



# BHATKAWA TEA INDUSTRIES LIMITED

CIN : L01132WB1911PLC002077

## ANNUAL REPORT AND ACCOUNTS 2015-2016

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#### **DIRECTORS :**

Padmanabh Jalan  
Purushottom Dass Bhoot  
Rashmi Chitlangia  
Sunil Kumar Ganguly

#### **AUDITORS :**

Messrs. LODHA & Co.  
Chartered Accountants  
14, Government Place East  
Kolkata - 700 069

#### **MAIN BANKERS :**

State Bank Of India

#### **GARDEN :**

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

#### **REGISTRARS & SHARE TRANSFER AGENTS**

S. K. Infosolutions Pvt. Ltd.  
34/1A, Sudhir Chatterjee Street  
Kolkata-700 006  
Phone : 033-2219-4815 / 6797  
E-mail : skc@3skinfo.in

#### **REGISTERED OFFICE :**

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

B H A T K A W A T E A I N D U S T R I E S L I M I T E D

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**NOTICE**

NOTICE is hereby given that the Annual General Meeting of BHATKAWA TEA INDUSTRIES LIMITED will be held as scheduled below :

Date : 28th September, 2016  
Day : Wednesday  
Time : 10.30 A.M.  
Place : Rotary Sadan  
94/2, Chowringhee Road  
Kolkata - 700 020

**ORDINARY BUSINESS :**

1. To consider and adopt the Statement of Profit & Loss and Cash Flow Statement of the Company for the year ended 31st March, 2016 and the Balance Sheet as at that date and the Reports of Directors and Auditors thereon.
2. To declare a Dividend for the year ended 31st March, 2016.
3. To ratify appointment of Auditors M/s. Lodha & Co., Chartered Accountants (Registration No. 301051E) as recorded by the Audit Committee and to fix their remuneration and in this connection, to consider and if thought fit, to pass, with or without modification(s), the following as **Ordinary Resolution** :

“**RESOLVED THAT** pursuant to provision of Section 139 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder the appointment of M/s. Lodha & Co., Chartered Accountants (Registration No. 301051E) as Auditors of the company, approved in the Annual General Meeting held on 27th September, 2014 be and is hereby ratified to hold office from the conclusion of this AGM till the conclusion of the ensuing AGM and Board of Directors of the Company be and is hereby authorized to fix such remuneration as may be determined by the Audit Committee in consultation with Auditors in addition to the reimbursement of all out of pocket expenses in connection with the audit of the financial statements of the company”.

**SPECIAL BUSINESS**

4. To appoint Mr. Sunil Kumar Ganguly (DIN: 07332950) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Ordinary Resolution** :  
“**RESOLVED THAT** pursuant to the provisions of sections 149 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013, Mr. Sunil Kumar Ganguly, (DIN: 07332950) who was appointed as an Additional Director pursuant to provisions of Section 161 of the Companies Act, 2013 and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years ending 5<sup>th</sup> November, 2020”.

Place : Kolkata  
Date : 13th August, 2016

By Order of the Board  
Bhatkawa Tea Industries Ltd.  
**Padmanabh Jalan**  
*Director*  
(DIN : 01651268)

**NOTES :****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.

**2. Closure of Register of Members**

Register of members of the company will be closed from 25th September, 2016 to 28th September, 2016(both days inclusive).

**3. Dividend**

Dividend that may be declared by the Company will be paid to those members whose names appear on the Company's Register of Members on the date of Annual General Meeting or to their mandates, subject however, to the provisions of the Act.

**4. Share Transfer System**

The Company's shares are compulsorily traded in 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 Act, the facility for making nomination is available for shareholders in respect of equity shares held by them. Nomination forms (Form 2B) can be obtained from the Registrars of the Company for physical shares. In respect of nomination for dematerialized shares the concerned Depository Participant of the members should be approached.

**6. Lodgment of Transfer Documents**

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

**7. Consolidation of Multiple folios**

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

**8. Change of Address**

Members are requested to quote their registered folio number in all correspondence with the Company or its Registrars and notify the company immediately of change if any in their registered address and / or their mandate.

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 hand over the enclosed "attendance slip" signed in accordance with specimen signatures registered for admission to the meeting hall.

11. **Member's Queries**

Members desiring any information regarding accounts are requested to write seven days in advance to the company before the date of the meeting to enable the management to keep full information ready.

12. 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 email addresses of its members for sending the notices / documents. The Company has therefore decided to issue this intimation to every shareholder to register their email 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, 2016. In the electronic form to the email address provided by you and made available to us by the depositories. If you desire to receive the documents above in physical form, please advise accordingly to Registrar & Share Transfer Agent at their email: skc@skinfo.in or at company's email contact@bhatkawa.com.

