 2019. In terms of the said new sub- regulation, a person shall not be eligible to get appointed as a non-executive director or in case of an existing non- executive director, shall not be eligible to continue such directorship, if he/she has attained the age of seventy five years unless the approval of the shareholders of the company is obtained by way of a special resolution. Though, the aforesaid provision shall be applicable to the Company from 1st April, 2019, however, considering the implication of such amendment, the same shall result in the immediate vacation of such directors as the restriction is not imposed only on the appointment but on the continuation of the existing tenure too. In view of the above, the Company is required to take approval from the shareholders by way of a special resolution beforehand so that the existing nonexecutive directors attaining such age can complete their existing term as approved by the shareholders earlier. This is to inform that Mr. Purushottam Das Bhoot

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[DIN: 00094087] was appointed as Non-Executive Independent Directors by the Company in its Annual General Meeting held on 28th September, 2015 for a period of five years from the said date till the Annual General Meeting to be held in 2020. Since Mr. Bhoot has already attained the specified age limit of 75 years, continuation of his directorship shall require approval of shareholders by way of special resolution. Keeping in view of Mr. Bhoot's rich and varied experience in the industry in which the Company operates and that his continued association with the Company would be of immense benefit to the Company, it is desirable to continue to avail his services as Independent Director.

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 2018-2019.

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 (Rs.20,07,200/-), compares favourably to median employees remuneration. The company has 1722 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 2017-18. The report of the secretarial auditor is annexed herewith as "Annexure - B" to this report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

In compliance with Section 204 of the Act, the Company has re-appointed Mr. Pradip Domadia, Practicing Company Secretary as Secretarial Auditor for the financial year 2018-19.

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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.

MEETING OF THE BOARD & COMMITTEES

The meeting dates are circulated in advance to the Directors. During the year eight 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 company has not made any loan, investment or guarantee provided any security during the year as stipulated u/s. 186 of the Companies Act, 2013.

INDIAN ACCOUNTING STANDARDS (Ind AS)

Your Company has adopted IND AS with effect from April 1, 2017 pursuant to Ministry of Corporate Affairs notification dated February 16, 2015 notifying the Companies (Indian Accounting Standard) Rules, 2015.

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.

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 endeavors 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 2017-18.

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 2018

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, 2018.

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)	18,06,210	17,01,320
Total Amount (Rs.)	1,70,17,031	1,59,37,608
Rate / Unit (Rs.)	9.42	9.37
b) Own Generation		
i) Through Diesel Generation :		
Units (kWh)	54,294	45,020
Units per Ltr. of Diesel Oil	3.04	3.03
Cost / Unit (Rs.)	19.51	18.02
ii) Through Steam Turbine/Generator :		
Units	-	-
Units per Ltr. of Fuel Oil/Gas	-	-
Cost / Unit (Rs.)	-	-
2. Coal		
Quantity (Tonnes)	982	958
Total Cost (Rs.)	90,69,755	69,35,910
Average Rate	9,236	7,241
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	0.83	1.20
Furnace Oil	0.00	0.00
Coal	0.70	0.68
Others	-	-

* There is no prescribed standard

FORM B

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

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

- 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

a) Capital

b) Recurring

c) Total

d) 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. 284,895

For and on behalf of the Board

Padmanabh Jalan

Wholetime Director

(DIN: 01651268)

Place: Kolkata

Date: 30th May 2018

BHATKAWA TEA INDUSTRIES LIMITED

ANNEXURE - B

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2018

(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, 2018 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, 2018 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
 - (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.
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008
 - (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.

BHATKAWA TEA INDUSTRIES LIMITED



- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998
- (vi) The Food Safety and Standards Act, 2006 along with Food Safety and Standards Rules 2011
- (vii) The Tea Board Guidelines and Orders.
- (viii) Pollution Control Act, Rules and Notification issued thereof.
- (ix) Legal Metrology Act, 2009 and Rules made there under.
- (x) The Tea Act, 1953 and Tea Warehouse (Licensing) Order, 1989
- (xi) The Factories Act, 1948 and Rules made there under.
- (xii) Shops and Establishment Act, 1953
- (xiii) The Employees Provident Fund and Miscellaneous Provisions Act, 1952 Rules made there under
- (xiv) The Maternity Benefits Act, 1961
- (xv) The Minimum Wages Act, 1948
- (xvi) The Payment of Bonus Act, 1965
- (xvii) The Payment of Gratuity Act, 1972
- (xviii) The Employment Exchange (Compulsory Notification of Vacancies) Act, 1959
- (xix) The Payment of Wages Act, 1936 and other applicable Industrial and Labour Laws

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, 2018

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

BHATKAWA TEA INDUSTRIES LIMITED

ANNEXURE - B-1

(To the Secretarial Audit Report of Bhatkawa Tea Industries Limited for the
Financial Year Ended 31st March, 2018)

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, 2018 of even date is to be read along with this letter.

Management's Responsibility :

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.

Responsibility of Secretarial Auditor :

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.

Disclaimer :

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

Place: Kolkata
Date: 30th May, 2018

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 compiled with as follows:

1. Company's Philosophy on Code of Governance:

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

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

2. Board of Directors - Composition:

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

During the Financial Year 2017-18 there has been no new appointment or cessation of Director in the Company. At present the Board consists of three Non-Executive Independent Directors.

Composition of Board as at 31st March, 2018 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	1	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, eight Board Meetings were held, the dates being 15th May 2017, 24th July 2017, 14th August 2017, 25th September 2017, 16th October 2017, 11th November 2017, 11th January 2018 and 14th February 2018.

The last AGM was held on 25th September, 2017.

BHATKAWA TEA INDUSTRIES LIMITED

Details of attendance

Director	No. of Board Meetings Attended	Whether attended last AGM
Mr. Padmanabh Jalan	8	Yes
Mr. Purushottam Dass Bhoot	2	Yes
Ms. Rashmi Chitlangia	8	Yes
Mr. Sunil Kumar Ganguly	8	Yes

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, 2017, 14th August, 2017, 11th November, 2017 and 14th February, 2018. 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 2018 is as follows.

Director	No. of meetings attended
Mr. Sunil Kumar Ganguly, Chairman	1
Mr. Purushottam Dass Bhoot	1
Mrs. Rashmi Chitlangia	1

The Committee had met on 16th October, 2017.

- a. Remuneration paid to Managing Director and Wholetime Director during the year ended 31st March, 2018. (Rs.)

Name	Salary	Value of Perquisites	Provident Fund	Total
Mr. Padmanabh Jalan Wholetime Director	16,90,000	1,30,000	1,87,200	20,07,200

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, 2018 is as follows.

Name	No. of meetings attended
Mr. Purushottam Dass Bhoot, Chairman	1
Mr. Padmanabh Jalan	1
Mrs. Rashmi Chitlangia	1

The Committee had met on 31st March, 2018.

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:-

Mr. Krishnendu Basu, Chief Financial Officer

BHATKAWA TEA INDUSTRIES LIMITED

5. General Body Meetings:

Location and time where last three AGMs were held:

Date	Location	Time
28th September, 2015	Rotary Sadan, 94/2, Chowringhee Road, Kolkata-700 020	10.30 AM
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.

Three special resolutions were passed at the AGM held in 2015 and one special resolution was passed in 2017. 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 analysis 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 2017-18

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 2017 to March 2018) 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. In case of physical transfer of shares, the shares are transfer within 15 days from the date of receipt.

(g) Dematerialisation of Shares:

As on 31st March, 2018, 79.02% 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	186	59.05	26027	1.16
501 to 1000	36	11.43	24716	1.10
1001 to 2000	53	16.83	74187	3.31
2001 to 3000	11	3.49	28714	1.28
3001 to 4000	2	0.63	6900	0.31
4001 to 5000	6	1.90	25900	1.16
5001 to 10000	5	1.59	39480	1.76
10001 to higher	16	5.08	2014076	89.92
Total	315	100	2240000	100

BHATKAWA TEA INDUSTRIES LIMITED

(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	264	147954	6.61
Directors & their relatives	10	1362786	60.84
Bodies Corporate	18	617316	27.55
Total	315	2240000	100

(iii) **Estate Locations:**

The Company owns Tea Garden with own processing factory at
Bhatkawa tea Estate,
P.O. Garopara,
Dist. Jalpaiguri
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, 2018

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

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

The year 2017-18, 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 13,99,011 kgs as compared to 14,12,918 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:

Sales through	2017-18 (Rs.)	2016-17 (Rs.)	2015-16 (Rs.)
Auctions	194.21	177.73	165.86
Consignment Agents	169.40	168.61	168.68
Private Sales	185.97	171.98	160.70

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 1722 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.

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

Place: Kolkata
Date: 30th May, 2018

BHATKAWA TEA INDUSTRIES LIMITED

CERTIFICATE ON COMPLIANCE OF THE CONDITIONS OF CORPORATE GOVERNANCE

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, 2018, 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 the explanations given to me, I certify that the Company has generally complied with the conditions of Corporate Governance as stipulated under various regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
4. I state that in respect of investor grievances received during the year ended 31st March, 2018, no grievances are pending for a period of exceeding one month against the Company as per the records maintained by the Company and presented to the Shares Transfers and Investors Grievance Committee.
5. 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, 2018

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 FIANNCIAL 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, 2018 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, 2018

Padmanabh Jalan
Wholetime Director
(DIN : 01651268)

Krishnendu Basu
Chief Finance 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-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change During the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	1,153,613	209,173	1,362,786	60.84%	1,153,613	209,173	1,362,786	60.84%	-
b) Central Govt			-	-			-	-	-
c) State Govt(s)			-	-			-	-	-
d) Bodies Corp.			-	-			-	-	-
e) Banks / FI			-	-			-	-	-
f) Any other			-	-			-	-	-
Sub Total (A) (1)	1,153,613	209,173	1,362,786	60.84%	1,153,613	209,173	1,362,786	60.84%	-
(2) Foreign									
a) NRI Individuals			-	-			-	-	-
b) Other Individuals			-	-			-	-	-
c) Bodies Corp.			-	-			-	-	-
d) Any other			-	-			-	-	-
Sub Total (A) (2)	-	-	-	-	-	-	-	-	-
TOTAL (A)	1,153,613	209,173	1,362,786	60.84%	1,153,613	209,173	1,362,786	60.84%	-
B. Public Shareholding									
1. Institutions									
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)			-	-			-	-	-
Sub-total (B)(1):-	-	59,556	59,556	2.66%	-	59,556	59,556	2.66%	-

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-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change During the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	598,697	18,619	617,316	27.56%	598,697	18,619	617,316	27.56%	-
ii) Overseas			-	-			-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	17,596	117,758	135,354	6.04%	17,596	117,758	135,354	6.04%	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	12,600	12,600	0.56%	-	12,600	12,600	0.56%	-
c) Others (specify) NRI	-	52,388	52,388	2.34%	-	52,388	52,388	2.34%	-
Sub-total (B)(2):-	616,293	201,365	817,658	36.50%	616,293	201,365	817,658	36.50%	-
Total Public (B)	616,293	260,921	877,214	39.16%	616,293	260,921	877,214	39.16%	-
C. Shares held by Custodian for GDRs & ADRs			-	-				-	-
Grand Total (A+B+C)	1,769,906	470,094	2,240,000	100.00%	1,769,906	470,094	2,240,000	100.00%	-

