



BHATKAWA TEA INDUSTRIES LIMITED

CIN : L01132WB1911PLC002077

ANNUAL REPORT AND ACCOUNTS 2019-2020

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BOARD OF DIRECTORS :

Padmanabh Jalan
Rashmi Chitlangia
Sunil Kumar Ganguly
Alok Gupta

KEY MANAGERIAL PERSONNEL :

Krishnendu Basu - CFO
Dharini Mehta - Company Secretary

AUDITORS :

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

GARDEN :

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

MAIN BANKERS :

State Bank of India

REGISTRARS & SHARE TRANSFER AGENTS

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

REGISTERED OFFICE :

NICCO HOUSE, 6TH FLOOR
2, Hare Street, Kolkata - 700 001
Phone : 2248 9916 / 5422
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, 2020
Day	:	Monday
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, 2020 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, 2020 and the reports of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted."

2. To appoint a Director in place of Mr. Alok Gupta (DIN 00781993) who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

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

"**RESOLVED THAT** pursuant to the provisions of sections 196, 197 and 203 read with other applicable provisions and Schedule V of the Companies Act, 2013 and the provisions of Articles of Association of the company and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the recommendations of Nomination & Remuneration Committee and the Board of Directors, the consent of the members of the Company be and is hereby accorded to re-appointment of Mr. Padmanabh Jalan (DIN - 01651268) as Whole-time Director of the Company for a period of three years w.e.f 1st April, 2020 upon the terms and conditions noted hereunder:

A. SALARY & BONUS

- | | |
|-----------|---|
| a) Salary | Rs. 2,20,000 - 30,000 ² - 2,80,000 per month (Increase in salary will take effect from 1st April every year) |
| b) Bonus | One-month Salary for 12 months service |

B. PERQUISITES

- | | |
|--|---|
| i) Re-imbursment of hospital / Medical expenses | For self and family up to one-month salary. |
| ii) Leave travel concession | For self and family once in a year up to one month salary. |
| iii) Membership of Club Fees | Subject to maximum 2 club, excluding admission fees. |
| iv) Contribution to Provident Fund and Superannuation Fund | Not exceeding 27% of Salary. |
| v) Gratuity | Not exceeding half a month's salary for each completed year of service. |

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- vi) Leave One month's leave with full remuneration for every eleven months of service. Encashment of leave at the end of the tenure will be allowed and will not be included in the computation of ceiling of perquisites.
- vii) Others
- a) Car with driver for use on the company's business.
 - b) Domestic help, maximum 2 persons, at residence
 - c) Telephone and other communication facilities shall be provided at residence for Company's business.
 - d) Reimbursement of Electricity bills.
 - e) Any other facility as per the rules of the Company.

The following shall not be included in the perquisites:

- a) Use of Company's car for official purpose.
- b) Company's contribution to Provident Fund and Superannuation fund to the extent these singly or put together are not taxable under The Income Tax Act, 1961.
- c) Gratuity payable at the rate not exceeding half a month's salary for each completed year of service.
- d) Encashment of leave at the end of the tenure of office.
- e) Reimbursement of telephone and electricity bills.
- f) Reimbursement of leave travel and club expenses.

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to alter and vary remuneration payable to Mr. Padmanabh Jalan, as Whole-time Director of the Company or any other terms and conditions thereof as may be agreed to by the Board and Mr. Padmanabh Jalan."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, proper or expedient to give effect to the above resolution."

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

Place: Kolkata
Date: 31st July, 2020

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.

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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 Thursday, 24th September, 2020 to Monday, 28th September, 2020 (both days inclusive).

3. Cut off date

The cut-off date for the purpose of ascertaining the voting rights would be Wednesday, 23rd September, 2020.

4. Share Transfer

Members holding shares in physical form are requested to note that SEBI vide its press release no. 12/2019 dated March, 27, 2019 has clarified that effective April 1, 2019, except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in dematerialized form. The Company's shares are compulsorily traded at Stock Exchange in demat form for all categories of shareholders. All transfers are debited / credited through the respective Accounts maintained with the Depository Participants (DPs) of the Investor.

5. Nomination of Shares

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

6. Explanatory Statement

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

7. Consolidation of Multiple folios

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

8. Physical shares

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

9. Bank Particulars

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

directly from the shareholders holding shares in electronic form for any change of bank particulars or bank mandate. Such changes are to be advised only to the depository participant of the shareholders. The bank mandate, if any, for share held in physical form cannot be applied for shares held in electronic form.

10. Attendance Slip

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

11. Member's Queries

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

12. All NRI members of the Company are hereby requested to get their Indian Postal Addresses, e-mail id's and bank details with their NRI/NRE account nos. registered with their respective DP's/RTA of the Company, so as to facilitate to provide smooth, faster, cost effective and proper service to them by the Company.
13. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company at its registered office address or Registrar & Share Transfer Agents, M/s. S.K.Infosolutions Pvt. Ltd.
14. The Ministry of Corporate Affairs ("MCA") has issued Circular on a "Green Initiative in the Corporate governance" by allowing paperless compliances by the companies and, also clarifying that the service of document can be made through electronic mode provided the Company has obtained e-mail addresses of its members for sending the notices / documents. The Company has therefore decided to issue this intimation to every shareholder to register their e-mail address and changes therein from time to time with the Company's Registrar and share Transfer Agents or with concerned depository participant. In the meantime the company proposes to send the documents calling the Annual General Meeting, the audited accounts, directors' report etc. for the year ended 31st March, 2020 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.
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

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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. The Attendance Slip and Proxy Form is being sent to all members of the company on separate papers.
17. In terms of the provisions of Section 107 of the Companies Act, 2013, since e-voting is being offered in respect of the resolutions set out in this Notice, the said resolutions will not be decided on a show of hands at the AGM. The voting rights of the Members shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date i.e., Wednesday, 23rd September, 2020.

18. Instruction of E-voting

E-voting opens at 10.00 a.m. on 25.09.2020 and closes at 05.00 p.m on 27.09.2020

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

- a) User ID and initial Password for E-voting is provided in the table on the face of the Attendance Slip circulated with the Notice.
- b) NSDL has sent the User-ID and initial password to those members whose shareholding is in dematerialized format and whose Email addresses are registered with the Company/Depository Participants. For members who have not registered their Email ID can use the details as mentioned in the table.
- c) Launch the internet browser by typing the following <https://www.evoting.nsdl.com>
- d) Click on 'Shareholder-Login'
- e) Put User ID and Password as initial Password noted in step (a) then Click login. If you are already registered with NSDL for E-voting then you can use your existing User ID and Password for Login.
- f) If you are logging in for the first time, Password Change Menu appears. Change the Password of your choice with minimum 8 digits / characters or a combination thereof. It is strongly recommended not to share your Password with any other person and take utmost care to keep your Password confidential.
- g) Home page of E-voting opens. Click on 'E-voting: Active voting Cycles.'
- h) Select "EVEN (E-Voting Event Number) of Bhatkawa Tea Industries Limited
- i) Now you are ready for 'E-voting' as 'Cast Vote' page opens.
- j) Cast your vote selecting appropriate option and click 'Submit' and also 'Confirm' when prompted.
- 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. 23rd September, 2020.

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- o) Mrs. Monalisa Datta, practicing Company Secretaries (Mem.No.A30368) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- p) The Scrutinizer shall within a period not exceeding three(3) working days from the conclusion of the E-voting period unblock the votes in the presence of at least two(2) witnesses not in the employment of the company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- q) The Results shall be declared on or after the Annual General Meeting of the Company. The results declared along with the Scrutinizer's Report shall be placed on the website of NSDL within two (2) days of passing of the resolution at the Annual General Meeting of the Company and the same shall also be communicated to CSE Limited where the shares of the Company are listed.

General Instruction / Information for members for voting on the resolution

- (a) A member can opt for only one mode of voting i.e. either by e-voting or through ballot. In case of members who cast their vote for both modes, the voting done through e-voting shall prevail and the ballot paper of that member shall be treated as invalid.
- (b) Facility of voting through poll papers shall also be made available at the meeting. Members attending the meeting, who have not already cast their vote through e-voting or through ballot forms shall be able to exercise their right at the meeting.
- (c) Members who have cast their vote by remote e-voting or through ballot forms prior to the meeting may also attend the meeting but shall not be entitled to vote at the AGM.
- (d) Voting rights of the share holders (who vote through remote e-voting or through ballot forms or by poll papers at the meeting) shall be in proportion to their share of the paid-up equity share capital of the company as on 23rd September, 2020(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 dispatch of AGM notice and holds share as on the cutoff date i.e. 23rd September, 2020 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, 2020 (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

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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 July 31, 2020.

Item no. 3

Mr. Padmanabh Jalan was re-appointed as whole-time director of the Company by the Board of Directors on the recommendation of Nomination & Remuneration Committee at the meeting of Board of Directors held on 14th February, 2020 for a period of 3 years with effect from 1st April, 2020 subject however, to your approval. The terms of appointment have been mentioned in the resolution laid under item no. 3 in the Notice. Mr. Padmanabh Jalan has been Director of the Company since 31.07.2009 and was appointed as a whole-time director to strengthen the management structure of the Company and provide much needed impetus, efficiency and speed in implementation of various projects of the Company resulting in improvement in quality and quantity of production at Garden. The Information as required by the Act is adequately given in the resolution.

In view of the above, approval of members is sought through special Resolution to re-appoint him as Wholetime Director for period of 3 years. None of the Directors is concerned or interested in the resolution except Mr. Padmanabh Jalan himself. The Board recommends for passing of the resolution.

Details of Directors seeking re-appointment.

Particulars	Re-appointment
Name	Padmanabh Jalan
DIN	01651268
Date of Birth	17.02.1987
Date of re-appointment	01.04.2020
Qualification	B.Sc Management Science, UK
Experience	11 years in Tea Industry
Directorship of other Companies (Excluding foreign Companies and Private Limited Companies)	Kirti Industrial Company Limited
Chairman / Member of Committee of the Boards of Companies of which he is a Director.	Member of Audit Committee & Investor Grievance Committee of Bhatkawa Tea Industries Limited
Shareholding in the Company (Nos.)	244,090 shares

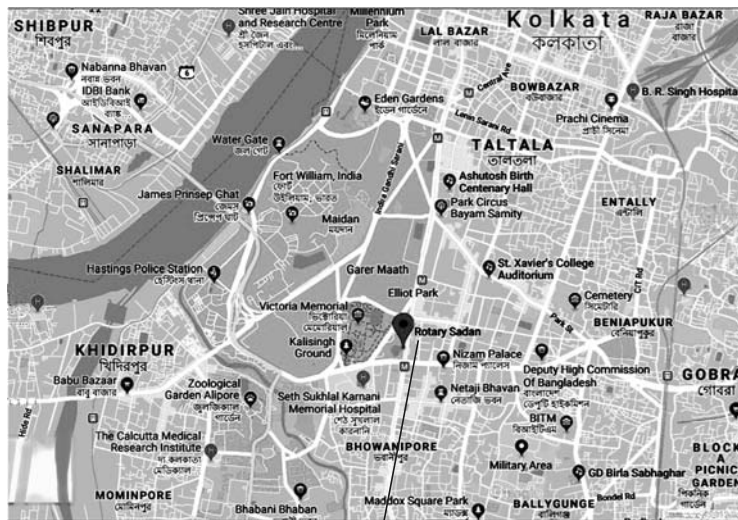
By order of the Board
For BHATKAWA TEA INDUSTRIES LTD

Dharini Mehta

Company Secretary
(ACA-26814)

Place: Kolkata
Date: 31st July 2020

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

BHATKAWA TEA INDUSTRIES LIMITED

DIRECTORS' REPORT

TO THE MEMBERS

The Directors have pleasure in presenting the Annual Report and the Audited Accounts for the year ended 31st March, 2020 (Rs.)