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

14. **Instruction of E-voting**

**E-voting opens at 10 a.m. on 25.09.2016 and closes at 5.00 p.m. on 27.09.2016**

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 this annexure to 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 Evoting 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](mailto:contact@bhatkawa.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- m) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for members and E-voting user manual for members available at the 'downloads' section of <https://www.evoting.nsd.com> or contact NSDL by email at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
- n) The voting rights of shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date i.e. 24th September, 2016.
- o) Ms. Monalisa Datta, practicing Company Secretaries (Membership 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 Evoting 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 evoting or through ballot. In case of members who cast their vote for both modes, the voting done through evoting 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 evoting 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 evoting or through ballot forms or by poll papers at the meeting) shall be in proportion to their share of the paidup equity share capital of the company as on 24th September, 2016 (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 evoting, voting through ballot forms as well as voting at the AGM.

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- (e) Any person who acquires shares of the company and becomes a member of the company after the despatch of AGM notice and holds share as on the cutoff date i.e. 24th September, 2016 may obtain the Login ID and password by sending a request at helpdesk.evoting@http://www.evoating.nSDL.com. However, if you are already registered with NSDL with remote evoting 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.evotingindia.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, 2016 (5 PM). Ballot forms received after this date will be treated as invalid.
- (g) Ms. Monalisa Datta, practicing Company Secretaries (Membership No.A30368) has been appointed by the Board of Directors of the Company as scrutinizer for scrutinizing the remote evoting 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 evoting 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 evoting system and votes received through post and make not later than two days from the conclusion of the meeting, a consolidated scrutinizer report of the total votes cast in favour or against if any to the Chairman or a person authorized by him in writing who shall countersign 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 the following Explanatory Statement sets out all material facts relating to the Special Business set out from Items No.4 of the accompanying notice dated 13th August, 2016.

**Item Nos. 4**

The Board of Directors appointed Mr. Sunil Kumar Ganguly as Additional Director on 05.11.2015. He holds office up to the date of forthcoming Annual General Meeting u/s. 161 of the Companies Act, 2013. The Board has considered his eligibility for appointment as Independent Director and observed that he possesses relevant expertise and experience and is person of integrity and is associated with the tea industry for a considerable period of time. He has consented to act as an Independent Director of the Company and has submitted a declaration that he meets the criteria for independence as provided u/s 149(6) of the Act and is eligible for appointment. Further he will be appointed for 5 years with effect from 05.11.2015 and would not be liable to retire by rotation.

BHATKAWA TEA INDUSTRIES LIMITED



His details are given here under:

Particulars	Appointment
Name	<b>Sunil Kumar Ganguly</b>
DIN	07332950
Date of Birth	13.10.1944
Date of Appointment	05.11.2015
Qualification	Graduation / Bachelor
Experience	30 years in Tea Industry
Directorship of other Companies (Excluding foreign Companies and Private Limited Companies)	NIL
Chairman / Member of Committee of the Boards of Companies of which he is a Director	NIL
Shareholding in the Company (Nos.)	NIL

In view of the above, approval of Members is sought through and Ordinary Resolution to appoint him as an Independent Director for an initial period of 5 years. None of the Directors is concerned or interested in the resolution except Mr. Sunil Kumar Ganguly and the Directors recommend for its adoption.

Registered Office  
 NICCO HOUSE, 6th Floor  
 2, Hare Street, Kolkata-700 001  
 E-mail : contact@bhatkawa.com

By Order of the Board  
 For Bhatkawa Tea Industries Limited  
**Padmanabh Jalan**  
*Director*  
 (DIN : 01651268)

Date : 13th August, 2016  
 Place : Kolkata



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

**DIRECTORS' REPORT**  
TO THE MEMBERS

The Directors have pleasure in presenting the Annual Report and the Audited Accounts for the year ended 31st March, 2016.