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%	-	446,508	19.93%	-	-
2	Minakshi Jalan	546,194	24.38%	-	546,194	24.38%	-	-
3	Padmabh 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	Sudarshan Jalan HUF	96,244	4.30%	-	96,244	4.30%	-	-
7	Pradyumna Jalan	14,000	0.63%	-	14,000	0.63%	-	-

(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
1	Kirti Industrial Co. Ltd.						
	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%
2	Uphaar Financial Services Ltd.						
	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%
3	Bhakti Fiscal Pvt. Ltd.						
	At the beginning of the year			100,700	4.50%	100,700	4.50%
	Changes during the year			-	-	-	-
	At the end of the year			-	-	100,700	4.50%
4	Central Bank Of India						
	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%
5	Lake view Dealers Pvt. Ltd.						
	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%
6	Bank Of India						
	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%
7	Prasanta Kumar Banerjee						
	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%
8	Jadavpur University						
	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%
9	Central Bank Of India						
	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%
10	Lloyd Amelia Irene						
	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	Padmanabh Jalan						
	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
Indebtedness at the beginning of the financial year				
i) Principal Amount	43.32			43.32
ii) Interest due but not paid	-			-
iii) Interest accrued but not due	0.78			0.78
Total (i+ii+iii)	44.10	-	-	
Change in Indebtedness during the financial year				
* Addition	68.10			68.10
* Reduction	-			-
Net Change	68.10	-	-	68.10
Indebtedness at the end of the financial year				
i) Principal Amount	112.20			112.20
ii) Interest due but not paid	-			-
iii) Interest accrued but not due	0.27			0.27
Total (i+ii+iii)	112.47	-	-	

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/WTD/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	16.90	16.90
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1.30	1.30
	(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	1.87	1.87
	Total (A)	20.07	20.07
	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)				20.07
	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	3.26			3.26
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3.26			3.26
	(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	0.34			0.34
	Total	3.60	-	-	3.60

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)
A. COMPANY					
Penalty			-		
Punishment			-		
Compounding			-		
B. DIRECTORS					
Penalty			-		
Punishment			-		
Compounding			-		
C. OTHER OFFICERS IN DEFAULT					
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

1. We have audited the accompanying standalone Ind AS financial statements of BHATKAWA TEA INDUSTRIES LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.
5. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

BHATKAWA TEA INDUSTRIES LIMITED



Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

7. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

As required by Section 143(3) of the Act, based on our audit, we report, to the extent applicable 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, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account;
- d. in our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act;
- e. on the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 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 B"; and
- 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:
 - 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 standalone Ind AS financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, to the Investor Education and Protection Fund by the Company.

Place: Kolkata
Date: 30th May, 2018

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

BHATKAWA TEA INDUSTRIES LIMITED

Annexure - A 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 31st March 2018, 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 31st March 2018 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 31st March, 2018:

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	2,07,096	2011-12	Commissioner of Income Tax (Appeals)
West Bengal Value Added Tax Act, 2003	Sales Tax	5,39,644	2009-10 and 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 31st March, 2018. 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)
Sumit Kumar Rajgarhia
(Partner)
(Membership No. 068270)

Place: Kolkata
Date: 30th May, 2018

BHATKAWA TEA INDUSTRIES LIMITED

Annexure - B 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 31st March 2018, in conjunction with our audit of the standalone Ind AS financial statements of the Company for the period 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 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 standalone Ind AS 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 standalone Ind AS 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 31st March 2018, 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.

Place: Kolkata
Date: 30th May, 2018

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

BHATKAWA TEA INDUSTRIES LIMITED

BALANCE SHEET AS AT 31ST MARCH 2018

	Note	As at 31.03.2018 Rs.	As at 31.03.2017 Rs.	As at 31.03.2016 Rs.
ASSETS				
Non-Current Assets				
(a) Property, plant and equipment	3.1	70,745,047	76,201,605	131,508,428
(b) Capital work-in-progress	3.2	1,532,311	1,496,642	-
(c) Other Intangible Assets	3.1	12,461	96,592	165,277
(d) Financial assets :				
(i) Investments	4	31,612,280	40,231,116	48,236,053
(ii) Loans	5	-	1,000,000	1,000,000
(iii) Other Financial assets	6	373,232	325,113	3,68,833
(e) Other Non Current Assets	7	2,376,445	1,000,000	11,000,000
Total Non-Current Assets		106,651,776	120,351,068	192,278,591
Current Assets				
(a) Inventories	8	16,070,635	54,976,841	44,860,255
(b) Financial assets:				
(i) Investments	4	80,383,645	24,080,539	34,360,664
(ii) Trade receivables	9	17,553,608	9,944,131	8,476,306
(iii) Cash and cash equivalents	10	252,032	314,136	2,219,892
(iv) Bank balance other than (iii) above	11	1,332,530	1,313,405	1,392,749
(v) Loans	5	36,966,432	48,842,502	18,000,000
(vi) Other Financial assets	6	1,077,861	1,186,560	1,200,603
(c) Other Current Assets	7	3,285,043	2,390,845	3,496,314
Total Current Assets		156,921,786	143,048,959	114,006,783
Total Assets		263,573,562	263,400,027	306,285,374
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital	12	22,400,000	22,400,000	22,400,000
(b) Other Equity	13	151,928,444	127,190,446	169,508,186
Total Equity		174,328,444	149,590,446	191,908,186
Liabilities				
Non-Current Liabilities				
(a) Financial liabilities:				
(i) Borrowings	14	1,489,727	1,986,303	2,611,318
(b) Provisions	15	18,816,682	16,913,220	27,531,645
(c) Deferred tax (assets)/Liabilities (net)	16	2,888,467	3,858,623	(574,302)
(d) Other Non-Current Liabilities	17	5,709,033	4,282,862	529,0590
Total Non-Current Liabilities		28,903,909	27,041,008	34,859,251
Current Liabilities				
(a) Financial Liabilities:				
(i) Borrowings	14	9,233,473	1,848,766	2,983,516
(ii) Trade payables	18	10,279,893	9,941,280	9,038,504
(iii) Other financial Liabilities	19	10,429,883	11,757,990	14,908,348
(b) Provisions	15	24,644,187	26,280,432	24,436,317
(c) Other current liabilities	17	5,753,773	36,940,105	28,151,252
Total Current Liabilities		60,341,209	86,768,573	79,517,937
Total Equity and Liabilities		263,573,562	263,400,027	306,285,374

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
Date : 30th Mary, 2018

Sumit Kumar Rajgarhia
Partner
Membership No. 068270

Padmanabh Jalan
Wholetime Director
(DIN :01651268)

Sunil Kumar Ganguly
Director
(DIN :07332950)

Krishnendu Basu
Chief Financial Officer

BHATKAWA TEA INDUSTRIES LIMITED



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

	Note	For the year ended 31.03.2018 Rs.	For the year ended 31.03.2017 Rs
Income			
Revenue from operations	20	286,749,129	230,197,384
Other income	21	9,969,237	10,652,461
Total revenue		296,718,366	240,849,845
Expenses			
Change in inventories of finished goods	22	36,099,856	(9,391,051)
Employee benefits expenses	23	142,553,849	138,652,285
Finance costs	24	1,654,794	2,750,805
Depreciation and amortization expenses	25	8,873,101	7,459,666
Excise duty on sale of goods		115,150	706,751
Other expenses	26	83,084,813	79,199,534
Total expenses		272,381,563	219,377,990
Profit/(Loss) before tax		24,336,803	21,471,855
Less: Tax expenses :			
Current tax		(2,170,620)	(2,287,191)
Deferred tax Assets/ (Liability)		1,074,592	(3,843,208)
MAT credit entitlement		59,664	-
Income Tax relating to earlier years		712,330	-
Profit/(Loss) for the year		24,012,770	15,341,456
Other Comprehensive Income/(Expenses) (OCI)			
B. Items that will not be reclassified to profit or loss:			
Remeasurement gains/(losses) on defined benefit plans		(3,968,838)	(604,611)
Less: Income Tax effect		1,123,181	171,105
		(2,845,657)	(433,506)
Net (loss)/gain on FVTOCI equity securities		6,069,370	3,661,165
Less: Income Tax effect		(1,287,282)	(758,881)
		4,782,088	2,902,284
Other Comprehensive Income/(Expenses) (OCI), net of taxes		1,936,431	2,468,778
Total Comprehensive Income /(Loss) for the year		25,949,200	17,810,234
Earnings per equity share [nominal value:			
Rs. 10 per share]	27		
Basic (Rs.)		10.72	6.85
Diluted (Rs.)		10.72	6.85

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
Date : 30th May, 2018

Sumit Kumar Rajgarhia
Partner
Membership No. 068270

Padmanabh Jalan
Wholetime Director
(DIN :01651268)

Sunil Kumar Ganguly
Director
(DIN :07332950)

Krishnendu Basu
Chief Financial Officer

BHATKAWA TEA INDUSTRIES LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2018

A. Equity Share Capital

(Rs.)

	As at 31st March 2018	As at 31st March 2017	As at 31st March 2016
At the beginning of the year	22,400,000	22,400,000	22,400,000
Add: Addition during the year	-	-	-
At the End of the year	22,400,000	22,400,000	22,400,000

B. Other Equity

(Rs.)

	Reserve & Surplus		Other Reserves		Total Equity
	General Reserve	Retained Earning	Revaluation Reserve	FVOCI Equity Investments	
Balance as at 31st March 2016	34,168,314	71,339,774	58,916,249	5,083,849	169,508,186
Add: Profit/(Loss) for the year	-	15,341,456	-	-	15,341,456
Add: Other Comprehensive Income	-	(1,192,387)	-	3,661,165	2,468,778
Add/Less: Transfer to General Reserve	1,500,000	(1,500,000)	-	-	-
Less: Reversal Revaluation done during the period	-	-	(58,916,249)	-	(58,916,249)
Add/Less: Profit on sale of Equity Share	-	714,056	-	(714,056)	-
Less: Dividend Paid	-	(1,120,000)	-	-	(1,120,000)
Less: Tax on Dividend	-	(91,726)	-	-	(91,726)
Balance as at 31st March 2017	35,668,314	83,491,173	-	8,030,958	127,190,445
Add: Profit/(Loss) for the year	-	24,012,770	-	-	24,012,770
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)
Balance as at 31st March, 2018	37,168,314	101,730,016	-	13,030,113	151,928,443

Description of reserves in statement of changes in equity

i) General Reserve:

General reserve is created and utilised in compliance with the provisions of the Act.

ii) Retained Earnings:

Retained earnings represents accumulated profits earned by the company and remaining undistributed as on date.

iii) Revaluation Reserve:

Revaluation Surplus, is the excess of market value over the carrying value of certain assets. The said reserve is utilised for adjustment of depreciation attributable to such excess amount and is credited to retained earnings.

iv) FVOCI Equity Investments:

The Company has elected to recognise changes in the fair value of certain investments in equity instruments through other comprehensive income. These changes are accumulated within the FVOCI equity investments reserve. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