FINANCIAL RESULTS	31st March 2020	31st March 2019
Gross Revenue	26,71,17,630	23,94,85,380
Profit before Depreciation Finance Cost & Taxation	2,27,84,300	1,36,17,236
Less: Depreciation & Amortization expenses	84,41,712	81,53,334
Finance Cost	19,90,902	27,44,534
Taxation (incl. Deferred Tax)	(1,27,17,111)	32,86,229
Profit after taxation	2,50,68,797	(5,66,862)
Other comprehensive income	(1,13,69,363)	53,60,378
Total Comprehensive income for the period	1,36,99,434	47,93,516

BUSINESS REVIEW & PROSPECTS:

The company's manufactured own crop was 14.04 lakh kg against last year's own crop of 13.22 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 4.53 lakh kg up to 24th July, 2020 which is marginally lower than corresponding figures of the previous year.

CHANGE(S) IN NATURE OF BUSINESS

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

COVID-19

Due to outbreak of COVID-19 globally and in India, the Company's management has made initial assessment of likely adverse impact on business and financial risks on account of COVID-19. It is well appreciated that the situation as well as its assessment is continuously evolving and the way ahead is to avoid living in denial leading to acceptance & pro-active measures. The Company's management currently believes that the impact is likely to be short term in nature. Given the severity of impact, this financial year is likely to get affected, but also given the measures from Government and inherent resilience in Indian Economy, next year onwards are expected to show normal growth scenarios. Accordingly, at present the management does not see any medium to long term risks in the Company's ability to continue as a going concern and meeting its liabilities as and when they fall due, and compliance with the debt covenants, as applicable.

DIVIDEND

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

TRANSFER TO RESERVES

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

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SHARE CAPITAL

During the year under review there is no change in the issued, subscribed and paid up share capital of the Company. The paid-up capital as on 31st March, 2020 stood at Rs. 2,24,00,000/- divided into 2240000 equity shares of Rs. 10/- each.

DEPOSITS

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

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

Unclaimed dividend amounting to Rs. 54,946 for Financial Year 2011-12 was transferred to Investor Education & Protection Fund on 14th February, 2020. In terms of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended, the Company will be transferring the corresponding shares to the IEPF, where the dividends for the last seven consecutive years have not been claimed by the concerned shareholders.

Further, the unclaimed dividend in respect of for Financial Year 2012-13 amounting to Rs. 44,502 must be claimed by shareholders on or before 24th December, 2020, 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, 2020, 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, 2020 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, 2020 on a going concern basis.
- That the Directors have laid down internal financial control to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- That the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

STATEMENT OF DECLARATION GIVEN BY THE INDEPENDENT DIRECTORS

All the Independent Directors have given declaration as per Section 149 (7) of the Companies Act, 2013 confirming that they meet the criteria of independence as laid down under Section 149 (6) of the Companies Act, 2013.

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ANNUAL PERFORMANCE EVALUATION

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

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. Padmanabh Jalan was re-appointed as whole-time director of the Company by the Board of Directors on the recommendation of Nomination & Remuneration Committee at the meeting of Board of Directors held on 14th February, 2020 for a period of 3 years with effect from 1st April, 2020 subject however, to your approval. The terms of appointment have been mentioned in the resolution laid under item no. 3 in the Notice.

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

The Board confirms that it has the required number of Independent Directors as envisaged u/s 149(4) of the Act and Clause 49 of the Listing Agreement with CSE and Regulation 17 of SEBI (LODR) Regulations, 2015. A detail of composition of Board and Directors is given in the Report on Corporate Governance annexed to this report. No Director or Key Managerial Personnel was appointed or has resigned during the financial year 2019-20.

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 2020-2021.

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

PARTICULAR OF EMPLOYEES

There are no employees receiving remuneration mentioned under Section 197 (12) of the Companies Act, 2013 and the ratio of remuneration of Whole Time Director, Mr. Padmanabh Jalan (Rs.29,33,600/-), compares favourably to median employees remuneration. The company has 1648 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".

BHATKAWA TEA INDUSTRIES LIMITED



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 2019-20. The report of the secretarial auditor is annexed herewith as "Annexure - B" to this report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

In compliance with Section 204 of the Act, the Company has appointed Mrs. Shiksha Bhavik Sheth, Practicing Company Secretary as Secretarial Auditor for the financial year 2020-21.

INTERNAL AUDITORS

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

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

PARTICULARS OF COMPLIANCE OF CONTRACTS OR ARRANGMENTS MADE WITH RELATED PARTIES

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

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

MEETING OF THE BOARD & COMMITTEES

The meeting dates are circulated in advance to the Directors. During the year 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 particulars of loans, guarantees or investments made under section 186 of the Companies Act, 2013 are covered in the notes of the financial statements for the year ended 31st March, 2020.

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.

BHATKAWA TEA INDUSTRIES LIMITED

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 endeavours to create and provide an environment that is free from discrimination and harassment including sexual harassment. The Directors of the company are responsible for prevention of harassment of employees and lays down the guidelines for identification, reporting and prevention of sexual harassment. There were no cases of sexual harassment received by the Company in 2019-20.

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: 31st July, 2020

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, 2020.

CONSERVATION OF ENERGY

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

FORM A

Form for disclosure of particulars with respect to Conservation of energy

A. Power and Fuel Consumption

	Current Year	Previous Year
1. Electricity		
a) Purchased		
Units (kWh)	16,62,433	16,12,610
Total Amount (Rs.)	1,57,05,731	1,52,05,614
Rate / Unit (Rs.)	9.45	9.43
b) Own Generation		
i) Through Diesel Generator :		
Units (kWh)	34,882	37,334
Units per Ltr. of Diesel Oil	2.67	3.03
Cost / Unit (Rs.)	25.40	22.96
ii) Through Steam Turbine/Generator :		
Units	-	-
Units per Ltr. of Fuel Oil/Gas	-	-
Cost / Unit (Rs.)	-	-
2. Coal		
Quantity (Tonnes)	896	903
Total Cost (Rs.)	91,46,042	99,13,339
Average Rate	10,210	10,978
3. Furnace Oil		
Quantity (K. Liters)	NIL	NIL
Total Amount (Rs.)	NIL	NIL
Average Rate (Per Liter)	NIL	NIL
4. Other Internal Generation		
Quantity	-	-
Total Cost	-	-
Rate / Unit (Rs.)	-	-

BHATKAWA TEA INDUSTRIES LIMITED

5. Consumption per unit of Production*		
Product: Tea		
Unit: Kgs.		
Electricity	1.17	1.24
Furnace Oil	0.00	0.00
Coal	0.63	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
 - a) Use of Bio-Product for Pest Management.
 - b) On soil structure improvement.
 - c) Vermiculture biotechnology for soil enrichment and nutrient mobilization.
2. Benefits derived as a result of the above R & D
 - a) Improved Pest management and minimizing residual effect on tea.
 - b) Facilitating successful plantation on sub-marginal soil.
 - c) Application of vermicompost is increasing the fertility level of soil and resulted in healthy growth of plantation.

Future plan of action: Continue study to improve productivity.

Expenditure on R & D

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

Technology Absorption, Adaptation and Innovation

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

Foreign exchange earnings and outgo:

- | | |
|--------------------------------------|---------------|
| (i) Foreign Currency earnings | : Nil |
| (ii) Expenditure in Foreign Currency | : Rs. 279,617 |

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

Place: Kolkata
Date: 31st July, 2020



ANNEXURE - B
FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2020
(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, 2020 complied with the statutory provisions listed hereunder and also that the company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Bhatkawa Tea Industries Limited for the financial year ended on 31st March, 2020 according to the provisions as may be applicable to the company of:

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

BHATKAWA TEA INDUSTRIES LIMITED

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

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

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

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

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: 31st July, 2020

PRADIP DOMADIA
Company Secretaries
Mem. No. 3806 C.P. 3867
UDIN : F00386B000534193



ANNEXURE - B-1

(To the Secretarial Audit Report of Bhatkawa Tea Industries Limited for the
Financial Year Ended 31st March, 2020)

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, 2020 of even date is to be read along with this letter.

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

Place: Kolkata
Date: 31st July, 2020

PRADIP DOMADIA
Company Secretaries
Mem. No. 3806 C.P. 3867
UDIN : F003806B000534193

BHATKAWA TEA INDUSTRIES LIMITED

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 2019-20 the entire Board remained unchanged. At present the Board consists of two Non-Executive Independent Directors.

Composition of Board as at 31st March, 2020 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\
Mrs. Rashmi Chitlangia (DIN - 07171476)	Non-Executive Independent Woman Director	NIL	NIL	NIL
Mr. Sunil Kumar Ganguly (DIN - 07332950)	Non - Executive Independent Director	NIL	Nil	Nil
Mr. Alok Gupta (DIN - 00781993)	Non - Executive Non Independent Director	1	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 12th April 2019, 13th May 2019, 30th May 2019, 14th August 2019, 27th September 2019, 14th November 2019, 14th February 2020 and 20th March, 2020.

The last AGM was held on 27th September, 2019.



Details of attendance

Director	No. of Board Meetings Attended	Whether attended last AGM
Mr. Padmanabh Jalan	8	Yes
Ms. Rashmi Chitlangia	8	Yes
Mr. Sunil Kumar Ganguly	8	Yes
Mr. Alok Gupta	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 13th May, 2019, 14th August, 2019, 14th November, 2019 and 14th February, 2020. 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 2020 is as follows.

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

The Committee had met on 30th March, 2020.

- a. Remuneration paid to Managing Director and Wholetime Director during the year ended 31st March, 2020. (Rs.)

Name	Salary	Value of Perquisites	Provident Fund	Total
Mr. Padmanabh Jalan Wholetime Director	24,70,000	1,90,000	2,73,600	29,33,600

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

Severance fees : Not applicable

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

Shareholders' / Investors' Grievance Committee:

The composition and attendance at Committee meeting during the year ended 31st March, 2020 is as follows.

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

The Committee had met on 14th March, 2020.