<b>FINANCIAL RESULTS</b>	<b>31st March 2016</b>	<b>31st March 2015</b>
Profit before Depreciation & Taxation	<b>1,59,21,310</b>	1,62,24,953
Less : Depreciation	<b>76,81,010</b>	90,13,116
Provision for Taxation	<b>21,74,192</b>	16,79,233
Profit after taxation	<b>60,66,108</b>	55,32,604
Surplus brought forward	<b>6,80,82,747</b>	6,52,61,869
Surplus available for appropriation	<b>7,41,48,855</b>	7,07,94,473
Appropriations :		
Dividend	<b>11,20,000</b>	11,20,000
Tax on Dividend	<b>91,726</b>	91,726
Transfer to General Reserve	<b>15,00,000</b>	15,00,000
Surplus carried to Balance Sheet	<b>7,14,37,129</b>	6,80,82,747

**BUSINESS REVIEW & PROSPECTS :**

The company's manufactured own crop was 14.89 lakh kg against last year's own crop of 14.53 lakh kg. The average sales realization was also higher than the previous year due to improvement in quality manufactured. The Directors hope that with the present market trend and barring unforeseen circumstances, the company will show better result in the current year. The company has achieved the production of 6.61 lakh kg up to 12th August, 2016.

**DIVIDEND**

The Board recommends a dividend of 5% (Previous year 5%). Such dividend, on declaration will be paid to those members recorded in the Registers of the Company at the close of business on the date of Annual General Meeting, subject, however, to the provisions of the Act.

**AMOUNT TO BE CARRIED TO RESERVES**

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

**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**

The Company sends letters to all shareholders, whose dividends are unclaimed so as to ensure that they receive their rightful dues.

During the year, the Company has transferred a sum of Rs. 53,172/- to Investor Education & Protection Fund, the amount which was due & payable and remained unclaimed & unpaid for a period of seven years as provided in Section 205C (2) of the Companies Act, 1956. Despite the reminder letters sent to each shareholder, this amount remained unclaimed and hence was transferred.



**PERSONNEL**

There were amicable labour relationship and the Directors acknowledge the cooperation 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, 2016, 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 2016 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, 2016 on a going concern basis.
- That the Directors have laid down internal financial control to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- That the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

**DIRECTORS**

The 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 appointed/resigned during the year is given in the Report on Corporate Governance annexed to this report.

The Company has received Declaration of Independence as stipulated u/s 149(7) of the Companies Act, 2013 from Independent Directors confirming that he/she is not disqualified from continuing as Independent Directors.

**AUDITORS**

M/s. Lodha & Co., Chartered Accountants, Auditors of the Company, retire at the conclusion of the forthcoming Annual General Meeting and being eligible offer themselves for reappointment. They have furnished a certificate of eligibility for reappointment and members are requested to consider the reappointment. Their reappointment has to be ratified by you. The statutory auditor's report for the financial year ended 31st March, 2016 do not contain any qualification, reservation, adverse remark or disclaimer. The matters referred to by the auditors in their report, the respective notes to accounts are self explanatory.

**PARTICULAR OF EMPLOYEES**

There are no employees receiving remuneration mentioned under Section 19 (12) of the Companies Act, 2013 and the ratio of remuneration of Managing Director (Rs.4,90,755/), whole time Director (Rs.7,75,760/), compares favorably to median employees remuneration. The company has 1698 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".

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### **SECRETARIAL AUDIT**

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 M. Domadia, Practicing Company Secretary, to undertake the Secretarial Audit of the Company for the year 2015-16. 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.

The statutory auditor’s report and secretarial audit report for the financial year ended 31st March, 2016 do not contain any qualification, reservation, adverse remark or disclaimer.

### **MEETING OF THE BOARD**

The meeting dates are circulated in advance to the Directors. During the year thirteen board meetings and four audit committee meetings were convened and held. The details of which are given in corporate governance report. Intervening gap between the meetings was within the period prescribed under the Act and the listing agreement.

### **PARTICULARS OF LOAN, GUARANTEE OR INVESTMENT**

The company has not made any loan, investment or guarantee provided any security during the year as stipulated U/s. 186 of the Companies Act, 2013.

### **INTERNAL CONTROL SYSTEMS**

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

### **RISK MANAGEMENT POLICY**

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

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

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

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

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

### **FSUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES**

Your company has an Associate Company namely “Pahargoomiah Tea Industries Pvt. Ltd.. The Company had no subsidiary or joint venture company during the year under review. We have, in accordance with section 129(3) of the Companies Act, 2013 prepared Consolidated Financial Statement of the Company and its associate viz.. Pahargoomiah Tea Industries Pvt. Ltd which forms part of the Annual report.

Further, the report on the performance, financial position of the associate and salient features of the Financial Statements in the prescribed Form AOC-1 is annexed to the report as **Annexure – F**.

### **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.

**LISTING OF SHARES**

The shares of the Company are listed at The Calcutta Stock Exchange Association Limited and the listing fees for the year 2015-16 have been paid.