In terms of our report of even date

For **DAS & PRASAD**

Chartered Accounts

Firm Registration No. 303054E

Sumit Kumar Rajgarhia

Partner

Membership No. 068270

For and on behalf of the Board of Directors

Padmanabh Jalan

Wholetime Director

(DIN :01651268)

Sunil Kumar Ganguly

Director

(DIN :07332950)

Krishnendu Basu

Chief Financial Officer

Place : Kolkata

Date : 30th March, 2018

BHATKAWA TEA INDUSTRIES LIMITED



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2018

	Year ended 31st March, 2018 Rs.	Year ended 31st March, 2017 Rs
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before tax	24,336,803	21,471,855
Adjustments for :		
Depreciation & Amortization Expense	8,873,101	7,459,666
Finance Costs	415,055	2,750,805
Remeasurement gains/(losses) on defined benefit plans	(3,968,838)	(604,611)
Profit on Sale of Fixed Asset (Net)	(159,958)	(86,556)
Deferred Government Grants	(712,453)	-
Dividend Income	(274,478)	(269,026)
Interest Income	(6,206,097)	(6,178,983)
Operating Profit before Working Capital Changes	22,303,135	24,543,150
Adjustments for :		
(Increase)/Decrease in Inventories	38,906,206	(10,116,586)
(Increase)/Decrease in Trade and other receivables	3,796,445	(32,096,986)
Increase/(Decrease) in Trade and other payables	(23,496,566)	19,206,085
Cash Generated from Operations	41,509,220	(20,431,350)
Tax Paid	3,606,734	1,755,631
Net Cash (Outflow)/Inflow from Operating Activities	37,902,486	(22,186,981)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of Property, Plant & Equipment	(2,161,042)	(11,036,552)
Work In Progress of Bearer Plant	(1,207,039)	(1,496,642)
Sale of Property, Plant & Equipment	159,958	148,952
Refund of Capital Advances	-	11,000,000
Capital Subsidy Received	2,379,666	-
Capital Expenditure	(856,570)	(856,570)
Dividend Received	274,478	269,026
Sale of Investments	56,987,764	70,471,007
Acquisition of Investments	(98,543,001)	(48,524,780)
Interest Received	6,303,820	(36,661,966)
Net Cash (Outflow)/Inflow from Investing Activities	(36,661,966)	26,156,405
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of Long-Term Borrowings	(625,016)	(1,955,608)
Repayment of Long-Term Loan Given	1,000,000	-
Dividend Paid (including tax on dividend)	(1,211,202)	(1,211,726)
Interest and Other Finance charges paid	(466,407)	(2,707,847)
Net Cash Inflow/(Out flow) from Financing Activities	(1,302,625)	(5,875,181)
Net Increase/ (Decrease) in Cash & Cash Equivalents (A+B+C)	(62,104)	(1,905,757)
Cash & Cash Equivalents as at Opening	314,136	2,219,892
Cash & Cash Equivalents as at Closing	252,032	314,135

- 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 2018 (*contd.*)

	As at 31st March, 2018 Rs.	As at 31st March, 2017 Rs
Components of Cash and Cash Equivalents		
Balances with banks:		
On current accounts	101,300	51,725
Remittance in Transit	-	43,478
Cash in hand	150,732	218,933
Total Cash & Cash Equivalents	252,032	314,136

<p>In terms of our report of even date For DAS & PRASAD Chartered Accounts Firm Registration No. 303054E</p>	<p>For and on behalf of the Board of Directors</p>	<p></p>
<p>Sumit Kumar Rajgarhia Partner Membership No. 068270</p>	<p>Padmanabh Jalan Wholetime Director (DIN :01651268)</p>	<p>Sunil Kumar Ganguly Director (DIN :07332950)</p>
<p>Krishnendu Basu Chief Financial Officer</p>		

Place : Kolkata
Date : 30th May, 2018

BHATKAWA TEA INDUSTRIES LIMITED



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

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

The financial statements have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015. Upto the year ended March 31, 2017, the Company prepared its financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standard) Rules, 2006. The date of transition to Ind AS is April 1, 2016. Refer Note 2 (T) for the details of first-time adoption exemptions availed by the Company.

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 effect on reported financial position and financial performance of the Company on transition to Ind AS has been provided in Note 43, which also includes reconciliations of total equity and total comprehensive income for comparative years under Indian GAAP to those reported for respective years under Ind AS.

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;

BHATKAWA TEA INDUSTRIES LIMITED

- 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.

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

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.

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.

BHATKAWA TEA INDUSTRIES LIMITED

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.

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.

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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.

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.

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- 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.

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) First-time adoption - mandatory exceptions, optional exemptions

a) Overall principle

The Company has prepared the opening balance sheet as per Ind AS as of April 01, 2016 ("the transition date") by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain exceptions and certain optional exemptions availed by the Company as detailed below.

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b) Derecognition of Financial Assets and Financial Liabilities

The Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transaction occurring on or after April 1, 2016 ('the transition date').

c) Classification of debt instruments

The Company has determined the classification of debt instruments in terms of whether they meet the amortised cost criteria or the Fair value through other comprehensive income (FVTOCI) criteria based on the fact and circumstances that existed as of the transition date.

d) Deemed cost for Property, Plant and Equipment and Intangible assets

The Company has elected to continue with the carrying value of all its plant and equipment and intangible assets recognised as of April 1, 2016 ("transition date") measured as per the previous GAAP and used that carrying value as its deemed cost as of the transition date.

e) Determining whether an arrangement contains a lease

The Company has applied Appendix C of Ind AS 17 Determining whether an arrangement contains a Lease to determine whether an arrangement existing at the transition date contain a lease on the basis of facts and circumstances existing at the date.

f) Determining whether an arrangement contains a lease

The Company elected to continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP.

U) 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.

V) 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.

W) 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, 2018

3.1 Property, Plant & Equipment And Intangibles

(Rs.)

	Tangible Assets											Tangible Assets		Total
	Land (Leasehold)	Bearer Plant	Buildings	Plant & Equipments	Electrical Installations and	Office Equipments	Furniture	Vehicles	Irrigation	Water Supply System	Total	Computer	Total	
Gross Block (At Cost):														
As at 31st March 2016	5,940,313	65,715,966	15,662,003	26,884,093	450,071	377,525	399,449	6,538,433	7,841,671	1,698,904	131,508,428	165,277	165,277	131,673,705
Additions	-	2,797,416	894,784	4,317,331	-	171,187	152,367	1,524,917	1,178,550	-	11,036,552	26,250	26,250	11,062,802
Adjustment of Revaluation reserve on adoption of Cost Model on 01.04.2016	-	(53,447,036)	(5,005,102)	(464,111)	-	-	-	-	-	-	(58,916,249)	-	-	(58,916,249)
Disposals/Discard	-	-	-	(2,992)	-	-	-	(692,907)	(100,000)	-	(795,899)	-	-	(795,899)
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
Accumulated Depreciation/Amortisation:														
As at 31st March 2016	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Charge / Adjustment for the year	371,269	565,587	715,281	2,549,435	114,010	235,630	89,779	1,575,173	1,011,587	136,979	7,364,730	94,935	94,935	7,459,665
Disposals/Discard	-	-	-	(2,992)	-	-	-	(630,511)	(100,000)	-	(733,503)	-	-	(733,503)
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
Net Block														
As at 31st March 2016	5,940,313	65,715,966	15,662,003	26,884,093	450,071	377,525	399,449	6,538,433	7,841,671	1,698,904	131,508,428	165,277	165,277	131,673,705
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

i) Land (leasehold) and Development includes ` 70,54,120 in represent of levy of Salami by Government of West Bengal on renewal of lease of tea estates for the period from 24.04.2002 to 25.04.2032. The salami is payable in 20 equal annual installments of ` 3,52,706 including one installment on execution of lease deeds. However during the financial year 2015-16, Order was received from " The Office of District Magistrate, 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 ` 8,56,570/- from the date of the Order.

ii) Also refer Note 29 For creation of charge against fixed assets of the company.

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

3.2 Capital Work in Progress

(Rs.)

	As at 31st March 2018	As at 31st March 2017	As at 31st March 2016
Opening Balance			
Bearer Plant	1,496,642	-	-
	1,496,642	-	-
Less: Transfer to Fixed Assets	1,171,370	-	-
	325,272	-	-
Add: Addition during the year	1,207,039	1,496,642	-
Total	1,532,311	1,496,642	-

4. Investments

	As at 31st March 2018		As at 31st March 2017		As at 31st March 2016	
	No.	Amount (Rs.)	No.	Amount (Rs.)	No.	Amount (Rs.)
A. Non-Current at fair value through Other Comprehensive Income (FVOCI)						
a. Quoted						
Shares						
Larsen & Toubro Limited (Face Value: Rs. 2 each)	5,493	7,200,774	3,662	5,767,284	3,662	4,453,724
Balmer Lawrie Limited (Face Value: Rs. 10 each)	1,400	303,660	1,400	328,650	350	200,638
State Bank of India (Face Value: Rs. 1 each)	6,000	1,499,400	6,000	1,760,400	5,000	971,500
Oil & Natural Gas Corporation Limited (Face Value: Rs. 5 each)	9,000	1,600,200	9,000	1,665,000	6,000	1,288,500
Balrampur Chini Mills Limited (Face Value: Rs. 1 each)	14,601	1,104,566	15,000	2,180,250	15,000	1,614,750
Steel Authority of India Limited (Face Value: Rs. 10 each)	12,000	842,400	12,000	735,600	10,000	430,000
Nagarjuna Fertilizer Limited (Face Value: Rs. 1 each)	20,350	312,373	20,350	395,197	20,350	541,514
Public Sector Undertaking Bonds (at cost)						
8.20% Power Finance Corp Limited (Face Value: Rs. 1000 each)	712	712,000	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	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	1	1,011,300
8.76% National Housing Bank (Face Value: Rs. 5000 each)	231	1,155,000	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	2,100	2,100,000
10.65% United Bank of India 2022 (Face Value: Rs. 10 Lakhs each)	-	-	2	2,244,800	-	-
Total (I)		20,941,672		23,155,481		17,578,925

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

	As at 31st March 2018		As at 31st March 2017		As at 31st March 2016	
	No.	Amount (Rs.)	No.	Amount (Rs.)	No.	Amount (Rs.)
b. Unquoted						
Government Securities (at Cost)						
12 Year National Defence Certificates (Deposited with Central Excise)	1	800	1	800	1	800
Shares (at Cost)						
ABC Tea Workers Welfare Services (Face Value: Rs. 10 each)	50	500	50	500	50	500
Bhakti Fiscal Private Limited (Face Value: Rs. 100 each)	-	-	-	-	300	30,000
Jalpaiguri Club Limited (Face Value: Rs. 10 each)	10	100	10	100	10	100
Lake View Dealers Private Limited (Face Value: Rs. 10 each)	-	-	-	-	83,000	755,000
Uphaar Financial services Private Limited (Face Value: Rs. 10 each)	-	-	-	-	250,000	175,000
Pahargoomiah Tea Industries Private Limited (Face Value: Rs. 10 each)	230,000	4,510,208	730,000	10,915,235	1,400,000	20,933,327
"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)	24	2,400	24	2,400	24	2,400
Woodland Hospital And Medical Research Centre (*)						
Public Sector Undertaking Bonds (at cost)						
9.45% Union Bank Perpetual 2016 (Face Value: Rs. 10 Lakhs each)	-	-	-	-	40,000	4,148,800
9.75% IFCI Limited (Face Value: Rs. 10 Lakhs each)	1	1,040,200	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	3,000	3,000,000
7.35% National Highway Authority of India (Face Value: Rs. 1000 each)	571	571,000	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	-	-
Total (II)		10,670,608		17,075,635		30,657,127
(I+II)		31,612,280		40,231,116		48,236,052
Aggregate amount of quoted investments and market value thereof		20,941,672		23,155,481		17,578,925
Aggregate amount of unquoted investments		10,670,608		17,075,635		30,657,127