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

Name and designation of Compliance Officer:-

Mrs. Dharini Mehta, Company Secretary



5. General Body Meetings:

Location and time where last three AGMs were held:

Date	Location	Time
25th September, 2017	Rotary Sadan, 94/2, Chowringhee Road, Kolkata-700 020.	10.30 A.M.
28th September, 2018	Rotary Sadan, 94/2, Chowringhee Road, Kolkata-700 020.	10.30 A.M.
27th September, 2019	Rotary Sadan, 94/2, Chowringhee Road, Kolkata-700 020.	10.30 A.M.

One special resolution was passed each at the AGM held in 2017 and 2018. No other General Meeting was held in course of the last three years.

6. Other Disclosures:

A. Related party transactions:

Disclosures on materially significant related party transactions:

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

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

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

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

The Board and the Audit Committee review adoption of non-mandatory requirements and will have the same in place at an appropriate time. There is no formal whistle blower policy but no employee is denied access to the Audit Committee or to make any reference.

7. Means of Communication:

- a) No half-yearly report is sent to the shareholders directly.
- b) Quarterly results, Half-yearly results and annual results are generally published in newspapers.
- c) Management Discussion and Analysis Report forms part of the Directors' Report.
- d) No formal presentation has been made to institutional investors or analysis during the year.

8. Shareholder Information:

(a) AGM date, time and venue:

Monday 28th September, 2020 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, 24th September 2020 to Monday, 28th September 2020, both days inclusive.
Cut-off date will be Monday, 23rd September, 2020.

(c) Listing on Stock Exchange:

The Company's securities are listed at:
The Calcutta Stock Exchange Limited
7, Lyons Range, Kolkata-700 001

Stock code:

Stock Exchange

The Calcutta Stock Exchange Ltd.

Stock Code

12018

(d) Stock Price Data: Year 2018-19

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

(e) Stock Performance:

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

(f) Share Transfer System:

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

(g) Dematerialisation of Shares:

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

(h) (i) Distribution of shareholding as on 31st March, 2020

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

BHATKAWA TEA INDUSTRIES LIMITED



(ii) Shareholding pattern as at 31st March, 2020

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

(iii) Estate Locations:

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

(iv) Address for correspondence:

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

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

Place: Kolkata
Date: 31st July, 2020

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

BHATKAWA TEA INDUSTRIES LIMITED

ANNEXURE - D

MANAGEMENT DISCUSSION & ANALYSIS REPORT

The year 2019-20, in terms of crop, the Company has sustained its production with an increase as compared to the previous year with overall improvement in quality which resulted in higher price than the previous year.

Crop

The Company's manufactured saleable crop was at 14.04 lakh kgs as compared to 13.22 lakh kgs in the previous year. The frequency of pest infestation and attacks has increased in the garden in the last three years.

Market Scenario

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

	2019-20 (Rs.)	2018-19 (Rs.)	2017-18 (Rs.)
Average Price realization per kg	184.61	178.09	174.88

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 1648 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: 31st July, 2020

BHATKAWA TEA INDUSTRIES LIMITED



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

To
The Members of
Bhatkawa Tea Industries Ltd.

1. I have examined the compliance of conditions of Corporate Governance by Bhatkawa Tea Industries Ltd. for the year ended 31st March, 2020, as stipulated in relevant provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
2. The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. My examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of an opinion on the financial statements of the Company.
3. In my opinion and to the best of my information and according to my examination of the relevant records and the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated under above mentioned regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
4. I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Kolkata
Date: 31st July, 2020

PRADIP DOMADIA
Company Secretaries
Mem. No. 3806 C.P. 3867
UDIN : F003806B000534215

BHATKAWA TEA INDUSTRIES LIMITED

COMPLIANCE CERTIFICATE FURNISHED BY WHOLETIME DIRECTOR AND CHIEF FINANCIAL OFFICER OF THE COMPANY AS FOR FINANCIAL YEAR ENDED 31ST MARCH, 2020 AS PER PART -B OF SCHEDULE II OF REGULATION 17(8) AND 33 OF THE SEBI (LODR) 2015

To
The Bord of Directors
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, 2020 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: 31st July, 2020

Padmanabh Jalan
Wholetime Director
(DIN : 01651268)

Krishnendu Basu
Chief Financial Officer

BHATKAWA TEA INDUSTRIES LIMITED**ANNEXURE - E****FORM NO. MGT - 9****EXTRACT OF ANNUAL RETURN****As on financial year ended on 31.03.2020****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 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-2019]				No. of Shares held at the end of the year [As on 31-March-2020]				% Change During the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	1,308,463	54,323	1,362,786	60.84%	1,308,463	54,323	1,362,786	60.84%	-
b) Central Govt			-	-			-	-	-
c) State Govt(s)			-	-			-	-	-
d) Bodies Corp.			-	-			-	-	-
e) Banks / FI			-	-			-	-	-
f) Any other			-	-			-	-	-
Sub Total (A) (1)	1,308,463	54,323	1,362,786	60.84%	1,308,463	54,323	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)	1,308,463	54,323	1,362,786	60.84%	1,308,463	54,323	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



2. Non-Institutions									
a) Bodies Corp.									
i) Indian	599,005	18,605	617,610	27.57%	600,405	17,205	617,610	27.57%	-
ii) Overseas			-	-			-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	22,136	125,524	147,660	6.59%	23,736	123,924	147,660	6.59%	-
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	-	-	-	0.00%	-	-	-	0.00%	-
c) Others (specify) NRI	-	52,388	52,388	2.34%	-	52,388	52,388	2.34%	-
Sub-total (B)(2):-	621,141	196,517	817,658	36.50%	624,141	193,517	817,658	36.50%	-
Total Public (B)	621,141	256,073	877,214	39.16%	624,141	253,073	877,214	39.16%	-
C. Shares held by Custodian for GDRs & ADRs			-	-			-	-	-
Grand Total (A+B+C)	1,929,604	310,396	2,240,000	100.00%	1,932,604	307,396	2,240,000	100.00%	-

(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	492,752	22.00%	-	432,752	19.32%	-	(0.12)
2	Minakshi Jalan	560,194	25.01%	-	560,194	25.01%	-	-
3	Padmanabh Jalan	244,090	10.90%	-	244,090	10.90%	-	-
4	Minakshi Jalan Welfare Trust	14,350	0.64%	-	14,350	0.64%	-	-
5	P.Jalan Welfare Trust	1,400	0.06%	-	1,400	0.06%	-	-
6	Shivank Jalan Family Trust	50,000	2.23%	-	110,000	4.91%	-	1.20

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

SN	Particulars	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 Pvt. 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 Exim 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	-	-	0.00%
	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	14.90			14.90
ii) Interest due but not paid	-			-
iii) Interest accrued but not due	-			-
Total (i+ii+iii)	14.90	-	-	14.90
Change in Indebtedness during the financial year				
* Addition				-
* Reduction	4.97			4.97
Net Change	4.97	-	-	4.97
Indebtedness at the end of the financial year				
i) Principal Amount	9.93			9.93
ii) Interest due but not paid	-			-
iii) Interest accrued but not due	-			-
Total (i+ii+iii)	9.93	-	-	9.93

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	Padmanabh 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	24.70	24.70
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1.90	1.90
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	- as % of profit	-	-
	- others, specify	-	-
5	Others - Contribution to PF	2.74	2.74
	Total (A)	29.34	29.34
	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)				29.34
	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 (Rs/Lac)
		Mr. Krishnendu Basu	CEO	Mrs. Dharini Mehta	
	Name				
	Designation	CFO	CEO	CS	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3.85		1.82	5.67
	(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	0.43			0.43
	Total	4.28	-	1.82	6.10

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 Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Bhatkawa Tea Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Emphasis of Matter

Note no 32(e) to the standalone financial statements which explains the uncertainties and management's assessment of the financial impact due to the lock-down and other restrictions and conditions related to the COVID-19 pandemic situation, for which a definitive assessment of the impact in subsequent period is highly dependent upon circumstances they evolve. Further our presence at the physical verification of inventory conducted by the management was impracticable under current lock-down restrictions imposed by the Government and we have therefore relied on the related alternate audit procedures to obtain comfort over the existence and condition of inventory at year end.

Key Audit Matters

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

Sr. No.	Key Audit Matter (KAM)	Auditor's Response
1.	Estimation of Useful Life of Bearer Plants Useful life of Bearer Plants requires the management to exercise significant judgement in relation to the estimate thereof. Nature, timing and likelihood of changes to	<ul style="list-style-type: none">Assessed the management's estimates of the useful life of Bearer Plants with reference to: (1) the consistency with the Company's pattern of economic benefits embodied in such assets and future operating plans including acquisitions and



	<p>the natural factors may affect the useful life expectancy of the assets and therefore could have a material impact on the depreciation expense for the year. As per the Ind AS 16 - "Property, Plant and Equipment", the management reviews the estimated useful life and the residual value of Bearer Plants annually and adjust for changes, where appropriate. Accordingly, the matter has been identified as key audit matter</p>	<p>requirements of the Bearer Plants; (2) the comparison to the useful life estimates adopted by the comparable tea producers; and (3) consideration of the Company's historical experience.</p> <ul style="list-style-type: none"> • Evaluated the assumptions and critical judgements used by the management through testing of underlying documents / details. • Assessed the related disclosures included in the standalone Ind AS financial statements in this regard.
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Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

BHATKAWA TEA INDUSTRIES LIMITED

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

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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



Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements as stated in Note No 28 to the Ind AS financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts, which were required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

Place: Kolkata
Date: 31st July, 2020

For Das & Prasad
Chartered Accountants
(Firm's Registration No.303054E)
Sumit Kumar Rajgarhia
Partner
(Membership No. 068270)
UDIN -20068270AAAAAH2429

BHATKAWA TEA INDUSTRIES LIMITED

Annexure - A to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Bhatkawa Tea Industries Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable



detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Das & Prasad
Chartered Accountants
(Firm's Registration No.303054E)
Sumit Kumar Rajgarhia
Partner
(Membership No. 068270)
UDIN -20068270AAAAAH2429

Place: Kolkata
Date: 31st July, 2020

Annexure - B to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone Ind AS financial statements for the period ended March 31, 2020, we report that:

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

BHATKAWA TEA INDUSTRIES LIMITED

- (iii) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Consequently, the provisions of paragraph iii(a), iii(b) and iii(c) of the Order are not applicable to the Company and hence, not commented upon.
- (iv) In our opinion and according to the information and explanation given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made and guarantee and security provided.
- (v) The Company has not accepted any deposit from the public covered under Section 73 to 76 of the Companies Act, 2013. Therefore, the provisions of paragraph 3(v) of the Order is not applicable to the Company.
- (vi) According to the information and explanations given to us, the maintenance of cost records under Section 148(1) of the Act has not been prescribed and as such, paragraph 3(vi) of the Order is not applicable to the Company.
- (vii) (a) According to the information and explanation given to us and on the basis of our examination of the records of the company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Income Tax, GST, Cess or other material statutory dues have been generally regularly deposited during the period by the Company with appropriate authorities.