The Board of Directors in their meeting held on 18th May, 2016 considered that the Company's Equity Shares are listed with the Calcutta Stock Exchange and there is no trading or negligible trading of equity shares since listing at the Stock Exchange. In terms of the SEBI (Delisting of Equity Shares) Regulations, 2009, announced by the SEBI, the Companies have been permitted for voluntary delisting of shares including from the Regional Stock Exchange, subject to the compliance of the terms and conditions of the said regulations. The Board further considered that listing of equity shares on the Stock Exchange are not providing any significant tangible advantage to the shareholders and investors of the Company and the Board is of the opinion that Company should take effective steps for voluntary delisting of the Company's Equity Shares from the Calcutta Stock Exchange and accordingly have passed a resolution for delisting of equity shares from the Calcutta Stock Exchange. The approval of the members by passing of special resolution through postal ballot will be sought in due course.

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

The Company has always believed in providing a safe and harassment free workplace for every individual working in premises through various interventions and practices. The Company always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment. The Directors of the company are responsible for prevention of harassment of employees and lays down the guidelines for identification, reporting and prevention of sexual harassment. There were no cases of sexual harassment received by the Company in 2015-16.

**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 : 13th August, 2016

On behalf of the Board  
**PADMANABH JALAN**  
*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 under Section 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, 2016.

**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 aluminum withering fans with FRP fans requiring less horse power rated motors have achieved the required saving in energy use and cost in spite steep increase in grid tariff. This marked improvement has also been due to careful monitoring of power related components and on all expenditure incurred on fuel and grid supply.

**FORM A**

Form for disclosure of particulars with respect to Conservation of energy

**A. Power and Fuel Consumption**

	<b>Current year</b>	Previous year
<b>1. Electricity</b>		
a) Purchased		
Units (kWh)	20,22,490	19,72,780
Total Amount (Rs.)	1,76,95,668	1,79,27,581
Rate / Unit (Rs.)	8.75	9.09
b) Own Generation		
i) Through Diesel Generator :		
Units (kWh)	40,244	20,893
Units per Ltr. of Diesel Oil	3.07	2.25
Cost / Unit (Rs.)	16.84	26.20
ii) Through Steam Turbine/Generator :		
Units	—	—
Units per Ltr. of Fuel Oil/Gas	—	—
Cost / Unit (Rs.)	—	—
<b>2. Coal</b>		
Quantity (Tonnes)	863	874
Total Cost (Rs.)	80,12,947	78,29,884
Average Rate	9,281	8,961
<b>3. Furnace Oil</b>		
Quantity (K. Liters)	2,201	3,650
Total Amount (Rs.)	91,597	97,295
Average Rate (Per Liter)	41.62	26.66
<b>4. Other Internal Generation</b>		
Quantity	—	—
Total Cost	—	—
Rate / Unit (Rs.)	—	—



5. Consumption per unit of Production\*

Product: Tea		
Unit: Kgs.		
Electricity	1.34	1.34
Furnace Oil	0.00	0.01
Coal	0.57	0.60
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 minimising 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.
3. Future plan of action: Continue study to improve productivity.
4. Expenditure on R & D
 

<ol style="list-style-type: none"> <li>a) Capital</li> <li>b) Recurring</li> <li>c) Total</li> <li>d) Total R &amp; D Expenditure as a percentage</li> </ol>	R & D activities are carried out as part of company's normal business activities and therefore separate expenditure figures are not available
--	---

**Technology Absorption, Adaptation and Innovation**

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 (Rs.) : Nil
- (ii) Expenditure in Foreign Currency : Rs. 2,77,857

Place : Kolkata  
Date : 13th August, 2016

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

**ANNEXURE – B**

**FORM NO. MR-3**

**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2016**

**(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 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, 2016 complied with the statutory provisions listed hereunder and also that the company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, papers, minute books, forms and returns filed and other records maintained by Bhatkawa Tea Industries Limited for the financial year ended on 31st March, 2016 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").
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.



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

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

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with the Calcutta Stock Exchange Ltd.

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 : 13th August, 2016

**Pradip M. Domadia**  
*Company Secretaries*  
Mem. No. 3806 C.P. 3867

**ANNEXURE “B-1”**

(To the Secretarial Audit Report of Bhatkawa Tea Industries Limited for the Financial Year Ended 31st March, 2016)

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

My Report for the financial year ended 31st March, 2016 of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes 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 processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. 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.
6. 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

Place : Kolkata  
Date : 13th August, 2016

Pradip M. Domadia  
*Company Secretaries*  
Mem. No. 3806 C.P. 3867





## ANNEXURE – C

### REPORT ON CORPORATE GOVERNANCE

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

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

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

The Company strives to produce teas of premium quality, which are acceptable to the discerning domestic market. Likewise, the Company endeavours 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.