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

	As at 31st March 2018		As at 31st March 2017		As at 31st March 2016	
	No.	Amount (Rs.)	No.	Amount (Rs.)	No.	Amount (Rs.)
B. Current at fair value through Other Comprehensive Income (FVOCI)						
a. Quoted Share						
Tata Global Beverages Limited (Face Value: Rs. 1 each)	14,000	3,622,500	12,000	1,806,600	12,000	1,455,000
Tata Consultancy Services Limited (Face Value: Rs. 1 each)	116	330,501	116	282,089	116	291,862
Ultratech Ltd (Face Value: Rs. 10 each)	400	1,580,000	400	1,593,900	400	1,290,800
Link Pen & Plastic Limited (Face Value: Rs. 10 each)	1,000	419,650	1,000	292,200	1,000	186,950
Reliance Industries Limited (Face Value: Rs. 10 each)	800	706,160	400	528,360	400	418,100
Star Ferro & Cement Limited (Face Value: Rs. 10 each)	10,507	1,219,863	7,900	1,107,975	7,900	928,645
Shyam Century Ferrous Limited (Face Value: Rs. 10 each)	8,500	75,650	8,500	67,575	8,500	43,350
Castrol India Limited (Face Value: Rs. 5 each)	600	122,940	300	129,720	300	112,455
Tata Steel Limited (Face Value: Rs. 10 each)	1,900	1,084,995	1,900	917,130	1,100	351,450
Maharashtra Seamless Ltd (Face Value: Rs. 5 each)	1,000	423,500	1,000	349,650	1,000	144,300
Jindal Steel & Power Limited (Face Value: Rs. 1 each)	2,500	547,750	2,500	302,500	2,500	150,125
Motherson Sumi System Limited (Face Value: Rs. 1 each)	1,200	373,140	800	297,520	800	213,520
Kotak Mahindra Bank (Face Value: Rs. 5 each)	200	209,560	200	174,440	-	-
Mahindra & Mahindra Limited (Face Value: Rs. 5 each)	200	147,780	100	128,690	-	-
RBL Bank Limited (Face Value: Rs. 10 each)	1,600	767,760	1,600	791,280	-	-
Godfrey Phillips India Limited (Face Value: Rs. 2 each)	200	164,250	200	226,620	-	-
Kanpur Fertilizers & Cement Limited (Face Value: Rs. 10 each)	429	4,290	429	4,290	429	14,829
Chambal Fertilizers & Cement Limited (Face Value: Rs. 10 each)	1,500	246,975	-	-	-	-
Total (I)		12,047,264		9,000,539		5,601,386
b. Mutual fund						
Reliance Medium Term Fund	-	-	-	-	12,878	26,067,692
Axis Treasury Fund	-	-	-	-	1,625	2,691,586
DSP Blackrock Micro Chip	6,107	382,388	2,289	120,000	-	-
Birla Sunlife Medium Term Plan	483,054	10,616,419	251,269	5,000,000	-	-
ICICI Prudential Value Discovery Funds	10,770	1,497,295	3,884	480,000	-	-
ICICI Prudential Long term Funds	245,250	5,319,644	245,250	5,000,000	-	-
SBI Corp Bond	157,922	4,411,062	157,922	4,000,000	-	-
BSL Frontline Equity Fund Growth	7,230	1,512,556	2,677	480,000	-	-
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	48,405	1,602,685	-	-	-	-
Aditya Birla Sunlife Savings Fund Growth Regular Plan	55,332	18,918,353	-	-	-	-
Total (II)		68,336,381		15,080,000		28,759,278
(I+II)		80,383,645		24,080,539		34,360,664
Aggregate amount of quoted investments and market value there of		80,383,645		24,080,539		34,360,664
Aggregate amount of unquoted investments		-		-		-

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

BHATKAWA TEA INDUSTRIES LIMITED



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

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

	As at 31st March 2018	As at 31st March 2017	As at 31st March 2016
A. Non Current			
Inter corporate Loans (*)	-	1,000,000	1,000,000
Total	-	1,000,000	1,000,000
B. Current			
Inter corporate Loans (*)	36,966,432	48,842,502	18,000,000
Total	36,966,432	48,842,502	18,000,000

*These Inter- corporate loans are interest bearing and given for the business purpose and repayable on demand.

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

	As at 31st March 2018	As at 31st March 2017	As at 31st March 2016
A. Non Current			
Security Deposits	115,716	61,820	106,640
Tea Board Default Reserve	218,493	218,493	218,493
Advance to Staffs	39,023	44,800	43,700
Total	373,232	325,113	368,833
B. Current			
Interest Receivable on :			
Other Advances	372,361	470,084	473,066
Security Deposits	600,000	600,000	600,000
Advance to Staffs	105,500	116,476	127,537
	1,077,861	1,186,560	1,200,603

BHATKAWA TEA INDUSTRIES LIMITED

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

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

	As at 31st March 2018	As at 31st March 2017	As at 31st March 2016
A. Non Current			
Capital advances			
Considered good - To Others	1,000,000	1,000,000	11,000,000
Tea Board Subsidy Receivable (#)	1,376,445	-	-
Total	2,376,445	1,000,000	11,000,000
B. Current			
Advances recoverable in cash or kind			
Considered good - To Others	670,058	28,485	18,682
Prepaid expenses	314,631	553,284	500,148
Tea Board Subsidy Receivable (#)	1,293,690	1,293,690	1,293,690
Balances with statutory / Government authorities	362,141	-	-
Advance income-tax (Net of Provision)	539,982	-	-
Advance to Suppliers	104,542	456,528	1,666,199
Interest on STPF Loan	-	58,858	17,595
Total	3,285,043	2,390,845	3,496,314

During the year 2017-18 company had received sanction of Tea Board subsidy for the period 2015-16 of Rs. 34,41,111/- (Nil). Out of this Rs. 20,64,666/- (Nil) 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.

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

	As at 31st March 2018	As at 31st March 2017	As at 31st March 2016
Stock of Finished Goods - Tea	9,396,459	45,496,315	36,105,264
Stores & Spares	5,709,555	8,919,354	7,996,091
Stock in transit	904,450	519,638	716,230
Stock of Foodstuff	60,171	41,534	42,670
Total	16,070,635	54,976,841	44,860,255

9. Trade receivables (Unsecured) (Rs.)

	As at 31st March 2018	As at 31st March 2017	As at 31st March 2016
Considered good	17,553,608	9,944,131	8,476,306
Doubtful	-	-	-
	17,553,608	9,944,131	8,476,306
Less: Provision for doubtful receivables	-	-	-
Total	17,553,608	9,944,131	8,476,306

BHATKAWA TEA INDUSTRIES LIMITED



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

Ageing of receivables that are post due but not impaired

(Rs.)

	As at 31st March 2018	As at 31st March 2017	As at 31st March 2016
60-90 days	2,009,655	429,884	215,555
91-180 days	901,177	295,935	238,060
>180 days	926,163	247,814	421,782

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.

10. Cash and Cash Equivalents

(Rs.)

	As at 31st March 2018	As at 31st March 2017	As at 31st March 2016
Balances with banks:			
On current accounts	101,300	51,725	191,228
Remittance in Transit	-	43,478	17,850
Cash in hand (As certified by management)	150,732	218,933	2,010,814
Total	252,032	314,136	2,219,892

11. Bank Balance Other Than Cash and Cash Equivalents

(Rs.)

	As at 31st March 2018	As at 31st March 2017	As at 31st March 2016
Unpaid dividend account	501,878	508,156	570,669
Deposits with original maturity for more than 3 months but less than 12 months	41,500	41,500	41,500
Deposits with original maturity for more than 12 months (#)	789,152	763,749	780,580
Total	1,332,530	1,313,405	1,392,749

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

BHATKAWA TEA INDUSTRIES LIMITED

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

12. Share capital

(Rs.)

	As at 31st March 2018	As at 31st March 2017	As at 31st March 2016
Authorized shares 4,000,000 Ordinary Shares of Rs.10 each	40,000,000	40,000,000	40,000,000
Issued, subscribed and fully paid-up shares 22,40,000 Ordinary Shares of Rs.10 each fully paid up	22,400,000	22,400,000	22,400,000
	22,400,000	22,400,000	22,400,000

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

	As at 31st March 2018	As at 31st March 2017	As at 31st March 2016
At the beginning of the year	2,240,000	2,240,000	2,240,000
Issued during the period	-	-	-
At the end of the year	2,240,000	2,240,000	2,240,000

(b) Terms/rights attached to equity shares

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

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

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

	As at 31st March 2018		As at 31st March 2017		As at 31st March 2016	
	Share holding (in Number)	Share Holding (%)	Share holding (in Number)	Share Holding (%)	Share holding (in Number)	Share Holding (%)
Equity shares of Rs. 10 each fully paid						
Minakshi Jalan	546,194	24.38	546,194	24.38	546,194	24.38
Sudarshan Jalan	446,508	19.93	446,508	19.93	446,508	19.93
Kirti Industrial Company Limited	315,915	14.10	315,915	14.10	315,915	14.10
Padmanabh Jalan	244,090	10.90	244,090	10.90	244,090	10.90
Uphaar Financial Services Pvt. Ltd	166,109	7.42	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, 2018

13. Other Equity

(Rs.)

		As at 31st March 2018	As at 31st March 2017	As at 31st March 2016
Reserves & Surplus				
General Reserve	(A)	37,168,314	35,668,314	34,168,314
Retained Earnings	(B)	101,730,016	83,491,173	71,339,774
Total	(A to B)	138,898,330	119,159,487	105,508,088
Other Reserves				
Capital Reserve (Revaluation)	(C)	-	-	58,916,249
FVOCI Equity Investments	(D)	13,030,113	8,030,958	5,083,849
Total	(C to D)	13,030,113	8,030,958	64,000,098
Total Other Equity		151,928,443	127,190,445	169,508,186

14. Borrowings (at amortised cost)

(Rs.)