According to the information and explanation given to us no undisputed statutory dues including Provident Fund, Income Tax, Service Tax, Value Added Tax, GST, cess or other material statutory dues were in arrears as at March 31, 2020 for a period of more than six months from the date they become payable except Dividend Distribution Tax amounting to Rs.5191/-

- (b) According to the information and explanation given to us, the following dues of vat, sales-tax, central sales tax, income taxes and agricultural taxes have not been deposited by the company on account of dispute as at March 31, 2020:

Name of the Statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
The Income Tax Act, 1961	Income Tax	11,19,669	2004-05 and 2005-06	Hon'ble High Court of Calcutta
Central Sales Tax Act	Sales Tax	5,19,616	2010-11	Hon'ble High Court of Calcutta
West Bengal Agricultural Income Tax Act, 1944	Agricultural Income Tax	5,47,007	1999-2000	West Bengal Appellate Tribunal

- (viii) In our opinion and according to the information given to us, the Company has not defaulted in repayment of dues to banks. There were no debentures outstanding during the year.
- (ix) According to information and explanation given to us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and term loans during the year ended March 31, 2020. 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

BHATKAWA TEA INDUSTRIES LIMITED



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 to the Company;
- (xvi) In our opinion and on the basis of information and explanation given to us by the management, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Place: Kolkata
Date: 31st July, 2020

For **Das & Prasad**
Chartered Accountants
(Firm's Registration No.303054E)
Sumit Kumar Rajgarhia
Partner
(Membership No. 068270)
UDIN -20068270AAAAAH2429

BHATKAWA TEA INDUSTRIES LIMITED

BALANCE SHEET AS AT 31ST MARCH 2020

	Notes	As at 31st March, 2020 Rs.	As at 31st March, 2019 Rs.
ASSETS			
Non-Current Assets			
(A) Property, plant and equipment	3.1	67,159,555	67,323,581
(B) Capital work-in-progress	3.2	4,734,950	2,456,638
(C) Other Intangible Assets	3.1	285,789	6,038
(D) Financial assets :			
(i) Investments	4	45,197,314	45,851,149
(ii) Other Financial assets	5	4,391,717	4,337,157
(E) Other Non Current Assets	6	<u>2,376,445</u>	<u>2,376,445</u>
Total Non-Current Assets		<u>124,145,770</u>	<u>122,351,008</u>
Current Assets			
(A) Inventories	7	19,751,317	20,422,684
(B) Financial assets:			
(i) Investments	4	61,545,980	47,010,865
(ii) Trade receivables	8	10,249,098	13,753,251
(iii) Cash and cash equivalents	9	8,101,574	2,371,045
(iv) Bank balance other than (iii) above	10	16,459,075	22,936,675
(v) Loans	11	19,086,080	25,721,949
(vi) Other Financial assets	5	1,589,148	1,379,655
(C) Other Current Assets	6	<u>4,693,618</u>	<u>4,039,518</u>
Total Current Assets		<u>141,475,890</u>	<u>137,635,642</u>
Total Assets		<u>265,621,660</u>	<u>259,986,650</u>
EQUITY AND LIABILITIES			
Equity			
(A) Equity Share capital	12	22,400,000	22,400,000
(B) Other Equity	13	<u>169,055,496</u>	<u>155,356,065</u>
Total Equity		<u>191,455,496</u>	<u>177,756,065</u>
Liabilities			
Non-Current Liabilities			
(A) Financial liabilities:			
(i) Borrowings	14	496,575	993,151
(B) Provisions	15	28,559,425	23,078,430
(C) Deferred tax (assets)/Liabilities (net)	16	(6,903,387)	4,626,640
(D) Other Non-Current Liabilities	17	<u>2,570,987</u>	<u>4,140,010</u>
Total Non-Current Liabilities		<u>24,723,600</u>	<u>32,838,231</u>
Current liabilities			
(A) Financial liabilities:			
(i) Trade payables	18		
(a) total outstanding dues of micro enterprises and small enterprises		-	631,293
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		7,274,576	9,593,151
(ii) Other financial Liabilities	19	7,025,371	10,598,365
(B) Provisions	15	33,027,365	25,594,273
(C) Other current liabilities	17	<u>2,115,252</u>	<u>2,975,272</u>
Total Current Liabilities		<u>49,442,564</u>	<u>49,392,354</u>
Total Equity and Liabilities		<u>265,621,660</u>	<u>259,986,650</u>

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 : 31st July, 2020

Sumit Kumar Rajgarhia
(Partner)
Membership No. 068270
UDIN- 20068270AAAAAH2429

Padmanabh Jalan
Wholetime Director
(DIN : 01651268)

Sunil Kumar Ganguly
Director
(DIN : 07332950)

Dharini Mehta
Company Secretary
(ACS-26814)

Krishnendu Basu
Chief
Financial Officer

BHATKAWA TEA INDUSTRIES LIMITED



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2020

	Notes	For the year ended 31st March, 2020 Rs.	For the year ended 31st March, 2019 Rs
Income			
Revenue from operations	20	258,140,700	230,914,177
Other income	21	8,976,930	8,571,203
Total revenue		267,117,630	239,485,380
Expenses			
Change in inventories of Finished Goods	22	(251,312)	(4,137,248)
Employee benefits expenses	23	167,937,288	155,740,428
Finance costs	24	1,990,902	2,744,534
Depreciation and amortization expenses	25	8,441,712	8,153,334
Other expenses	26	76,647,354	74,264,965
Total expenses		254,765,944	236,766,013
Profit/(Loss) before tax		12,351,686	2,719,367
Less: Tax expenses :			
Current tax		2,196,248	2,098,851
Deferred tax Assets/ (Liability)	16	(14,913,359)	1,187,379
Profit/(Loss) for the year		25,068,797	(566,863)
Other Comprehensive Income/(Expenses) (OCI)			
Items that will not be reclassified to profit or loss:			
Remeasurement gains/ (losses) on defined benefit plans		2,107,861	1,908,878
Less: Tax effect	16	(548,044)	(540,212)
		1,559,817	1,368,666
Net (loss)/gain on FVTOCI equity securities		(10,093,891)	4,002,296
Less: Tax effect	16	(2,835,289)	(10,583)
		(12,929,180)	3,991,713
Other Comprehensive Income/(Expenses) (OCI), net of taxes		(11,369,363)	5,360,379
Total Comprehensive Income /(Loss) for the year		13,699,434	4,793,516
Earnings per equity share			
[nominal value: Rs. 10 per share]			
Basic (Rs.)	27	11.19	(0.25)
Diluted (Rs.)		11.19	(0.25)

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 : 31st July, 2020	Sumit Kumar Rajgarhia (Partner) Membership No. 068270 UDIN- 20068270AAAAAH2429	Padmanabh Jalan Wholetime Director (DIN : 01651268)	Sunil Kumar Ganguly Director (DIN :07332950)	Dharini Mehta Company Secretary (ACS-26814)	Krishnendu Basu Chief Financial Officer
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BHATKAWA TEA INDUSTRIES LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2020

A. Equity Share Capital (Rs.)

	As at 31st March 2020	As at 31st March 2019
At the beginning of the year	22,400,000	22,400,000
Add: Addition during the year	-	-
At the End of the year	22,400,000	22,400,000

B. Other Equity (Rs.)

	Reserve & Surplus		Other Reserves	Total Equity
	General Reserve	Retained Earning	FVOCI Equity Investments	
Balance as at 31st March, 2018	37,168,314	101,730,018	13,030,113	151,928,445
Add: Profit/(Loss) for the year	-	(566,863)	-	(566,863)
Add/Less: Other Comprehensive Income	-	1,358,082	4,002,296	5,360,378
Add/Less: Profit on sale of Equity Share	-	4,086,880	(4,086,880)	-
Less: Dividend Paid	-	(1,120,000)	-	(1,120,000)
Less: Tax on Dividend	-	(245,899)	-	(245,899)
Balance as at 31st March, 2019	37,168,314	105,242,218	12,945,529	155,356,061
Add: Profit/(Loss) for the year	-	25,068,797	-	25,068,797
Add/Less: Other Comprehensive Income	-	(1,275,471)	(10,093,891)	(11,369,363)
Add/Less: Profit on sale of Equity Share	-	811,066	(811,066)	-
Balance as at 31st March, 2020	37,168,314	129,846,610	2,040,572	169,055,496

Description of reserves in statement of changes in equity

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

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

For and on behalf of the Board of Directors

Place : Kolkata Date : 31st July, 2020	Sumit Kumar Rajgarhia (Partner) Membership No. 068270 UDIN- 20068270AAAAAH2429	Padmanabh Jalan Wholetime Director (DIN : 01651268)	Sunil Kumar Ganguly Director (DIN :07332950)	Dharini Mehta Company Secretary (ACS-26814)	Krishnendu Basu Chief Financial Officer
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BHATKAWA TEA INDUSTRIES LIMITED



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020

	Year ended 31st March, 2020 Rs.	Year ended 31st March, 2019 Rs
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before tax	12,351,686	2,719,367
Adjustments for :		
Depreciation & Amortization Expense	8,441,712	8,153,334
Finance Costs	236,942	602,649
Remeasurement gains/(losses) on defined benefit plans	2,107,861	1,908,878
Profit on Sale of Fixed Asset (Net)	(197,776)	-
Profit on Sale of Bonds	(970,400)	-
Deferred Government Grants	(712,453)	(712,453)
Dividend Income	(348,999)	(261,246)
Interest Income	(5,854,532)	(5,815,374)
Operating Profit before Working Capital Changes	15,054,041	6,595,155
Adjustments for:		
(Increase)/Decrease in Inventories	671,366	(4,352,049)
(Increase)/Decrease in Trade and other receivables	16,985,396	(11,620,266)
Increase/(Decrease) in Trade and other payables	5,531,207	(6,660,347)
Cash Generated from Operations	38,242,010	(16,037,507)
Tax Paid	3,148,820	1,886,888
Net Cash (Outflow)/Inflow from Operating Activities	35,093,191	(17,924,395)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of Property, Plant & Equipment	(5,194,196)	(2,735,026)
Work In Progress of Bearer Plant	(5,648,598)	(2,914,747)
Sale of Property, Plant & Equipment	204,822	-
Capital Expenditure	(856,570)	(856,570)
Dividend Received	348,999	261,246
Sale of Investments	57,714,982	70,654,872
Acquisition of Investments	(80,719,751)	(47,518,665)
Interest Received	5,521,169	(28,629,143)
Net Cash (Outflow)/Inflow from Investing Activities	(28,629,143)	22,535,290
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of Long-Term Borrowings	(496,576)	(496,576)
Dividend Paid (including tax on dividend)	-	(1,365,899)
Interest and Other Finance charges paid	(236,942)	(629,410)
Net Cash Inflow/(Out flow) from Financing Activities	(733,518)	(2,491,885)
Net Increase/ (Decrease) in Cash & Cash Equivalents (A+B+C)	5,730,529	2,119,010
Cash & Cash Equivalents as at Opening	2,371,045	252,035
Cash & Cash Equivalents as at Closing	8,101,574	2,371,045

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

BHATKAWA TEA INDUSTRIES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019 (contd.)