Mr. Narendra Nath Nagpaul, Non-executive and Independent Director passed away on 10th September, 2015. The Board deeply mourns the loss. The service contract of Mr. Sudarshan Jalan as Managing Director of the Company expired on 9th October, 2015 and he presented his unwillingness for renewal of his Managing Directorship. The Board puts on record its gratitude towards Mr. Sudarshan Jalan for his unstinted efforts during his tenure with the Company.

To strengthen the composition of the Board Mr. Sunil Kumar Ganguly joined the Company as an Additional Independent Director on 5th November, 2015. Resolution for his appointment as regular Independent Director is proposed at the ensuing Annual General Meeting. At present the Board consists of three Non-Executive Independent Directors.

Composition of Board as at 31st March, 2016 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	Wholetime Director Promoter Director	5	NIL	NIL
Mr. Purushottam Dass Bhoot	Non – Executive Independent Director	1	NIL	NIL
Ms. Rashmi Chitlangia	Non – Executive Independent Woman Director	1	NIL	NIL
Mr. Sunil Kumar Ganguly (from 5.11.2015)	Non – Executive Independent Director	NIL	NIL	NIL

Excludes Directorships in Private Limited Companies, Foreign Companies and Companies under section 8 of the Companies Act, 2013.

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

During the year under review, thirteen Board Meetings were held, the dates being 15th May, 2015, 22nd June, 2015, 14th August, 2015, 3rd September, 2015, 12th September, 2015, 28th September, 2015, 9th October, 2015, 15th October, 2015, 28th October, 2015, 5th November, 2015, 9th November, 2015, 14th November, 2015 and 12th February, 2016.

The last AGM was held on 28th September, 2015.

BHATKAWA TEA INDUSTRIES LIMITED

**Details of attendance**

Director	No. of Board Meetings Attended	Whether attended last AGM
Mr. Sudarshan Jalan (ceased w.e.f 09/10/2015)	6	Yes
Mr. Narendra Nath Nagpaul (ceased w.e.f 10/09/2015)	4	NA
Mr. Padmanabh Jalan	13	Yes
Mr. Purushottam Dass Bhoot	12	Yes
Ms. Rashmi Chitlangia	12	Yes
Mr. Sunil Kumar Ganguly	3	NA

**3. Audit Committee :**

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

A brief description of the terms of reference of the Audit committee, which covers the areas mentioned under clause 49 of the Listing agreement and Section 177 of the Companies Act 2013, is as follows:

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

During the year under review, four meetings of the Audit committee were held, the dates being 15th May, 2015, 14th August, 2015, 14th November, 2015 and 12th February 2016. The composition and attendance at the Audit committee meetings are as follows :

Name	No. of Audit Committee Meetings Attended
Mr. Purushottam Dass Bhoot (from 01.09.2015)	4
Mr. Narendra Nath Nagpaul (Chairman till 31.08.2015)	2
Mr. Padmanabh Jalan	4
Mrs. Rashmi Chitlangia	2



**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 2016 is as follows.

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

The Committee had met 31st March, 2016.

- a. Remuneration paid to Managing Director and Wholetime Director during the year ended 31st March, 2016.

Name	Salary	Value of Perquisites	Provident Fund	Total
Mr. Sudarshan Jalan Managing. Director, (till 09/10/2015)	3,83,710	61,000	46,045	4,90,755
Mr. Padmanabh Jalan Wholetime Director	6,48,000	50,000	77,760	7,75,760

Service contract : Wholetime Director – 1st April 2014 to 31st March, 2017

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, 2016 is as follows.

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

The Committee had met on 31st March, 2016.

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

Name and designation of Compliance Officer:

Mr. Krishnendu Basu, Chief Financial Officer.

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B H A T K A W A T E A I N D U S T R I E S L I M I T E D

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**5. General Body Meetings :**

Location and time where last three AGMs were held :

<b>Date</b>	<b>Location</b>	<b>Time</b>
28th September, 2013	Rotary Sadan, 94/2, Chowringhee Road, Kolkata-700 020	10.30 A.M.
27th September, 2014	Rotary Sadan, 94/2, Chowringhee Road, Kolkata-700 020	10.30 AM
28th September, 2015	Rotary Sadan, 94/2, Chowringhee Road, Kolkata-700 020	10.30 AM

Three special resolutions were passed at the AGM held in 2014 and 2015 respectively. 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 :**

Wednesday, 28th September, 2016 at 10.30 AM  
at Rotary Sadan, 94/2, Chowringhee Road, Kolkata-700 020.