		As at 31st March 2018	As at 31st March 2017	As at 31st March 2016
A. Non Current				
Secured				
Term Loans from :				
Others (*)		1,986,303	2,482,879	2,979,455
Total	(A)	1,986,303	2,482,879	2,979,455
Deferred Payment Liabilities				
Vehicle Loans (**)	(B)	-	128,440	1,587,473
Total	(A to B)	1,986,303	2,611,319	4,566,928
Less: Amount disclosed under the head "other current liabilities" (Refer Note No. 19)		(496,576)	(625,016)	(1,955,610)
Total		1,489,727	1,986,303	2,611,318
B. Current				
Secured				
Cash credits from banks (#)		9,233,473	1,848,766	2,983,516
Total	(A)	9,233,473	1,848,766	2,983,516

* 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%)

** Vehicles Loan amounting to Rs. 40.00 Lakhs obtained from HDFC Bank on 11th April, 2014, which was secured by hypothecation of vehicle is completely repaid during the year and NOC obtained from the Bank.

BHATKAWA TEA INDUSTRIES LIMITED

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

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

	As at 31st March 2018	As at 31st March 2017	As at 31st March 2016
Borrowings Repayable			
In first Year	496,576	625,016	1,955,610
Current Maturities of Long Term Debts	496,576	625,016	1,955,610
In One to Three Years	1,489,728	1,489,727	1,618,166
In Three to Five Years	-	496,576	993,152
After Five Years	-	-	-
Long Term Borrowings	1,489,728	1,986,303	2,611,318

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 2018	As at 31st March 2017	As at 31st March 2016
A. Non Current			
Provision for employee benefits:			
Gratuity (Refer Note No. 30)	18,816,682	16,913,220	27,531,645
	18,816,682	16,913,220	27,531,645
B. Current			
Provision for employee benefits:			
Gratuity (Refer Note No. 30)	7,505,969	5,919,521	4,323,923
For Leave & Bonus	16,951,636	18,289,274	19,028,357
For Tax on Dividend	5,191	5,191	5,191
For Staff welfare	181,391	457,984	-
For Income Tax (Net of Advance Tax)	-	1,608,462	1,078,845
	24,644,187	26,280,432	24,436,316

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

	As at 31st March 2018	As at 31st March 2017	As at 31st March 2016
Deferred Tax Liabilities			
Property, Plant & Equipment	10,063,803	7,688,638	4,570,351
Financial Asset at FVOCI	3,355,254	2,067,972	1,309,091
(A)	13,419,057	9,756,610	5,879,442
Deferred Tax Assets			
Timing Difference u/s 43B	10,361,120	5,788,181	6,341,996
MAT Credit Entitlement	169,470	109,806	111,748
(B)	10,530,590	5,897,987	6,453,744
Net Deferred Tax (Assets)/ Liabilities (A-B)	2,888,467	3,858,623	(574,302)

BHATKAWA TEA INDUSTRIES LIMITED



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

Movement in Deferred Tax Assets

(Rs.)

	Property, Plant & Equipment	Financial Asset at FVOCI	Timing Difference u/s 43B	Total
As at 31st March 2016	4,570,351	1,309,091	(6,341,996)	(462,554)
Charged/ (Credit) to				
- profit & loss	3,118,287	-	724,920	3,843,207
- other comprehensive income	-	758,881	(171,105)	587,776
As at 31st March 2017	7,688,638	2,067,972	(5,788,181)	3,968,429
Less: MAT Credit Entitlement				(109,806)
Net Deferred Tax Liability				3,858,623
As at 31st March 2017	7,688,638	2,067,972	(5,788,181)	3,968,429
Charged/ (Credit) to				
- profit & loss	2,375,165	-	(3,449,757)	(1,074,592)
- other comprehensive income	-	1,287,282	(1,123,181)	164,101
As at 31st March 2018	10,063,803	3,355,254	(10,361,120)	3,057,938
Less: MAT Credit Entitlement				(169,470)
Net Deferred Tax Liability				2,888,468

17. Other liabilities

(Rs.)

	As at 31st March 2018	As at 31st March 2017	As at 31st March 2016
A. Non Current			
Liability for Capital Expenditure (*)	3,426,292	4,282,862	5,290,590
Deferred Government Grant	2,282,741	-	-
	5,709,033	4,282,862	5,290,590
B. Current			
Liability for Capital Expenditure (*)	856,570	856,570	705,412
Deferred Government Grant	760,917	-	-
Advance from customers	1,824,922	33,842,733	24,031,305
Statutory Liabilities	1,980,180	2,066,866	3,251,423
LIC Premium Payable	331,184	173,936	163,112
	5,753,773	36,940,105	28,151,252

* Liability for capital expenditure amounting to Rs. 42,82,862 represents balance amount of levy of salami Rs. 70,54,120/- by Government of West Bengal on renewal of lease of tea estate payable in equal annual installment of Rs. 3,52,706/- commencing from 3rd September, 2013. However during the financial year 2015-16, Order was received from "The Office of District Magistrate, Alipurduar" for realisation of Salami in a single installment in terms of Order No. 2531(5)-LP dated 28.08.2015 against which the company had represented before the Additional District Magistrate of respect of the above representation an order dated 13th January, 2017 has been passed, according to which the balance amount is payable is seven equal annual installments of Rs. 8,56,570/- from the date of the Order.

BHATKAWA TEA INDUSTRIES LIMITED

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

18. Trade Payables (Rs.)

	As at 31st March 2018	As at 31st March 2017	As at 31st March 2016
Trade Payables (Refer Note No. 31)	10,279,893	9,941,280	9,038,504
	10,279,893	9,941,280	9,038,504

19. Other financial Liabilities (Rs.)

	As at 31st March 2018	As at 31st March 2017	As at 31st March 2016
Current			
Current Maturities of Long-term borrowings (Refer Note No. 14)	496,576	625,016	1,955,610
Interest accrued but not due on borrowings	26,761	78,113	35,155
Employee Related Liability	2,885,475	4,129,132	3,646,977
Unpaid Dividend	501,878	508,156	570,781
Others	6,519,193	6,417,573	8,699,825
	10,429,883	11,757,990	14,908,348

20. Revenue from operations (Rs.)

Revenue from operations	Year ended 31st March, 2018	Year ended 31st March, 2017
Sale of products		
Finished goods	284,387,814	230,197,384
Other operating revenue		
Misc. Income	2,361,315	-
Revenue from operations	286,749,129	230,197,384

21. Other Income (Rs.)

Revenue from operations	Year ended 31st March, 2018	Year ended 31st March, 2017
Interest income on		
Bonds	1,226,311	1,196,402
Others	4,979,786	4,982,581
Dividend income	274,478	269,026
Liabilities no longer required written back	1,340,752	1,900,002
Rent	160,700	129,600
Deferred Government Grant Income	712,453	-
Surplus on tangible assets sold (net)	159,958	86,556
Claims Receivable	1,328	15,409
Miscellaneous Income	1,113,471	2,072,885
	9,969,237	10,652,461

BHATKAWA TEA INDUSTRIES LIMITED



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

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

	Year ended 31st March, 2018	Year ended 31st March, 2017	(Increase) Decrease
Inventories at the end of the year: Finished Goods	9,396,459	45,496,315	36,099,856
(A)	9,396,459	45,496,315	36,099,856
Inventories at the beginning of the year: Finished Goods	45,496,315	36,105,264	(9,391,051)
(B)	45,496,315	36,105,264	(9,391,051)
(B-A)	36,099,856	(9,391,051)	

23. Employee benefits expense (Rs.)

	2017-18	2016-17
Salaries, wages and bonus	121,119,713	117,345,201
Contribution to provident fund and other fund	10,963,079	11,105,265
Gratuity expense (Refer Note No. 30)	8,189,256	7,440,253
Workmen and Staff Welfare Expenses	2,281,801	2,761,566
	142,553,849	138,652,285

24. Finance costs (Rs.)

	Year ended 31st March, 2018	Year ended 31st March, 2017
Interest:		
To Bank and Others	192,634	344,032
On Fixed Loans & Deposits	222,421	246,017
Other borrowing costs	1,239,739	2,160,756
	1,654,794	2,750,805

25. Depreciation & amortization expense (Rs.)

	Year ended 31st March, 2018	Year ended 31st March, 2017
Depreciation on Tangible assets	7,502,788	6,993,461
Amortization of intangible assets	84,131	94,935
Other amortization	1,286,182	371,270
	8,873,101	7,459,666

BHATKAWA TEA INDUSTRIES LIMITED

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

26. Other Expenses

(Rs.)

	Year ended 31st March, 2018	Year ended 31st March, 2017
Stores, Spares and Packing Material consumed-Indigenous	24,615,172	20,358,995
Power & Fuel	28,372,108	24,277,456
Repairs & Maintenance :		
- Plant & Machinery	3,285,878	3,180,415
- Buildings	3,059,555	4,651,343
- Others	528,980	151,093
Rent	831,900	831,900
Rates and Taxes	477,177	1,939,180
Insurance	302,655	308,034
Carriage outward	5,625,257	8,968,444
Brokerage and Commission	4,499,791	5,263,871
Selling and Distribution Expenses	1,443,799	1,870,743
Subscription	1,153,375	1,471,947
Service Charges	300,000	310,000
Professional charges	1,709,870	1,462,324
Bank charges	200,349	260,517
Auditor's Remuneration (excluding GST):		
- Audit fees	165,000	125,000
- Tax Audit	25,000	30,000
- Certification etc	-	25,000
Travelling Expenses	1,510,808	930,341
Loss on Cash In Transit	1,050,000	-
Miscellaneous Expenses	3,928,139	2,782,931
	83,084,813	79,199,534

27. Earnings per Share

(Rs.)

Particulars	2017-18	2016-17
Net Profit / (Loss) after tax for calculation of basic and diluted EPS (Rs.)	24,012,770	15,341,456
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.)	10.72	6.85
Diluted Earnings Per Share (Rs.)	10.72	6.85

BHATKAWA TEA INDUSTRIES LIMITED



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

28. Contingent Liabilities

(Rs.)

Particulars	2017-18	2016-17
Bank Guarantee to WBSEDCL	4,062,533	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	211,194	-
Income Tax	1,326,765	1,326,765
Agricultural Income Tax under appeal	547,007	547,007
Total	7,204,083	6,992,889

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 2018	As at 31st March 2017	As at 31st March 2016
Non-Current Assets				
(a) Property, plant and equipment	3	70,745,047	76,201,605	131,508,428
Total Non-Current Assets pledged as security		70,745,047	76,201,605	131,508,428
Current Assets				
(a) Inventories	9	16,070,635	54,976,841	44,860,255
(b) Financial assets:				
(i) Trade receivables	10	17,553,608	9,944,131	8,476,306
Total Current Assets pledged as security		33,624,243	64,920,972	53,336,561
Total Assets pledged as security		104,369,290	141,122,577	184,844,989

30. EMPLOYEE BENEFITS

a) Defined Contribution Plan

(Rs.)