	As at 31st March, 2020 Rs.	As at 31st March, 2019 Rs
Components of Cash and Cash Equivalents		
Balances with banks:		
On current accounts	4,599,579	2,141,054
Deposits with original maturity of less than 3 months	2,381,543	-
Cash in hand	1,120,452	229,991
Total Cash & Cash Equivalents	8,101,574	2,371,045

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 : 31st July, 2020

Sumit Kumar Rajgarhia
(Partner)
Membership No. 068270
UDIN- 20068270AAAAAH2429

Padmanabh Jalan
Wholetime Director
(DIN : 01651268)

Sunil Kumar Ganguly
Director
(DIN :07332950)

Dharini Mehta
Company Secretary
(ACS-26814)

Krishnendu Basu
Chief
Financial Officer



**NOTES TO FINANCIAL STATEMENTS AS AT AND
FOR THE PERIOD ENDED 31ST MARCH, 2020**

1. CORPORATE INFORMATION

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

2. SIGNIFICANT ACCOUNTING POLICIES

A) Statement of compliance

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

B) Basis of Preparation

The financial statements of the Company have been prepared in accordance with the relevant provisions of the Companies Act, 2013, Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013.

All assets and liabilities have been classified as current or non-current as per Company's operating cycle and other criteria set out in Schedule-III of the Companies Act 2013. Based on the nature of business, the Company has ascertained its operating cycle as 12 months for the purpose of Current or non-current classification of assets and liabilities.

The financial statements have been prepared on historical cost basis, except for financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

"Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Fair value for measurement and/ or disclosures in these financial statements is determined on such a basis, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 – Inventories or value in use in Ind AS 36 – Impairment of Assets.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;

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.

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

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

D) Property, plant and equipment

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

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

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

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

E) Intangibles

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

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

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

(ii) Bearer Plants are depreciated from the date when they are ready for commercial harvest.

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G) Government Grants

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

H) Impairment

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

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. An impairment loss is recognised in the statement of profit and loss as and when the carrying value of an asset exceeds its recoverable amount.

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

I) Leases

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

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

The Company as lessee

- (i) **Operating lease** – Rentals payable under operating leases are charged to the statement of profit and loss on a straight line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred. In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.



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

J) Financial instruments

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

Effective interest method

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

a) Financial assets

Cash and bank balances

Cash and bank balances consist of:

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

Financial assets at amortised cost

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

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.

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

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

Impairment of financial assets

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

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

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date. ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cashflows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

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

Financial assets measured as at amortised cost: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

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

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

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

Derecognition of financial assets

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

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

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

b) Financial liabilities and equity instruments

Classification as debt or equity

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

Equity instruments

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

Financial Liabilities

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

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

Derecognition of financial liabilities

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

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.

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Defined benefit plans

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

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

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

Compensated absences

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

L) Inventories

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

M) Provision

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

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

- (a) by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities and;
- (b) as a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

N) Onerous contracts

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

O) Income taxes

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

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

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

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

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

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

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

P) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable net of discounts, taking into account contractually defined terms and excluding taxes or duties collected on behalf of the government.

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.

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Q) Borrowing Costs

Borrowings costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for the intended use or sale.

R) Cash and Cash Equivalents

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

S) Trade Receivables

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

T) Segment Reporting

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

U) Earnings Per Share

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

V) Contingent Liabilities

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

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NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 31ST MARCH, 2020

3.1 Property, Plant & Equipment And Intangibles

(Rs.)

	Tangible Assets										Tangible Assets		Total	
	Land (Leasehold) & Development	Bearer Plant	Buildings	Plant & Equipments	Electrical Installations and Equipments	Office Equipments	Furniture & Fixtures	Vehicles	Irrigation Equipments	Water Supply System	Total	Computer Software		Total
Gross Block (At Cost):														
As at 31st March 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	86,165,242	191,527	191,527	86,356,769
Additions	-	635,059	1,368,361	1,680,681	-	21,300	134,363	781,250	104,432	-	4,725,446	-	-	4,725,446
Disposals/ Discard	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 31st March 2019	5,940,313	18,416,404	12,920,046	32,454,966	450,071	587,279	862,220	8,501,245	9,059,242	1,698,904	90,890,688	191,527	191,527	91,082,215
Additions	-	3,370,286	446,903	2,334,096	-	292,041	4,500	1,804,657	-	-	8,252,482	312,000	312,000	8,564,482
Disposals/ Discard	-	-	-	-	-	-	-	(358,395)	-	-	(358,395)	-	-	(358,395)
As at 31st March 2020	5,940,313	21,786,690	13,366,949	34,789,062	450,071	879,319	866,720	9,947,507	9,059,242	1,698,904	98,784,776	503,527	503,527	99,288,303
Accumulated Depreciation/Amortisation:														
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	15,599,262
Charge for the year	-	620,300	1,194,885	2,735,732	100,638	122,812	105,278	1,338,885	934,638	136,972	7,290,340	6,424	6,424	7,296,764
Charge the year	856,570	-	-	/	-	-	-	-	Adjustment	-	856,570	-	-	856,570
As at 31st March 2019	2,514,021	1,797,298	3,109,889	8,002,465	369,402	533,491	291,646	3,758,319	2,779,547	411,028	23,567,107	185,490	185,490	23,752,596
Charge for the year	-	636,177	1,247,064	2,758,665	69,314	136,884	108,388	1,529,546	929,508	137,347	7,552,893	32,249	32,249	7,585,142
Charge the year	856,570	-	-	/	-	-	-	-	Adjustment	-	856,570	-	-	856,570
Disposals/ Discard	-	-	-	-	-	-	-	(351,348)	-	-	(351,348)	-	-	(351,348)
As at 31st March 2020	3,370,591	2,433,475	4,356,953	10,761,130	438,716	670,375	400,034	4,936,516	3,709,055	548,375	31,625,221	217,739	217,739	31,842,960
Net Block														
As at 31st March 2018	4,282,862	16,604,346	9,636,680	25,507,552	181,307	155,299	541,489	5,300,561	7,110,101	1,424,848	70,745,045	12,462	12,462	70,757,507
As at 30th March 2019	3,426,292	16,619,105	9,810,156	24,452,501	80,669	53,787	570,574	4,742,926	6,279,695	1,287,876	67,323,581	6,038	6,038	67,329,619
As at 30th March 2020	2,569,722	19,353,214	9,009,996	24,027,932	11,355	208,944	466,686	5,010,991	5,350,187	1,150,529	67,159,555	285,789	285,789	67,445,344

i) Land (leasehold) and Development includes 70,54,120 in respect 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 instalments of - 3,52,706 including one instalment on execution of lease deeds. However during the financial year 2015-16, Order was received from "The Office of District Magistrate, Alipurdhar" for realisation of Salami in a single instalment in terms of Order No. 2531 (S) LP dated 28.08.2015 against which the company had represented before the Additional District Magistrate of respect of the above representation an order dated 13th January, 2017 has been passed, according to which the balance amount is payable in seven equal annual instalments of Rs. 8,56,570/- from the date of the Order.

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

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NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 31ST MARCH, 2020

3.2 Capital Work in Progress

(Rs.)

	As at 31st March 2020	As at 31st March 2019
Opening Balance		
Bearer Plant	2,456,638	1,532,311
	2,456,638	1,532,311
Add: Addition during the year	5,648,598	2,914,747
	8,105,236	4,447,058
Less: Transfer to Fixed Assets	(3,370,286)	(1,990,420)
Total	4,734,950	2,456,638

4. Investments

	As at 31st March 2020		As at 31st March 2019	
	No.	Amount (Rs.)	No.	Amount (Rs.)
A. Non-Current at fair value through Other Comprehensive Income (FVOCI)				
a. Quoted				
Equity Shares at fair value through Other Comprehensive Income (FVOCI)				
Larsen & Toubro Limited (Face Value: Rs. 2 each)	5,493	4,441,091	5,493	7,609,453
Balmer Lawrie Limited (Face Value: Rs. 10 each)	2,100	166,845	1,400	259,140
State Bank of India (Face Value: Rs. 1 each)	6,000	1,181,100	6,000	1,924,500
Oil & Natural Gas Corporation Limited (Face Value: Rs. 5 each)	-	-	-	-
Balrampur Chini Mills Limited (Face Value: Rs. 1 each)	9,663	1,005,435	10,000	1,371,000
Steel Authority of India Limited (Face Value: Rs. 10 each)	12,000	276,600	12,000	645,000
Nagarjuna Fertilizer Limited (Face Value: Rs. 1 each)	20,350	61,050	20,350	140,415
Public Sector Undertaking Bonds (at cost)				
8.20% Power Finance Corp Limited (Face Value: Rs. 1000 each)	712	712,000	712	712,000
8.38% India Infrastructure Finance Co. Limited (Face Value: Rs. 1000 each)	3,100	3,100,000	3,100	3,100,000
8.26% India Infrastructure Finance Co. Limited (Face Value: Rs. 10 Lakhs each)	1	1,011,300	1	1,011,300
8.76% National Housing Bank (Face Value: Rs. 5000 each)	231	1,155,000	231	1,155,000
8.50% National Highway Authority of India (Face Value: Rs. 1000 each)	2,100	2,100,000	2,100	2,100,000
Total (i)		15,210,421		20,027,808
b. Unquoted				
Government Securities (at Cost)				
12 Year National Defence Certificates (Deposited with Central Excise)	1	800	1	800
Shares (at Cost)				
ABC Tea Workers Welfare Services (Face Value: Rs. 10 each)	50	500	50	500
Jalpaiguri Club Limited (Face Value: Rs. 10 each)	10	100	10	100

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NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 31ST MARCH, 2020