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

Sunday, 25th September, 2016 to Wednesday, 28th September, 2016, both days inclusive.  
Cut-off date will be Saturday, 24th September, 2016.  
Dividend payment date : on and from 4th October, 2016

**(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	Stock Code
The Calcutta Stock Exchange Ltd.	12018

**(d) Stock Price Data : Year 2015-16**

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 2015 to March 2016) N.A.

**(f) Share Transfer System :**

The Company's shares are compulsory traded in the demat form for all categories of shareholders. All transfers are debited/credited through the respective Accounts maintained with the Depository Participants (DPs) of the Investor. In case of physical transfer of shares, the shares are transfer within 15 days from the date of receipt.

**(g) Dematerialisation of Shares :**

As on 31st March, 2016, 79.01% of total holdings have been dematerialized.

**(h) (i) Distribution of shareholding as on 31st March, 2016**

Group of Shares	No. of Shareholders	%	No. of Shares held	% of Total Shares
1 to 500	187	59.18	26027	1.16
501 to 1000	36	11.39	24716	1.10
1001 to 2000	53	16.77	74187	3.31
2001 to 3000	11	3.48	28714	1.28
3001 to 4000	2	0.63	6900	0.31
4001 to 5000	6	1.90	25900	1.16
5001 to 10000	5	1.58	39480	1.76
10001 to higher	16	5.07	2014076	89.92
<b>Total</b>	<b>316</b>	<b>100</b>	<b>2240000</b>	<b>100</b>

BHATKAWA TEA INDUSTRIES LIMITED

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(ii) Shareholding pattern as at 31st March, 2016

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	265	147954	6.61
Directors & their relatives	10	1362786	60.84
Bodies Corporate	18	617316	27.55
<b>Total</b>	<b>316</b>	<b>2240000</b>	<b>100</b>

(iii) Estate Locations :

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

(iv) Address for correspondence :

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

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

Place : Kolkata  
Date : 13th August, 2016

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



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

The year 2015-16, in terms of crop, the Company has sustained its production with 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 higher at 14,88,992 kgs. as compared to 14,52,411 kgs in the previous year. The frequency of pest infestation and attacks has increased in the garden in the last three years.

**Market Scenario**

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

Sales through	2015-16	2014-15	2013-14
Auctions	165.86	147.52	132.34
Consignment Agents	168.68	147.08	147.02
Private Sales	160.70	160.33	138.38

**Corporate Governance & Internal Control System**

The Company is complying with the norms laid down in Clause 49 of the Stock Exchange Listing agreement 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 1698 persons and the garden operations did suffer minor disruptions during Tripartite Wage negotiations. 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 favourable impact on quality and cost of production from the recently upgraded factories have 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 favourable prices for the Company's teas are expected to continue.

On behalf of the Board  
**Padmanabh Jalan**

*Director*

(DIN : 01651268)

Place : Kolkata  
Date : 13th August, 2016

BHATKAWA TEA INDUSTRIES LIMITED

**ANNEXURE – E**  
**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**  
**As on financial year ended on 31.03.2016**

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

I. REGISTRATION & OTHER DETAILS :		
1	CIN	L01132WB1911PLC002077
2	Registration Date	17.11.1911
3	Name of the Company	BHATKAWA TEA INDUSTRIES LIMITED
4	Category/Sub-category of the Company	PUBLIC LIMITED COMPANY LIMITED BY SHARES
5	Address of the Registered office & contact details	NICCO HOUSE, 6TH. FLOOR, 2, HARE STREET, KOLKATA 700001, PHONE NO.: 22489916 / 5422 FAX : 22485362, e-mail : contact@bhatkawa.com
6	Whether listed company	YES
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	S.K. INFOSOLUTIONS 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	Pahargoomiah Tea Industries Pvt. Ltd. Nicco House, 6th Floor 2, Hare Street, Kolkata-700 001	U61100WB1991 PTC053381	Associate	37.54%	2(6)