	2017-18	2016-17
Employer's Contribution to Provident Fund	9,986,900	9,448,123
Employee's Contribution to Provident Fund	9,986,900	9,448,123

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, 2018

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 2018	As at 31st March 2017	As at 31st March 2016
(A) Changes in Defined Benefit Obligation			
Present Value of Defined Benefit Obligation as at the beginning of the year	70,850,578	58,512,864	41,934,963
Current Service Cost	4,915,333	3,751,358	2,575,860
Past Service Cost	1,079,552	-	-
Interest Cost	5,193,347	4,581,557	3,270,927
Actuarial (gains)/loss	4,383,156	4,004,799	10,731,114
Benefits Paid	(2,841,063)	-	-
Present Value of Defined Benefit Obligation as at the end of the year	83,580,903	70,850,578	58,512,864
(B) Changes in the Fair Value of Assets			
Fair Value of Plan Assets at the beginning of the year	53,937,358	30,981,219	19,181,219
Expected Return on Plan Assets	414,318	3,530,310	1,582,451
Actuarial (gains)/loss	3,953,608	2,425,829	(1,582,451)
Contributions	9,300,000	17,000,000	11,800,000
Benefits Paid	(2,841,063)	-	-
Fair Value of Plan Assets at the end of the year	64,764,221	53,937,358	30,981,219

BHATKAWA TEA INDUSTRIES LIMITED



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

(Rs.)

	As at 31st March 2018	As at 31st March 2017	As at 31st March 2016
(C) Amount recognised in the Balance Sheet			
Present Value of Defined Benefit Obligation	83,580,903	70,850,578	58,512,864
Fair Value of Plan Assets	64,764,221	53,937,358	30,981,219
Net Assets/ (Liability) recognised in the Balance Sheet	(18,816,682)	(16,913,220)	(27,531,645)
(D) Current and Non Current Liability and Asset			
Current Defined Benefit Obligation	12,216,519	10,079,667	8,522,973
Non-Current Defined Benefit Obligation	71,364,384	60,770,911	49,989,891
Total Defined Benefit Obligation	83,580,903	70,850,578	58,512,864

(Rs.)

	As at 31st March, 2018	As at 31st March, 2017
(E) Expense recognized in Statement of Profit and Loss		
Total Service Cost	5,994,885	3,751,358
Interest cost	-	2,155,728
Expected Return on Plan Assets	1,239,739	-
Total Expense required to be recognized in Statement of Profit and Loss	7,234,624	5,907,086
(F) Expense recognized in the Other Comprehensive Income (OCI) for Current Year		
Actuarial (Gain) / Losses due to Demographic Assumption changes in DBO	-	-
Actuarial (Gain) / Losses due to Financial Assumption changes in DBO	2,944,944	6,916,538
Actuarial (Gain)/ Losses due to Experience on DBO	1,438,212	(2,911,739)
Return on Plan Assets (Greater) / Less than Discount rate	(414,318)	(3,530,310)
Net (Income)/ Expense for the period to be recognized in OCI	3,968,838	474,489

(G) Sensitivity Analysis :

(Rs.)

	As at 31st March 2018		As at 31st March 2017	
	% increase in DBO	Liability	% increase in DBO	Liability
Discount Rate				
+ 1% Basis Points	10.44%	92,305,603	9.56%	77,623,252
- 1% Basis Points	-8.80%	76,229,678	-8.08%	65,123,830
Salary Growth				
+ 1% Basis Points	-8.86%	76,175,417	-7.87%	65,277,725
- 1% Basis Points	10.31%	92,195,412	9.08%	77,286,212
Attrition Rate				
+ 50% Basis Points	1.19%	84,577,116	0.88%	71,473,486
- 50% Basis Points	-1.05%	82,707,314	-0.77%	70,306,867
Mortality Rate				
+ 10% Basis Points	0.19%	83,738,897	0.13%	70,943,297
- 10% Basis Points	-0.18%	83,426,657	-0.13%	70,760,275

BHATKAWA TEA INDUSTRIES LIMITED

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

(H) Maturity profile of Defined Benefit Obligation

(Rs.)

Particulars	31st March 2018	31st March 2017
i) 1year	12,216,519	10,079,667
ii) 2 to 5 years	24,270,391	21,147,211
iii) 6 to 10 years	30,379,089	25,102,176
iii) >10 years	159,058,280	113,286,902

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

	As at 31st March 2018		As at 31st March 2017		As at 31st March 2016	
	Rs.	%	Rs.	%	Rs.	%
Qualifying Insurance Policy with HDFC Life	64,764,221	100%	53,937,358	100%	30,981,219	100%

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

	31st March 2018	31st March 2017
Discount rate (per annum)	7.70%	7.33%
Salary increase (per annum)	9.25%	8.50%
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)

31. The company has not received any information from its suppliers regarding registration under "The Micro, Small and Medium Enterprises Development Act, 2006". Hence, the information required to be given in accordance with section 22 of the said act, is not ascertainable. Hence, not disclosed;

- a) No interest was paid by the company in terms of section 16 of MSMED Act during the period.
- b) There was no interest for delay in making payment beyond appointed date.
- c) There is not interest accrued and remaining unpaid beyond the appointed date.
- d) No interest is remaining due and payable even in succeeding years, until such that when the interest dues as above are actually paid to Micro, Small and Medium Enterprises for the purpose of disallowances as a deductible expenditure under section 23 of the aforesaid act.

BHATKAWA TEA INDUSTRIES LIMITED



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

32. 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 2018	As at 31st March 2017	As at 31st March 2016
i) Equity share capital	22,400,000	22,400,000	22,400,000
ii) Other equity	151,928,443	127,190,445	169,508,186
Total Equity (a)	174,328,443	149,590,445	191,908,186
i) Borrowings	10,723,200	3,835,069	5,594,834
ii) Current Maturity of long term debt	496,576	625,016	1,955,610
iii) Interest accrued and due on borrowings	26,761	78,113	35,155
Total debt (b)	11,246,537	4,538,198	7,585,599
i) Cash and cash equivalents	252,032	314,136	2,219,892
ii) Bank balance other than above	1,332,530	1,313,405	1,392,749
Total cash (c)	1,584,562	1,627,541	3,612,641
Net debt {d=(b-c)}	9,661,975	2,910,657	3,972,958
Total capital (equity + net debt)	183,990,418	152,501,102	195,881,144
Net debt to equity ratio	0.06	0.02	0.02

33. 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, 2018

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
31st March, 2018			
Amount in Rs.	+ 100	(43,282)	(32,137)
Amount in Rs.	(-) 100	43,282	32,137
31st March, 2017			
Amount in Rs.	+ 100	(60,811)	(42,020)
Amount in Rs.	(-) 100	60,811	42,020
31st March, 2016			
Amount in Rs.	+ 100	(70,363)	(48,621)
Amount in Rs.	(-) 100	70,363	48,621

(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, 2018 is Rs. 6,83,36,381/- (Rs. 1,50,80,000/-).

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 9.

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.

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

(Rs.)

	On Demand	Less than 1 Year	1 to 5 Years	> 5 Years	Total
31st March, 2018					
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
	9,233,473	20,709,776	1,489,728	-	31,432,977
31st March, 2017					
Borrowings	1,848,766	625,016	1,986,303	-	4,460,085
Trade payables	-	9,941,280	-	-	9,941,280
Other financial liabilities	-	11,132,974	4,282,862	-	15,415,836
	1,848,766	21,699,270	6,269,165	-	29,817,201
31st March, 2016					
Borrowings	2,983,516	1,955,610	2,611,318	-	7,550,444
Trade payables	-	9,038,504	-	-	9,038,504
Other financial liabilities	-	12,952,739	4,434,020	856,570	18,243,329
	2,983,516	23,946,853	7,045,338	856,570	34,832,277

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, 2018

34. 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 2018		31st March 2017		31st March 2016	
	FVOCI	Amortised cost	FVOCI	Amortised cost	FVOCI	Amortised cost
Assets:						
Trade receivables	-	17,553,608	-	9,944,131	-	8,476,306
Investments	111,995,925	-	64,311,654	-	82,596,717	-
Loans	-	36,966,432	-	49,842,502	-	19,000,000
Cash and cash equivalents	-	1,584,562	-	1,627,542	-	3,612,642
Other financial assets	-	1,451,093	-	1,511,674	-	1,569,436
Total	111,995,925	57,555,695	64,311,654	62,925,849	82,596,717	32,658,384
Liabilities:						
Borrowings	-	10,723,200	-	3,835,069	-	5,594,834
Trade payables	-	10,279,893	-	9,941,280	-	9,038,504
Total	-	21,003,093	-	13,776,349	-	14,633,338

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):

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

(Rs.)

	Level 1	Level 2	Level 3
As at 31st March, 2018			
Financial Assets:			
Financial investments at FVOCI			
Quoted Investments	101,325,317	-	-
Unquoted Investments	-	-	10,670,608
Total	101,325,317	-	10,670,608
As at 31st March, 2017			
Financial Assets:			
Financial investments at FVOCI			
Quoted Investments	47,236,020	-	-
Unquoted Investments	-	-	17,075,635
Total	47,236,020	-	17,075,635
As at 31st March, 2016			
Financial Assets:			
Financial investments at FVOCI			
Quoted Investments	51,939,589	-	-
Unquoted Investments	-	-	30,657,127
Total	51,939,589	-	30,657,127

35. 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.

36. 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.

37. 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.

38. 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.

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

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

40. Expenditure in Foreign Currency (Rs.)

	As at 31st March 2018	As at 31st March 2017
Travelling & Others	284,895	203,653

41. Event Occurring after the Balance Sheet date Dividend (Rs.)

	As at 31st March 2018	As at 31st March 2017
Final Dividend for the year 2016-17 (Rs. 0.50 per share)	-	1,120,000
Tax on final dividend for the year 2016-17	-	91,202
Total	-	1,211,202

Proposed Dividend

The Board of Directors at its meeting held on 30th May, 2018 have recommended a payment of final dividend of Rs. 0.50 per equity share of face value of Rs. 10.00 each for the financial year ended 31st March, 2018. The same amounts to Rs. 11,20,000/-.

The above is subject to approval at the ensuing Annual General Meeting of the Company and hence is not recognized as a liability.

42. Related party Disclosures

(a) Name of the related party:

Party	Relationship
I. Key Managerial Personnel (KMP)	
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
II. Relative of Key Managerial Personnel	
A. Mr. S. Jalan	Relative (President)
III. Enterprises over which Key Managerial Personnel / Share Holders / Relatives have significant influence	
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

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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	
		2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
1	Remuneration Paid						
	Mr. Padmanabh Jalan	2,007,200	837,520	-	-	-	-
	Mr. Krishnendu Basu	359,840	328,000	-	-	-	-
	Mr. S. Jalan	-	-	1,775,583	1,146,400	-	-
2	Conference and Seminar Charges						
	Lake View Dealers Pvt. Ltd.	-	-	-	-	-	122,500
3	Purchases for Staff Welfare						
	M/s Uphaar Financial Services Pvt. Ltd.	-	-	-	-	105,315	-
4	Rent & Service Charge Paid						
	M/s Uphaar Financial Services Pvt. Ltd.	-	-	-	-	171,900	171,900
	M/s Kriti Industries Co. Ltd.	-	-	-	-	660,000	660,000
5	Reimbursement of Expenses						
	Mr. Padmanabh Jalan (Garage Rent)	18,000	18,000	-	-	-	-
	M/s Kriti Industries Co. Ltd. (Electricity)	-	-	-	-	129,000	-
6	Office Maintenance						
	M/s Kriti Industries Co. Ltd.	-	-	-	-	300,000	300,000
7	Rent Income						
	M/s Lake View Dealers Pvt. Ltd.	-	-	-	-	160,500	128,400
8	Telephone & Internet Expenses Recovered						
	M/s Pahargoomiah Tea Industries Pvt. Ltd.	-	-	-	-	39,600	39,600
9	Missellaneous Receipt on Account of Sales of Store						
	M/s Pahargoomiah Tea Industries Pvt. Ltd.	-	-	-	-	678,142	3,530

BHATKAWA TEA INDUSTRIES LIMITED

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

(b) Transaction during the period (Contd.)