	As at 31st March 2020		As at 31st March 2019	
	No.	Amount (Rs.)	No.	Amount (Rs.)
Pahargoomiah Tea Industries Private Limited (Face Value: Rs. 10 each)	230,000	4,510,208	230,000	4,510,208
Purple Style Labs Private Limited (Face Value: Rs. 10 each) (Compulsory Convertible Preference Shares)	100	500,000	100	500,000
Debentures (at Cost)				
0.5% Registered Mortgage Debentures (Face Value: Rs. 100 each)				
Woodland Hospital And Medical Research Centre (*)	24	2,400	24	2,400
Public Sector Undertaking Bonds (at cost)				
9.75% IFCI Limited (Face Value: Rs. 10 Lakhs each)	1	1,040,200	1	1,040,200
8.76% Housing & Urban Dev Corp Limited (Face Value: Rs. 1000 each)	3,000	3,000,000	3,000	3,000,000
7.35% National Highway Authority of India (Face Value: Rs. 1000 each)	571	571,000	571	571,000
9.75% IFCI Limited 2030 Bond (Face Value: Rs. 10 Lakhs each)	1	1,045,400	1	1,045,400
8.3% National Highway Authority of India (Face Value: Rs. 1000 each)	4,200	4,838,233	4,200	4,838,233
7.60% Bharat Bond (Face Value: Rs. 1000 each)	3,000	3,006,628		-
7.38% Rural Electrification Corpn Ltd (Face Value: Rs. 1000 Each)	538	627,752		-
8.75 % State Bank Fixed Interest Perpetual Bond (Face Value: Rs. 100000 Each)	10	10,843,672		-
Edelweiss Finvest Pvt Ltd. Variable Interest Index Linked Bond (Face Value: Rs. 1 Lakh each)	-	-	100	10,314,500
Total (II)		29,986,893		25,823,341
(I+II)		45,197,314		45,851,149
Aggregate amount of quoted investments and market value there of		15,210,421		20,027,808
Aggregate amount of unquoted investments		29,986,893		25,823,341
B. Current at fair value through Other Comprehensive Income (FVOCI)				
a. Quoted Share				
Tata Consumer Products Ltd (Face Value: Rs. 1 each)	14,000	4,127,900	14,000	2,855,300
Tata Consultancy Services Limited (Face Value: Rs. 1 each)	232	423,655	232	464,383
Ultratech Ltd (Face Value: Rs. 10 each)	400	1,297,940	400	1,599,340
Link Pen & Plastic Limited (Face Value: Rs. 10 each)	1,000	143,900	1,000	194,900
Reliance Industries Limited (Face Value: Rs. 10 each)	800	891,000	800	1,090,600
Star Cement Limited (Face Value: Rs. 10 each)	10,362	706,170	10,507	1,034,414
Shyam Century Ferrous Limited (Face Value: Rs. 10 each)	8,500	16,575	8,500	55,675
Castrol India Limited (Face Value: Rs. 5 each)	600	59,670	600	99,840
Tata Steel Limited (Face Value: Rs. 10 each)	1,900	512,240	1,900	989,900
Maharashtra Seamless Ltd (Face Value: Rs. 5 each)	1,000	193,600	1,000	480,000
Jindal Steel & Power Limited (Face Value: Rs. 1 each)	2,500	205,500	2,500	449,250
Motherson Sumi System Limited (Face Value: Rs. 1 each)	1,800	109,890	1,800	269,460
Kotak Mahindra Bank (Face Value: Rs. 5 each)	200	259,210	200	266,900
Mahindra & Mahindra Limited (Face Value: Rs. 5 each)	200	56,990	200	134,780
RBL Bank Limited (Face Value: Rs. 10 each)	2,100	284,550	1,600	1,088,560
Godfrey Phillips India Limited (Face Value: Rs. 2 each)	200	188,100	200	231,820
Kanpur Fertilizers & Cement Limited (Face Value: Rs. 10 each)	429	-	429	4,290
Chambal Fertilizers & Cement Limited (Face Value: Rs. 10 each)	-	-	6,000	1,002,300
ITC Ltd.(Face Value: Rs. 10 each)	5,000	858,500	2,500	743,125
Texmoco Rail and Engineering Ltd.(Face Value: Rs. 10 each)	14,000	273,000	10,000	690,000
Total (I)		10,608,390		13,744,837

BHATKAWA TEA INDUSTRIES LIMITED

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 31ST MARCH, 2020

	As at 31st March 2020		As at 31st March 2019	
	No.	Amount (Rs.)	No.	Amount (Rs.)
b. Mutual fund				
DSP Blackrock Micro Chip (Regular Plan)	9,671	377,812	9,671	543,469
DSP Blackrock Micro Chip (Direct plan Growth)	4,120	168,740	-	-
Birla Sunlife Medium Term Plan			-	-
ICICI Prudential Value Discovery Funds	17,508	1,850,951	17,508	2,561,253
ICICI Prudential Value Discovery Direct Fund Growth	2,092	236,199		
SBI Corp Bond	157,922	5,007,012	157,922	4,716,783
SBI Magnum Low Duration Fund Direct Growth	5,004	13,159,880		
BSL Frontline Equity Fund Growth	11,315	1,926,086	11,315	2,565,242
Aditya Birla Sunlife Frontline Equity Fund Growth Direct Plan	4,159	731,867		
Aditya Birla Sunlife Savings Fund Growth Regular Plan	40,861	16,242,946		
HDFC Index Fund Nifty 50 Plan	7,768	617,160	-	-
ICICI Prudential Balanced Advantage Fund Growth	297,825	9,104,505	297,825	10,525,130
Aditya Birla Sunlife Savings Fund Growth Regular Plan			31,444	11,607,002
INVESCO India Contra Fund Direct Plan Growth	18,808	754,380	7,087	376,097
SUNDARAM Rural & Consumption Fund	22,802	760,052	8,511	371,052
Total (II)		50,937,590		33,266,028
(I+II)		61,545,980		47,010,865
Aggregate amount of quoted investments and market value there of		61,545,980		47,010,865
Aggregate amount of unquoted investments		-		-

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

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

BHATKAWA TEA INDUSTRIES LIMITED



NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 31ST MARCH, 2020

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

	As at 31st March 2020	As at 31st March 2019
A. Non Current		
Security Deposits	4,173,224	4,118,664
Tea Board Default Reserve	218,493	218,493
Total	4,391,717	4,337,157
B. Current		
Interest Receivable on :		
Other Advances	876,918	543,555
Security Deposits	600,000	600,000
Advance to Staffs	112,230	236,100
	1,589,148	1,379,655

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

	As at 31st March 2020	As at 31st March 2019
A. Non Current		
Capital advances		
Considered good - To Others	1,000,000	1,000,000
Tea Board Subsidy Receivable *	1,376,445	1,376,445
Total	2,376,445	2,376,445
B. Current		
Advances recoverable in cash or kind		
Considered good - To Others	2,095,856	2,609,799
Prepaid expenses	638,794	392,785
Balances with statutory / Government authorities	463,385	289,003
Advance Income-Tax (Net of Provision)	1,280,582	328,019
Advance to Suppliers	215,001	419,912
Total	4,693,618	4,039,518

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

BHATKAWA TEA INDUSTRIES LIMITED

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 31ST MARCH, 2020

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

	As at 31st March 2020	As at 31st March 2019
Stock of Finished Goods - Tea	13,785,019	13,533,707
Stores & Spares	5,171,069	6,113,077
Stock in transit	421,936	763,415
Stock of Foodstuff	373,293	12,485
Total	19,751,317	20,422,684

8. Trade receivables (Rs.)

	As at 31st March 2020	As at 31st March 2019
Current, Unsecured		
Considered good	10,249,098	13,753,251
Doubtful	-	-
	10,249,098	13,753,251
Less: Provision for doubtful receivables	-	-
Total	10,249,098	13,753,251

Ageing of receivables that are post due but not impaired

61-90 days	1,174,463	4,518,711
91-180 days	951,473	1,008,916
>180 days	1,500,196	490,209

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

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

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

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

BHATKAWA TEA INDUSTRIES LIMITED**NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 31ST MARCH, 2020****9. Cash and Cash Equivalents****(Rs.)**

	As at 31st March 2020	As at 31st March 2019
Balances with banks:		
On current accounts	4,599,579	2,141,054
Deposits with original maturity of less than 3 months	2,381,543	-
Cash in hand (As certified by management)	1,120,452	229,991
Total	8,101,574	2,371,045

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

	As at 31st March 2020	As at 31st March 2019
Unpaid dividend account	459,075	514,021
Deposits with original maturity for more than 3 months but less than 12 months	-	41,500
Deposits with original maturity for more than 12 months (#)	16,000,000	22,381,154
Total	16,459,075	22,936,675

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

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

	As at 31st March 2020	As at 31st March 2019
Current		
Inter corporate Loans (*)	19,086,080	25,721,949
Total	19,086,080	25,721,949

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

BHATKAWA TEA INDUSTRIES LIMITED

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 31ST MARCH, 2020

12. Share capital

(Rs.)

	As at 31st March 2020	As at 31st March 2019
Authorized shares 4,000,000 Ordinary Shares of Rs.10 each	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

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

	As at 31st March 2020	As at 31st March 2019
At the beginning of the year	2,240,000	2,240,000
Issued during the period	-	-
At the end of the year	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

Name of the Shareholder	As at 31st March 2020		As at 31st March 2019	
	Share holding (in Number)	Share Holding (%)	Share holding (in Number)	Share Holding (%)
Equity shares of Rs. 10 each fully paid				
Minakshi Jalan	560,194	25.01	546,194	24.38
Sudarshan Jalan	432,752	19.32	446,508	19.93
Kirti Industrial Company Limited	315,915	14.10	315,915	14.10
Padmanabh Jalan	244,090	10.90	244,090	10.90
Uphaar Financial Services Pvt. Ltd	165,575	7.39	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, 2020

13. Other Equity (Rs.)

	As at 31st March 2020	As at 31st March 2019
Reserves & Surplus		
General Reserve (A)	37,168,314	37,168,314
Retained Earnings (B)	129,846,610	105,242,218
Total (A to B)	167,014,924	142,410,532
Other Reserves		
FVOCI Equity Investments (C)	2,040,572	12,945,529
Total (C)	2,040,572	12,945,529
Total Other Equity	169,055,496	155,356,061

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

	As at 31st March 2020	As at 31st March 2019
A. Non Current		
Secured		
Term Loans from :		
Others (*)	993,151	1,489,727
	993,151	1,489,727
Less: Amount disclosed under the head "other current liabilities" (Refer Note No. 19)	(496,576)	(496,576)
Total	496,575	993,151

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

BHATKAWA TEA INDUSTRIES LIMITED

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 31ST MARCH, 2020

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

	As at 31st March 2020	As at 31st March 2019
Borrowings Repayable		
In first Year	496,576	496,576
Current Maturities of Long Term Debts	496,576	496,576
In One to Three Years	496,575	993,151
In Three to Five Years	-	-
After Five Years	-	-
Long Term Borrowings	496,575	993,151

* 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%)

15. Provisions (Rs.)

	As at 31st March 2020	As at 31st March 2019
A. Non Current		
Provision for employee benefits: Gratuity (Refer Note No. 30)	28,559,425	23,078,430
	28,559,425	23,078,430
B. Current		
Provision for employee benefits: Gratuity (Refer Note No. 30)	11,666,740	7,687,566
For Leave & Bonus	21,072,130	17,901,516
For Tax on Dividend	5,191	5,191
For Staff welfare	283,304	-
	33,027,365	25,594,273

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

	As at 31st March 2020	As at 31st March 2019
Deferred Tax Liabilities		
Property, Plant & Equipment	4,219,778	9,528,392
Financial Asset at FVOCI	530,548	3,365,838
(A)	4,750,326	12,894,230
Deferred Tax Assets		
Timing Difference u/s 43B	11,484,243	8,098,118
MAT Credit Entitlement	169,470	169,470
(B)	11,653,713	8,267,588
Net Deferred Tax (Assets)/ Liabilities	(A-B)	4,626,642

BHATKAWA TEA INDUSTRIES LIMITED



NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 31ST MARCH, 2020

Movement in Deferred Tax Assets (Rs.)