**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 31-March-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	1,153,613	209,173	1,362,786	60.84%	1,153,613	209,173	1,362,786	60.84%	-
b) Central Govt			-	-			-	-	-
c) State Govt(s)			-	-			-	-	-
d) Bodies Corp.			-	-			-	-	-
e) Banks / FI			-	-			-	-	-
f) Any other			-	-			-	-	-
<b>Sub Total (A) (1)</b>	1,153,613	209,173	1,362,786	60.84%	1,153,613	209,173	1,362,786	60.84%	-
<b>(2) Foreign</b>									
a) NRI Individuals			-	-			-	-	-
b) Other Individuals			-	-			-	-	-
c) Bodies Corp.			-	-			-	-	-
d) Any other			-	-			-	-	-
<b>Sub Total (A) (2)</b>	-	-	-	-	-	-	-	-	-
<b>TOTAL (A)</b>	1,153,613	209,173	1,362,786	60.84%	1,153,613	209,173	1,362,786	60.84%	-
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds			-	-			-	-	-
b) Banks / FI	-	59,556	59,556	2.66%	-	59,556	59,556	2.66%	-
c) Central Govt			-	-			-	-	-
d) State Govt(s)			-	-			-	-	-
e) Venture Capital Funds			-	-			-	-	-
f) Insurance Companies			-	-			-	-	-
g) FIIs			-	-			-	-	-
h) Foreign Venture Capital Funds			-	-			-	-	-
i) Others (specify)			-	-			-	-	-
<b>Sub-total (B)(1) :-</b>	-	59,556	59,556	2.66%	-	59,556	59,556	2.66%	-

BHATKAWA TEA INDUSTRIES LIMITED

**IV. SHARE HOLDING PATTERN**

(Equity share capital breakup as percentage of total equity)

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

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	598,697	18,619	617,316	27.56%	598,697	18,619	617,316	27.56%	–
ii) Overseas			–	–			–	–	–
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	17,786	117,568	135,354	6.04%	17,796	117,758	135,354	6.04%	–
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	–	12,600	12,600	0.56%	–	12,600	12,600	0.56%	–
c) Others (specify) NRI	–	52,388	52,388	2.34%	–	52,388	52,388	2.34%	–
<b>Sub-total (B)(2) :-</b>	616,483	201,175	817,658	36.50%	616,293	201,365	817,658	36.50%	–
<b>Total Public (B)</b>	616,483	260,731	877,214	39.16%	616,293	260,921	877,214	39.16%	–
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>			–	–			–	–	–
<b>Grand Total (A+B+C)</b>	1,770,096	469,904	2,240,000	100.00%	1,769,906	470,094	2,240,000	100.00%	–



**(ii) Shareholding of Promoter**

S.N	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	Sudarshan Jalan	446,508	19.93%	–	446,508	19.93%	–	–
2	Minakshi Jalan	546,194	24.38%	–	546,194	24.38%	–	–
3	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	Sudarshan Jalan HUF	96,244	4.30%	–	96,244	4.30%	–	–
7	Pradyumna Jalan	14,000	0.63%	–	14,000	0.63%	–	–

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

S.N	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 DGRs and ADRs) :*

S.N	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	<b>Kirti Industrial Co. Ltd.</b>						
	At the beginning of the year			315,915	14.10%	315,915	14.10%
	Changes during the year			–	–	–	–
	At the end of the year				–	315,915	14.10%
2	<b>Uphaar Financial Services Pvt. Ltd.</b>						
	At the beginning of the year			165,575	7.39%	165,575	7.39%
	Changes during the year			–	–	–	–
	At the end of the year				–	165,575	7.39%
3	<b>Bhakti Fiscal Pvt. Ltd.</b>						
	At the beginning of the year			100,700	4.50%	100,700	4.50%
	Changes during the year			–	–	–	–
	At the end of the year				–	100,700	4.50%
4	<b>Central Bank Of India</b>						
	At the beginning of the year			30,800	1.38%	30,800	1.38%
	Changes during the year			–	–	–	–
	At the end of the year				–	30,800	1.38%
5	<b>Lake View Dealers Pvt. Ltd.</b>						
	At the beginning of the year			14,500	0.65%	14,500	0.65%
	Changes during the year			–	–	–	–
	At the end of the year				–	14,500	0.65%
6	<b>Bank Of India</b>						
	At the beginning of the year			12,600	0.56%	12,600	0.56%
	Changes during the year			–	–	–	–
	At the end of the year				–	12,600	0.56%
7	<b>Prasanta Kumar Banerjee</b>						
	At the beginning of the year			12,600	0.56%	12,600	0.56%
	Changes during the year			–	–	–	–
	At the end of the year				–	12,600	0.56%
8	<b>Jadavpur University</b>						
	At the beginning of the year			9,296	0.42%	9,296	0.42%
	Changes during the year			–	–	–	–
	At the end of the year				–	9,296	0.42%
9	<b>Central Bank Of India</b>						
	At the beginning of the year			8,400	0.38%	8,400	0.38%
	Changes during the year			–	–	–	–
	At the end of the year				–	8,400	0.38%
10	<b>Lloyd Amelia Irene</b>						
	At the beginning of the year			7,980	0.36%	7,980	0.36%
	Changes during the year			–	–	–	–
	At the end of the year				–	7,980	0.36%