(Rs.)

10	Advance Given						
	Lake View Dealers Pvt. Ltd.	-	-	-	-	100,000	-
	M/s Pahargoomiah Tea Industries Pvt. Ltd.	-	-	-	-	-	2,000,000
11	Advance Refunded						
	Lake View Dealers Pvt. Ltd.	-	-	-	-	100,000	-
	M/s Pahargoomiah Tea Industries Pvt. Ltd.	-	-	-	-	-	2,000,000
12	Sale of Share						
	M/s Kriti Industries Co. Ltd.	-	-	-	-	-	6,365,000
	Lake View Dealers Pvt. Ltd.	-	-	-	-	4,900,000	-
13	Balances on account of						
	Security Deposit						
	M/s Kriti Industries Co. Ltd.	-	-	-	-	600,000	600,000
	Bonus/ Leave Salary Payable						
	Mr. Padmanabh Jalan	130,000	-	-	-	-	-
	Mr. S. Jalan	114,583	-	-	-	-	-
	Mr. Krishnendu Basu	24,938	25,793	-	-	-	-

43. First time adaption Ind AS reconciliations

a) Reconciliations of Balance Sheet as on 31st March, 2017 and 31st March, 2016

(Rs.)

	As at 31st March 2017			As at 31st March 2016		
	Amount As \ Per Previous GAAP	Effect of transition to Ind AS	Amount as per Ind AS	Amount As Per Previous GAAP	Effect of transition to Ind AS	Amount as per Ind AS
ASSETS						
Non-Current Assets						
(a) Property, plant and equipment	76,201,605	-	76,201,605	131,508,428	-	131,508,428
(b) Capital work-in-progress	1,496,642	-	1,496,642	-	-	-
(c) Other Intangible assets	96,592	-	96,592	165,277	-	165,277
(d) Financial assets :						
(i) Investments	36,207,421	4,023,695	40,231,116	45,423,485	2,812,568	48,236,053
(ii) Loans	1,000,000	-	1,000,000	1,000,000	-	1,000,000
(ii) Other Financial assets	325,113	-	325,113	368,833	-	368,833
(e) Other Non Current Assets	2,403,487	(1,403,487)	1,000,000	12,405,438	(1,405,438)	11,000,000
Total Non-Current Assets	117,730,860	2,620,208	120,351,068	190,871,461	1,407,130	192,278,591

BHATKAWA TEA INDUSTRIES LIMITED



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

43. First time adaption Ind AS reconciliations

a) Reconciliations of Balance Sheet as on 31st March, 2017 and 31st March, 2016 (Contd.) (Rs.)

Current Assets						
(a) Inventories	54,976,841	-	54,976,841	44,860,255	-	44,860,255
(b) Financial assets:						
(i) Investments	20,049,520	4,031,020	24,080,540	32,089,382	2,271,282	34,360,664
(ii) Trade receivables	9,944,131	-	9,944,131	8,476,306	-	8,476,306
(iii) Cash and cash equivalents	314,136	-	314,136	2,219,892	-	2,219,892
(iv) Bank balance other than (iii) above	1,313,405	-	1,313,405	1,392,749	-	1,392,749
(v) Loans	48,842,502	-	48,842,502	18,000,000	-	18,000,000
(vi) Other Financial assets	1,186,560	-	1,186,560	1,200,603	-	1,200,603
(c) Other Current Assets	1,097,155	1,293,690	2,390,845	2,202,624	1,293,690	3,496,314
Total Current Assets	137,724,250	5,324,710	143,048,960	110,441,811	3,564,972	114,006,783
Total Assets	255,455,110	7,944,918	263,400,028	301,313,272	4,972,102	306,285,374
EQUITY AND LIABILITIES						
Equity						
(a) Equity Share capital	22,400,000	-	22,400,000	22,400,000	-	22,400,000
(b) Other Equity	121,203,695	5,986,750	127,190,445	164,521,692	4,986,494	169,508,186
Total Equity	143,603,695	5,986,750	149,590,445	186,921,692	4,986,494	191,908,186
Liabilities						
Non-Current Liabilities						
(a) Financial liabilities:						
(i) Borrowings	1,986,303	-	1,986,303	2,611,318	-	2,611,318
(b) Provisions	16,913,220	-	16,913,220	27,531,645	-	27,531,645
(c) Deferred tax (assets)/Liabilities (net)	1,900,457	1,958,166	3,858,623	(1,771,645)	1,197,343	(574,302)
(d) Other Non-Current Liabilities	4,282,862		4,282,862	5,290,590		5,290,590
Total Non-Current Liabilities	25,082,842	1,958,166	27,041,008	33,661,908	1,197,343	34,859,251
Current liabilities						
(a) Financial liabilities:						
(i) Borrowings	1,848,766	-	1,848,766	2,983,516	-	2,983,516
(ii) Trade payables	9,941,280	-	9,941,280	9,038,504	-	9,038,504
(iii) Other financial Liabilities	11,757,990	-	11,757,990	14,908,348	-	14,908,348
(b) Other current liabilities	36,940,104	-	36,940,104	28,151,252	-	28,151,252
(c) Provisions	26,280,434	-	26,280,434	25,648,050	(1,211,733)	24,436,317
Total Current Liabilities	86,768,574	-	86,768,574	80,729,670	(1,211,733)	79,517,937
Total Equity and Liabilities	255,455,111	7,944,916	263,400,027	301,313,270	4,972,104	306,285,374

BHATKAWA TEA INDUSTRIES LIMITED

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

b) Reconciliation of Total Comprehensive Income for the Year ended 31st March, 2017 (Rs.)

	As at 31st March 2017		
	Amount As Per Previous GAAP	Effect of transition to Ind AS	Amount as per Ind AS
Income			
Revenue from operations	229,490,633	706,751	230,197,384
Other income	11,419,789	(767,328)	10,652,461
Total revenue	240,910,422	(60,577)	240,849,845
Expenses			
Change in inventories of work-in-progress, stock-in-trade, by-products and finished goods	(9,391,051)	-	(9,391,051)
Employee benefits expenses	141,282,502	(2,630,217)	138,652,285
Finance costs	876,771	1,874,034	2,750,805
Depreciation and amortization expenses	7,459,666	-	7,459,666
Excise duty on sale of goods	-	706,751	706,751
Other expenses	79,124,990	74,544	79,199,534
Total expenses	219,352,878	25,112	219,377,990
Profit/(Loss) before tax	21,557,544	(85,689)	21,471,855
Less: Tax expenses :			
Current tax	(2,287,191)	-	(2,287,191)
Deferred tax	(3,672,103)	(171,105)	(3,843,208)
Profit/(Loss) for the year	15,598,250	(256,794)	15,341,456
Other Comprehensive Income/(Expenses) (OCI)			
Items that will not be reclassified to profit or loss:			
Remeasurement gains/(losses) on defined benefit plans	-	(604,611)	(604,611)
Less: Income Tax effect	-	171,105	171,105
	-	(433,506)	(433,506)
Net (loss)/gain on FVTOCI equity securities	-	3,661,165	3,661,165
Less: Income Tax effect	-	(758,881)	(758,881)
	-	2,902,284	2,902,284
Other Comprehensive Income/(Expenses) (OCI), net of taxes	-	2,468,777	2,468,777
Total Comprehensive Income/(Loss) for the year	15,598,250	2,211,983	17,810,234

c) Reconciliation of Total Equity as at 31st March, 2017 and 31st March, 2016 (Rs.)

	As at 31st March 2017	As at 31st March 2016
Total Equity (shareholder's fund) under previous GAAP	143,603,695	186,921,692
Impact of revaluation of Investments	8,054,714	5,083,851
Dividends not recognised as liability until declared under Ind AS 8 (including tax thereon)	-	1,211,733
Deferred Tax	(3,361,653)	(2,602,780)
Other Adjustments	1,293,690	1,293,690
Total Equity under Ind AS	149,590,446	191,908,186

BHATKAWA TEA INDUSTRIES LIMITED



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

d) Reconciliation of Cash Flow Statement for year ended 31st, March 2017

(Rs.)

	Amount As Per Previous GAAP	Effect of transition to Ind-AS	Amount as per Ind-AS
Net Cash Generated/(Used) From Operating Activities	8,821,068	31,008,049	(22,186,981)
Net Cash Used In Investing Activities	(5,695,516)	(31,851,920)	26,156,405
Net Cash from Financing Activities	(5,031,309)	843,872	(5,875,181)
Net Increase / (Decrease) In Cash And Cash Equivalents	(1,905,757)	-	(1,905,757)
Cash & Cash Equivalents at the beginning of the year	2,219,892	-	2,219,892
Cash & Cash Equivalents at the end of the year	314,135	-	314,135

Notes:

- To comply with the Companies (Accounting Standard) Rules, 2006, certain account balances have been regrouped as per the format prescribed under Division II of Schedule III to the Companies Act, 2013.
 - Financial liabilities and related transaction costs:**
Borrowings and other financial liabilities which were recognized at historical cost under previous GAAP have been recognized at amortised cost under IND AS with the difference been adjusted to opening retained earnings. Under previous GAAP, transaction costs incurred in connection with borrowings were charged to the statement of profit & loss in the year of borrowings. Under IND AS, transaction costs are deducted from the initial recognition amount of the financial liability and charged over the tenure of borrowing using the effective interest method.
 - Financial assets at amortised cost:**
Certain financial assets held on with an objective to collect contractual cash flows in the nature of principal and interest have been recognized at amortised cost on transition date as against historical cost under the previous GAAP with the difference been adjusted to the opening retained earnings.
 - Deferred tax as per balance sheet approach:**
Under previous GAAP, deferred tax was accounted using the income statement approach, on the timing differences between the taxable profit and accounting profits for the period. Under IND AS, deferred tax is recognized following balance sheet approach on the temporary differences between the carrying amount of asset or liability in the balance sheet and its tax base. In addition, various transitional adjustments has also lead to recognition of deferred taxes on new temporary differences.
 - Excise duty:**
Under previous GAAP, revenue from sale of goods was presented net of excise duty whereas under IND AS the revenue from sale of goods is presented inclusive of excise duty. The excise duty is presented on the face of the Statement of Profit and Loss as part of expenses.
 - Defined benefit liabilities:**
Under IND AS, Remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined liability, are recognized in other comprehensive income instead of profit or loss in previous GAAP.
 - Other comprehensive income:**
Under IND AS, all items of income and expense recognized in the period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognized in profit or loss but are shown in the statement of profit and loss and "other comprehensive income" includes remeasurements of defined benefit plans, and fair value gain or losses on FVTOCI equity instruments. The concept of other comprehensive income did not exist under previous GAAP.
44. Previous year's figures have been re-grouped and/or re-arranged wherever necessary, to confirm the current year classification.