	Property, Plant & Equipment	Financial Asset at FVOCI	Timing Difference u/s 43B	Total
As at 31st March 2019	9,528,390	3,365,837	(8,098,118)	4,796,109
Charged/ (Credit) to				
- profit & loss	(5,308,612)	-	(3,934,170)	(9,242,782)
- other comprehensive income	-	(2,835,289)	548,044	(2,287,245)
As at 31st March 2020	4,219,778	530,548	(11,484,244)	(6,733,918)
Less: MAT Credit Entitlement				(169,470)
Net Deferred Tax Liability				(6,903,388)

17. Other Liabilities (Rs.)

	As at 31st March 2020	As at 31st March 2019
A. Non Current		
Liability for Capital Expenditure (*)	1,713,152	2,569,722
Deferred Government Grant	857,835	1,570,288
	2,570,987	4,140,010
B. Current		
Liability for Capital Expenditure (*)	856,570	856,570
Deferred Government Grant	760,917	760,917
Advance from customers	72,341	803,825
Statutory Liabilities	425,424	553,960
	2,115,252	2,975,272

* Liability for capital expenditure amounting to Rs. 25,69,722 (PY Rs. 34,26,292/-) represents balance amount of levy of salami Rs. 70,54,120/- by Government of West Bengal on renewal of lease of tea estate payable in equal annual installment of Rs. 3,52,706/- commencing from 3rd September, 2013. However during the financial year 2015-16, Order was received from "The Office of District Magistrate, Alipurduar" for realisation of Salami in a single installment in terms of Order No. 2531(5)-LP dated 28.08.2015 against which the company had represented before the Additional District Magistrate of respect of the above representation an order dated 13th January, 2017 has been passed, according to which the balance amount is payable in seven equal annual installments of Rs. 8,56,570/- from the date of the Order.

BHATKAWA TEA INDUSTRIES LIMITED

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 31ST MARCH, 2020

18. Trade Payables

(Rs.)

	As at 31st March 2020	As at 31st March 2019
(a) Total outstanding dues of micro enterprises and small enterprises	-	631,293
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	7,274,576	9,593,151
	7,274,576	10,224,444

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

	As at 31st March 2020	As at 31st March 2019
(a) Amounts outstanding but not due as at year end	-	(58,220)
(b) Amounts due but unpaid as at year end	-	58,220
(c) Amounts paid after appointed date during the year	-	-
(d) Amount of interest accrued and unpaid as at year end	-	283
(e) The amount of further interest due and payable even in the succeeding year	-	-
Total	-	283

19. Other financial Liabilities

(Rs.)

	As at 31st March 2020	As at 31st March 2019
Current		
Current Maturities of Long-term borrowings (Refer Note No. 14)	496,576	496,576
Unpaid Dividend	459,075	514,021
Others	6,069,720	9,587,767
	7,025,371	10,598,364

20. Revenue from operations

(Rs.)

Revenue from operations	Year ended 31st March, 2020	Year ended 31st March, 2019
Sale of products		
Finished goods	255,812,489	229,147,310
Other operating revenue		
Misc. Income	2,328,211	1,766,867
Revenue from operations	258,140,700	230,914,177

BHATKAWA TEA INDUSTRIES LIMITED



NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 31ST MARCH, 2020

21. Other Income (Rs.)

Revenue from operations	Year ended 31st March, 2020	Year ended 31st March, 2019
Interest income on		
Bonds	1,578,889	1,169,960
Others	4,275,643	4,645,414
Dividend income	348,999	261,246
Liabilities no longer required written back	548,308	313,140
Profit on Sale of Bonds	970,400	-
Sundry Balance Written off	-	1,244,424
Rent	280,500	224,567
Deferred Government Grant Income	712,453	712,453
Surplus on tangible assets sold (net)	197,776	-
Miscellaneous Income	63,962	-
	8,976,930	8,571,204

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

	Year ended 31st March, 2020	Year ended 31st March, 2019	(Increase) Decrease
Inventories at the end of the year:			
Finished Goods	13,785,019	13,533,707	(251,312)
(A)	13,785,019	13,533,707	(251,312)
Inventories at the beginning of the year:			
Finished Goods	13,533,707	9,396,459	(4,137,248)
(B)	13,533,707	9,396,459	(4,137,248)
(B-A)	(251,312)	(4,137,248)	

23. Employee benefits expense (Rs.)

	Year ended 31st March, 2020	Year ended 31st March, 2019
Salaries, wages and bonus	143,292,079	136,264,859
Contribution to provident fund and other fund	12,803,622	11,345,288
Gratuity expense (Refer Note No. 30)	9,893,145	6,220,320
Workmen and Staff Welfare Expenses	1,948,442	1,909,961
	167,937,288	155,740,428

24. Finance costs (Rs.)

	Year ended 31st March, 2020	Year ended 31st March, 2019
Interest:		
- To Bank and Others	-	467,711
- On Fixed Loans & Deposits	236,942	134,938
- Net Interest Expenses on DBO (Refer note no. 30)	1,753,960	2,141,885
	1,990,902	2,744,534

BHATKAWA TEA INDUSTRIES LIMITED

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 31ST MARCH, 2020

25. Depreciation & amortization expense (Rs.)

	As at 31st March 2020	As at 31st March 2019
Depreciation on Tangible assets	7,585,142	7,296,764
Other amortization	856,570	856,570
	8,441,712	8,153,334

26. Other Expenses (Rs.)

	Year ended 31st March, 2020	Year ended 31st March, 2019
Stores, Spares and Packing Material consumed-Indigenous	23,359,673	24,121,976
Power & Fuel	26,606,060	25,381,141
Repairs & Maintenance :		
- Plant & Machinery	3,389,838	2,659,835
- Buildings	1,453,845	1,844,575
- Others	608,768	505,453
Rent	1,031,700	1,031,700
Rates and Taxes	587,690	251,715
Insurance	423,457	354,596
Carriage outward	5,764,041	5,193,459
Brokerage and Commission	2,579,736	2,214,244
Selling and Distribution Expenses	2,626,215	678,529
Subscription	1,263,580	1,201,154
Service Charges	480,000	480,000
Professional charges	2,355,493	2,237,631
Auditor's Remuneration (excluding GST):		
- Audit fees	90,000	165,000
- Tax Audit	25,000	25,000
Travelling Expenses	1,084,935	1,507,332
Miscellaneous Expenses	2,917,323	4,411,625
	76,647,354	74,264,965

27. Earnings per Share (Rs.)

Particulars	2019-20	2018-19
Net Profit / (Loss) after tax for calculation of basic and diluted EPS (Rs.)	25,068,797	(566,863)
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.)	11.19	(0.25)
Diluted Earnings Per Share (Rs.)	11.19	(0.25)

BHATKAWA TEA INDUSTRIES LIMITED



NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 31ST MARCH, 2020

28. Contingent Liabilities

(Rs.)

Particulars	2019-20	2018-19
Central Sales Tax under appeal	519,616	516,940
Value Added Tax under appeal	-	539,644
Default in Payment of TDS	216,159	212,766
Income Tax	1,119,669	1,119,669
Agricultural Income Tax under appeal	547,007	547,007
Total	2,402,451	2,936,026

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 2020	As at 31st March 2019
Non-Current Assets		
(a) Property, plant and equipment	67,159,555	67,323,578
Total Non-Current Assets pledged as security	67,159,555	67,323,578
Current Assets		
(a) Inventories	19,751,317	20,422,684
(b) Financial assets:		
(i) Trade receivables	10,249,098	13,753,251
Total Current Assets pledged as security	30,000,415	34,175,935
Total Assets pledged as security	97,159,970	101,499,513

30. EMPLOYEE BENEFITS

a) Defined Contribution Plan

(Rs.)

	2019-20	2018-19
Employer's Contribution to Provident Fund	11,822,469	11,029,505
Employee's Contribution to Provident Fund	11,822,469	11,029,505

b) Defined Benefit Plan (DBO) - 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, 2020

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 2020	As at 31st March 2019
(A) Changes in Defined Benefit Obligation		
Present Value of Defined Benefit Obligation as at the beginning of the year	91,708,243	83,580,903
Current Service Cost	5,834,891	6,028,741
Interest Cost	6,969,826	6,435,730
Actuarial (gains)/loss	(2,735,771)	(1,109,509)
Benefits Paid	(5,123,783)	(3,227,622)
Present Value of Defined Benefit Obligation as at the end of the year	96,653,406	91,708,243
(B) Changes in the Fair Value of Assets		
Fair Value of Plan Assets at the beginning of the year	68,629,813	64,764,221
Expected Return on Plan Assets	5,215,866	4,293,845
Actuarial (gains)/loss	(627,910)	799,369
Contributions	-	2,000,000
Benefits Paid	(5,123,783)	(3,227,622)
Fair Value of Plan Assets at the end of the year	68,093,986	68,629,813

BHATKAWA TEA INDUSTRIES LIMITED



NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 31ST MARCH, 2020

(Rs.)

	As at 31st March 2020	As at 31st March 2019
(C) Amount recognised in the Balance Sheet		
Present Value of Defined Benefit Obligation	96,653,406	91,708,243
Fair Value of Plan Assets	68,093,986	68,629,813
Net Assets/ (Liability) recognised in the Balance Sheet	(28,559,420)	(23,078,430)
(D) Current and Non Current Liability and Asset		
Current Defined Benefit Obligation	8,807,290	7,507,168
Non-Current Defined Benefit Obligation	87,846,116	84,201,075
Total Defined Benefit Obligation	96,653,406	91,708,243

(Rs.)

	As at 31st March, 2020	As at 31st March, 2019
(E) Expense recognized in Statement of Profit and Loss		
Total Service Cost	5,834,891	6,028,741
Net Interest (Income)/ Cost	1,753,960	2,141,885
Total Expense required to be recognized in Statement of Profit and Loss	7,588,851	8,170,626
(F) Expense recognized in the Other Comprehensive Income (OCI) for Current Year		
Actuarial (Gain) / Losses due to Demographic Assumption changes in DBO	26,819	-
Actuarial (Gain) / Losses due to Financial Assumption changes in DBO	9,447,374	924,486
Actuarial (Gain)/ Losses due to Experience on DBO	(12,209,964)	(2,033,995)
Return on Plan Assets , excluding amount recognised in net interest expense	627,910	(799,369)
Net (Income)/ Expense for the period to be recognized in OCI	(2,107,861)	(1,908,878)

(G) Sensitivity Analysis :

(Rs.)