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 Mary, 2018

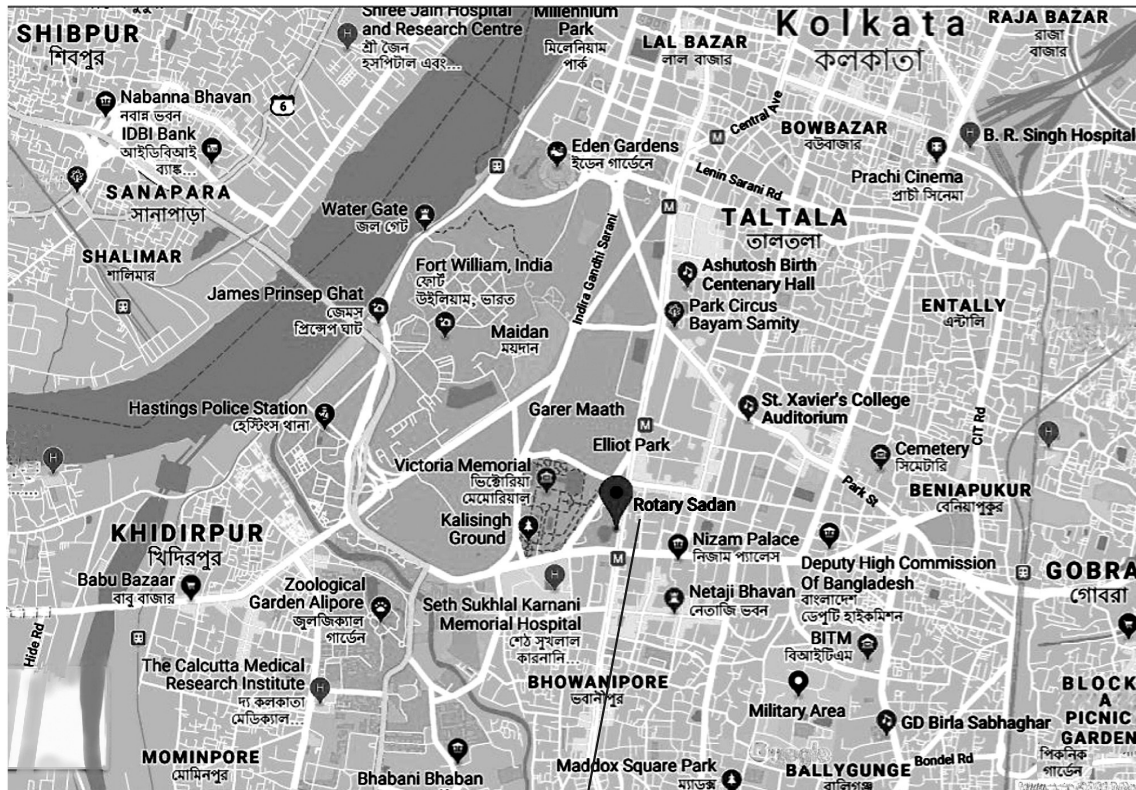
Sumit Kumar Rajgarhia
Partner
Membership No. 068270

Padmanabh Jalan
Wholetime Director
(DIN :01651268)

Sunil Kumar Ganguly
Director
(DIN :07332950)

Krishnendu Basu
Chief Financial Officer

BHATKAWA TEA INDUSTRIES LIMITED



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

Annual General Meeting Friday, 28th September, 2018, at 10.30 a.m.	BHATKAWA TEA INDUSTRIES LTD. CIN: L01132WB1911PLC002077 Registered Office: NICCO HOUSE, 6th Floor, 2, Hare Street, Kolkata-700 001 Tel:91-33-22489916/5422, Fax:91-33-22485362, E-mail: contact@bhatkawa.com,	<div style="border: 1px solid black; padding: 2px; display: inline-block;">ATTENDANCE SLIP</div>
FOLIO NO//DP ID/CLI IND : NAME OF THE SHARE HOLDER(S) : ADDRESS NO OF SHARES HELD :		
I/We hereby record my/our presence at the Annual General Meeting of the Company to be held on Friday, 28 th September, 2018 at 10.30 a.m. at Rotary Sadan, 94/2, Chowringhee Road. Kolkata-700 020 <div style="display: flex; justify-content: space-between;"> <div>..... Name of Proxy (In BLOCK LETTERS)</div> <div>..... Signature of Shareholder/Proxy Present</div> </div>		

Please cut here and bring the Attendance Slip duly signed, to the meeting and hand it over at the entrance. Duplicate slips will not be issued at the venue of the meeting.

ELECTRONIC VOTING PARTICULARS		
EVEN (e-voting Even Number)	User ID	Password/PIN

Please refer to the AGM Notice for e-voting instructions.

Annual General Meeting Friday, 28th September, 2018, at 10.30 a.m.	BHATKAWA TEA INDUSTRIES LTD. CIN: L01132WB1911PLC002077 Registered Office: NICCO HOUSE, 6th Floor, 2, Hare Street, Kolkata-700 001 Tel:91-33-22489916/5422, Fax:91-33-22485362, E-mail: contact@bhatkawa.com,	<div style="border: 1px solid black; padding: 2px; display: inline-block;">PROXY FORM</div>												
I/We, being the member(s), holding Shares of BHATKAWA TEA INDUSTRIES LTD. hereby appoint:														
<table style="width:100%; border: none;"> <tr> <td style="width:40%;">(1) Name</td> <td style="width:60%;">Address</td> </tr> <tr> <td>E-mail Id:</td> <td>Signature or failing him/her,</td> </tr> <tr> <td>(2) Name</td> <td>Address</td> </tr> <tr> <td>E-mail Id:</td> <td>Signature or failing him/her,</td> </tr> <tr> <td>(3) Name</td> <td>Address</td> </tr> <tr> <td>E-mail Id:</td> <td>Signature or failing him/her</td> </tr> </table>			(1) Name	Address	E-mail Id:	Signature or failing him/her,	(2) Name	Address	E-mail Id:	Signature or failing him/her,	(3) Name	Address	E-mail Id:	Signature or failing him/her
(1) Name	Address													
E-mail Id:	Signature or failing him/her,													
(2) Name	Address													
E-mail Id:	Signature or failing him/her,													
(3) Name	Address													
E-mail Id:	Signature or failing him/her													

as my/our proxy to attend and vote (on poll) for me/us and on my/our behalf in the Annual General Meeting of the Company, to be held on Friday, 28th September, 2018 at 10.30 a.m. at Rotary Sadan, 94/2, Chowringhee Road, Kolkata – 700 020 and any adjournment thereof in respect of such resolutions as are indicated below: -

Resolution No.	Resolutions	Optional*	
		For	Against
1.	To consider and adopt the Statement of Profit & Loss and Cash Flow Statement of the Company for the year ended 31 st March, 2018 and the Balance Sheet as at that date and the Reports of Directors and Auditors thereon.		
2.	Declare a dividend for the year ended 31 st March, 2018.		
3.	To give consent for continuance of directorship of Mr. P.D.Bhoot after 1 st April, 2019		

Signed this day of..... 2018



Member's Folio/DP ID-Client ID No..... Signature of Shareholder(s)

Signature of Proxy holder(s).....

- Note: 1. This form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the Annual General Meeting.
- *3. It is optional to put a '✓' in the appropriate column against the Resolution as indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

Annual General Meeting
Friday, 28th September, 2018, at 10.30 a.m.

BHATKAWA TEA INDUSTRIES LTD.

CIN: L01132WB1911PLC002077
Registered Office: NICCO HOUSE, 6th Floor, 2, Hare Street, Kolkata-700 001
Tel:91-33-22489916/5422, Fax:91-33-22485362, E-mail: contact@bhatkawa.com,

BALLOT FORM

FOLIO NO//DP ID/CLI IND :

NAME OF THE SHARE HOLDER(S) :

ADDRESS

NO OF SHARES HELD :

ELECTRONIC VOTING PARTICULARS

EVEN (e-voting Even Number)	User ID	Password/PIN

I/We hereby exercise my/our vote(s) in respect of the Resolutions set out in the Notice of the Annual General Meeting of the Company, on Friday, 28th September, 2018. by sending my/our assent or dissent to the said Resolutions by placing the tick (✓) mark at the appropriate box below:

Resolution No.	Resolutions	Optional*	
		For	Against
	Ordinary Business		
1.	To consider and adopt the Statement of Profit & Loss and Cash Flow Statement of the Company for the year ended 31 st March, 2018 and the Balance Sheet as at that date and the Reports of Directors and Auditors thereon		
2.	Declare a dividend for the year ended 31 st March, 2018.		
	Special Business		
3.	To give consent for continuance of directorship of Mr. P.D.Bhoot after 1 st April, 2019.		

Signed this day of..... 2018

Signature of Shareholder(s)

Notes: Please read the instructions printed below carefully before exercising your vote.

INSTRUCTIONS

- 1) This Ballot Form is provided for the benefit of Members who do not have access to e-voting facility.
- 2) A Member can opt for only one mode of voting i.e. either through e-voting or by Ballot. If a Member cast votes by both modes, then voting done through e-voting shall prevail and ballot shall be treated as invalid.
- 3) For detailed instructions on e-voting, please refer to the notes appended to the Notice of the AGM.
- 4) The scrutinizer will collate the votes downloaded from the e-voting system and votes received through post to declare the final result for each of the Resolutions forming part of the Notice of the AGM.

Process and manner for Members opting to vote by using the Ballot Form

- 1) Please complete and sign the Ballot Form (no other form or photocopy thereof is permitted) and drop it in the ballot Box placed in the AGM for necessary action by the Scrutinizer appointed by the Board of Directors of the Company, Ms. Monalisa Datta, Practicing Company Secretaries,
- 2) The Form should be signed by the Member as per the specimen signature registered with the Company/Depositories. In case of joint holding, the Form should be completed and signed by the first named Member and in his/her absence, by the next named joint holder. A Power of Attorney (POA) holder may vote on behalf of a Member, mentioning the registration number of the POA registered with the Company or enclosing an attested copy of the POA. Exercise of vote by Ballot is not permitted through proxy.
- 3) In case the shares are held by companies, trusts, societies, etc. the duly completed Ballot Form should be accompanied by a certified true copy of the relevant Board Resolution/Authorization.
- 4) Votes should be cast in case of each resolution, either in favour or against by putting the tick (✓) mark in the column provided in the Ballot.
- 5) The voting rights of shareholders shall be in proportion of the shares held by them in the paid up equity share capital of the Company as on Monday, 24th September 2018 as per the Register of Members of the Company.
- 6) Unsigned, incomplete, improperly or incorrectly tick marked Ballot Forms will be rejected. A Form will also be rejected if it is received torn, defaced or mutilated to an extent which makes it difficult for the Scrutinizer to identify either the Member or as to whether the votes are in favour or against or if the signature cannot be verified.
- 7) The decision of the Scrutinizer on the validity of the Ballot Form and any other related matter shall be final.
- 8) The results declared along with Scrutinizer's Report, shall be placed on the website of the National Securities Depository Limited within two days of the passing of the Resolutions at the AGM of the Company and communicated to the CSE Association Limited where the shares of the Company are listed.