	As at 31st March 2020		As at 31st March 2019	
	% increase in DBO	Liability	% increase in DBO	Liability
Discount Rate				
+1%	-9.77%	87,206,032	11.11%	101,893,250
-1%	11.67%	107,933,801	-9.35%	83,129,912
Salary Growth				
+1%	11.39%	107,663,926	-9.44%	83,053,121
-1%	-9.75%	87,227,980	10.98%	101,777,364
Attrition Rate				
+50%	-1.89%	94,830,391	1.33%	92,928,692
-50%	2.16%	98,745,828	-1.17%	90,638,784
Mortality Rate				
+10%	-0.29%	96,373,052	0.20%	91,888,632
-10%	0.30%	96,939,656	-0.19%	91,531,769

BHATKAWA TEA INDUSTRIES LIMITED

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 31ST MARCH, 2020

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

Particulars	31st March 2020	31st March 2019
i) 1year	8,807,290	7,507,168
ii) 2 to 5 years	27,695,926	29,389,379
iii) 6 to 10 years	31,137,406	33,696,254
iii) >10 years	168,002,562	182,965,604

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

	As at 31st March 2020		As at 31st March 2019	
	Rs.	%	Rs.	%
Qualifying Insurance Policy with HDFC Life	68,093,986	100%	68,629,813	100%

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

	31st March 2019	31st March 2018
Discount rate (per annum)	6.60%	7.60%
Salary increase (per annum)	9.25%	9.25%
Mortality Rate	100.00%	100.00%
Attrition Rate	2.00%	2.00%
Mortality	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

BHATKAWA TEA INDUSTRIES LIMITED



NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 31ST MARCH, 2020

31. Capital Management

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

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

(Rs.)

	As at 31st March 2020	As at 31st March 2019
i) Equity share capital	22,400,000	22,400,000
ii) Other equity	169,055,496	155,356,065
Total Equity (a)	191,455,496	177,756,065
i) Borrowings	496,575	993,151
ii) Current Maturity of long term debt	496,576	496,576
iii) Interest accrued and due on borrowings	-	-
Total debt (b)	993,151	1,489,727
i) Cash and cash equivalents	8,101,574	2,371,045
ii) Bank balance other than above	16,459,075	22,936,675
Total cash (c)	24,560,649	25,307,720
Net debt {d=(b-c)}	(23,567,497)	(23,817,992)
Total capital (equity + net debt)	167,887,998	153,938,072
Net debt to equity ratio	(0.12)	(0.13)

32. Financial Risk Management and Policy

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

a) Market risk

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

i) Interest rate risk

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

BHATKAWA TEA INDUSTRIES LIMITED

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 31ST MARCH, 2020

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,2020			
Amount in Rs.	+ 100	(9,932)	(7,374)
Amount in Rs.	(-) 100	9,932	7,374
31st March,2019			
Amount in Rs.	+ 100	(14,897)	(11,061)
Amount in Rs.	(-) 100	14,897	11,061

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, 2020 is Rs. 5,09,37,589/- (Rs. 3,32,66,028/-).

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

b) Credit risk

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

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

c) Liquidity risk

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

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

BHATKAWA TEA INDUSTRIES LIMITED



NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 31ST MARCH, 2020

(Rs.)

	On Demand	Less than 1 Year	1 to 5 Years	> 5 Years	Total
31st March, 2020					
Borrowings	-	496,576	496,575	-	993,151
Trade payables	-	7,274,576	-	-	7,274,576
Other financial liabilities	-	6,528,795	-	-	6,528,795
	-	14,299,947	496,575	-	14,796,522
31st March, 2019					
Borrowings	-	496,576	993,151	-	1,489,727
Trade payables	-	10,224,444	-	-	10,224,444
Other financial liabilities	-	10,101,788	-	-	10,101,788
	-	20,822,808	993,151	-	21,815,959

d) Agricultural Risk

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

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

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

e) Other Risk-Impact of the COVID 19 pandemic

The spread of COVID-19 has severely impacted businesses around the globe. In many countries, including India, there has been severe disruption to regular business operations due to lockdowns, disruptions in transportation, supply chain, travel bans, quarantines, social distancing and other emergency measures. Bhatkawa's gardens and office were under nationwide lockdown since March 24, 2020. As a result of lockdown the volumes for the month of March 2020 have been impacted consequently, the performance for the month of March 2020 has also been partially impacted. Operations are being resumed in a phased manner taking into account directives from the Government. The impact on our business will depend on future developments that cannot be reliably predicted. It is uncertain how long these conditions will last. The impact of global health pandemic might be different from that estimated as at the date of approval of these financial statements and the Company will closely monitor any material changes to future economic conditions. The Company has evaluated its liquidity position and of recoverability and carrying values of its assets and has concluded that no material adjustments are required at this stage in the financial statements.

BHATKAWA TEA INDUSTRIES LIMITED

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 31ST MARCH, 2020

33. Financial Instruments

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

(Rs.)

	31st March 2020		31st March 2019	
	FVOCI	Amortised cost	FVOCI	Amortised cost
Assets:				
Trade receivables	-	10,249,098	-	13,753,251
Investments	106,743,293	-	92,862,014	-
Loans	-	19,086,080	-	25,721,949
Cash and cash equivalents	-	24,560,649	-	25,307,720
Other financial assets	-	5,980,865	-	5,716,812
Total	106,743,293	59,876,692	92,862,014	70,499,732
Liabilities:				
Borrowings	-	496,575	-	993,151
Trade payables	-	7,274,576	-	10,224,444
Total	-	7,771,151	-	11,217,595

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.

BHATKAWA TEA INDUSTRIES LIMITED



NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 31ST MARCH, 2020

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):

(Rs.)			
	Level 1	Level 2	Level 3
As at 31st March, 2020			
Financial Assets:			
Financial investments at FVOCI			
Quoted Investments	76,756,400	-	-
Unquoted Investments	-	-	29,986,893
Total	76,756,400	-	29,986,893
As at 31st March, 2019			
Financial Assets:			
Financial investments at FVOCI			
Quoted Investments	67,038,673	-	-
Unquoted Investments	-	-	25,823,341
Total	67,038,673	-	25,823,341

34. Segment Information

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

35. Capital Commitments

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

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

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

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

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

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

39. Expenditure in Foreign Currency

(Rs.)

	As at 31st March 2020	As at 31st March 2019
Travelling & Others	279,617	463,745

BHATKAWA TEA INDUSTRIES LIMITED

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 31ST MARCH, 2020

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. Sunil Kumar Ganguly	Non Executive Director
C. Mrs. Rashmi Chitlangia	Non Executive Director
D. Mr. Alok Gupta	Non Executive Director
E. Mr. Krishnendu Basu	Chief Financial Officer
F. Mrs. Dharini Mehta	Company Secretary
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 Exim Pvt. Ltd.	Significant Influence by Key Managerial Personnel or their relatives
B. M/s Uphaar Financial Services Pvt. Ltd.	Significant Influence by Key Managerial Personnel or their relatives
C. M/s Kriti Industries Co. Ltd.	Significant Influence by Key Managerial Personnel or their relatives
D. M/s Lake View Dealers Pvt Ltd.	Significant Influence by Key Managerial Personnel or their relatives
E. M/s Pahargoomiah Tea Industries Pvt. Ltd.	Significant Influence by Key Managerial Personnel or their relatives

BHATKAWA TEA INDUSTRIES LIMITED



NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 31ST MARCH, 2020

(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	
		2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
1	Remuneration Paid						
	Mr. Padmanabh Jalan	2,933,600	2,470,400	-	-	-	-
	Mr. Krishnendu Basu	428,200	396,160	-	-	-	-
	Mrs. Dharini Mehta	182,400	-	-	-	-	-
	Mr. S. Jalan	-	-	1,868,240	1,868,240	-	-
2	Purchases						
	M/s Pahargoomiah Tea Industries Pvt. Ltd.	-	-	-	-	285,200	128,000
	M/s Uphaar Financial Services Pvt. Ltd.	-	-	-	-	937,585	2,549,869
3	Rent & Service Charge Paid						
	M/s Uphaar Financial Services Pvt. Ltd.	-	-	-	-	191,700	191,700
	M/s Kriti Industries Co. Ltd.	-	-	-	-	1,320,000	1,320,000
4	Reimbursement of Expenses						
	M/s Kriti Industries Co. Ltd. (Electricity)	-	-	-	-	123,720	115,605
5	Office Maintainence						
	M/s Kriti Industries Co. Ltd.	-	-	-	-	-	-
6	Rent Income						
	M/s Lake View Dealers Pvt. Ltd.	-	-	-	-	160,500	160,500
7	Telephone & Internet Expenses Recovered						
	M/s Pahargoomiah Tea Industries Pvt. Ltd.	-	-	-	-	24,000	39,600
8	Misscellaneous Receipt on Account of Sales of Store						
	M/s Pahargoomiah Tea Industries Pvt. Ltd.	-	-	-	-	270,000	23,600

BHATKAWA TEA INDUSTRIES LIMITED

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 31ST MARCH, 2020

(b) Transaction during the period (Contd.) **(Rs.)**

9	Advance Given						
	Lake View Dealers Pvt. Ltd.	-	-	-	-	-	-
	Mr. S. Jalan	-	-	1,000,000	-	-	-
	M/s Pahargoomiah Tea Industries Pvt. Ltd.	-	-	-	-	1,500,000	-
10.	Advance Taken						
	M/s Uphaar Financial Services Pvt. Ltd.	-	-	-	-	2,000,000	-
11	Advance Refunded						
	Lake View Dealers Pvt. Ltd.	-	-	-	-	-	-
	Mr. S. Jalan	-	-	1,000,000	-	-	-
	M/s Pahargoomiah Tea Industries Pvt. Ltd.	-	-	-	-	1,500,000	-
	M/s Uphaar Financial Services Pvt. Ltd.	-	-	-	-	2,000,000	-
12	Sale of Share						
	Lake View Dealers Pvt. Ltd.	-	-	-	-	-	-
13	Balances on account of Security Deposit						
	Mr. Padmanabh Jalan	1,500	1,500	-	-	-	-
	M/s Kriti Industries Co. Ltd.	-	-	-	600,000	600,000	-
14	Rental Income						
	Lake View Dealers Pvt. Ltd.	-	-	-	94,695	47,347	-
15	Rent & Service Charges						
	M/s Kriti Industries Co. Ltd.	-	-	-	-	122,000	-
16	Bonus/ Leave Salary Payable						
	Mr. Padmanabh Jalan	190,000	160,000	-	-	-	-
	Mr. S. Jalan	-	-	121,000	121,000	-	-
	Mr. Krishnendu Basu	25,000	22,000	-	-	-	-

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 : 31st July, 2020

Sumit Kumar Rajgarhia
(Partner)
Membership No. 068270
UDIN- 20068270AAAAAH2429

Padmanabh Jalan
Wholetime Director
(DIN : 01651268)

Sunil Kumar Ganguly
Director
(DIN :07332950)

Dharini Mehta
Company Secretary
(ACS-26814)

Krishnendu Basu
Chief
Financial Officer