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

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

(Amt. Rs./Lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	121.11			121.11
ii) Interest due but not paid				–
iii) Interest accrued but not due				–
<b>Total (i+ii+iii)</b>	121.11	–	–	121.11
<b>Change in Indebtedness during the financial year</b>				
* Addition	–			–
* Reduction	(65.16)			(65.16)
Net Change	(65.16)	–	–	(65.16)
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	55.95			55.95
ii) Interest due but not paid				–
iii) Interest accrued but not due				–
<b>Total (i+ii+iii)</b>	55.95	–	–	55.95

BHATKAWA TEA INDUSTRIES LIMITED

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

A. Remuneration to Managing Director, Whole-time Directors and/or Manager.

S.N	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount (Rs./Lac)
		S. Jalan	P. Jalan	
	Name			
	Designation	Managing Director (till 09/10/2016)	Whole Time Director	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3.84	6.48	10.32
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1.07	1.28	2.35
	(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, please specify			–
	Total (A)	4.91	7.76	12.67
	Ceiling as per the Act			

B. Remuneration to other Directors

S.N	Particulars of Remuneration	Name of Directors			Total Amount (Rs./Lac)
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)				12.67
	Overall Ceiling as per the Act				



C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

S.N	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount (Rs./Lac)
		Name			
		Designation	CEO	CFO	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				-
	(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, please specify				-
	Total	-	-	-	-

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

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

BHATKAWA TEA INDUSTRIES LIMITED

**ANNEXURE – F**

**FORM AOC – 1**

(Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of the Companies (Accounts) Rules, 2014)

**Statement containing salient features of financial statement of Subsidiaries/Associate Companies/Joint Ventures**

**Part – A : Subsidiaries**

The Company has no Subsidiary Company

**Part – B : Associates and Joint Ventures**

**Statement Pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies**

(Amount, in Rs.)

Sl. No.	Particulars	Details
1	Name of Associate	Pahargoomiah Tea Industries Pvt. Ltd.
2	Latest Audited Balance Sheet date	31.03.2016
3	Shares of the Associate held by the Company on year end	
	i) No.	14,00,000 shares
	ii) Amount of investment in Associate	Rs. 2,10,00,000
	iii) Extent of Holding (%)	37.54 %
4	Description of how there is significant influence	Significant influence due to percentage (%) of Share Capital
5	Reason why the Associate is not consolidated	N.A. – Consolidation is done
6	Net worth attributable to shareholding as per last audited Balance Sheet	Rs. 2,02,80,584
7	Profit/Loss for the year	
	i) Considered in consolidation	Rs.9,64,669/-
	ii) Not considered in consolidation	Rs.24,42,990/-

1. Names of the associates which are yet to commence operations: None
2. Names of associates which have been liquidated or sold during the year: None

Place : Kolkata  
Date : 13th August, 2016

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





## ADDENDUM TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2016

To the Members,

The Board of Directors in its meeting held on 13th August, 2016 approved the Standalone Financial Statements of the Company and Directors' Report for the financial year ended on 31st March, 2016.

The Board of Directors in its meeting held on 13th August, 2016 approved, inter alia, the Consolidated Financial Statements of the Company for the financial year ended on 31st March, 2016 and accordingly following disclosures are being made.

The Directors' Report dated 13th August, 2016 shall be read in conjunction with this Addendum to the Directors' Report and be treated as forming part of the Annual Report 2015-16.

### CONSOLIDATED FINANCIAL STATEMENTS

The Institute of Chartered Accountants of India (ICAI) vide FAQs published on 24th June, 2016 clarified that a company, which does not have subsidiary but has associate or joint venture, is required to prepare Consolidated Financial Statements as required under the provisions of Section 129(3) of the Companies Act, 2013 for the financial year ended 31st March, 2016. Accordingly, the Company has prepared the Consolidated Financial Statements consolidating financial statements of Pahargoomiah Tea Industries Pvt. Ltd., an associate company, with its financial statements, which forms part of this Annual Report.

The Consolidated Financial Statements of your Company for the financial year ended 31st March, 2016 are prepared in compliance with applicable provisions of the Companies Act, 2013 read with the Rules issued thereunder, applicable Accounting Standards and the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Consolidated Financial Statements have been prepared on the basis of audited financial statements of your Company and its associate company viz. Pahargoomiah Tea Industries Pvt. Ltd., as approved by the respective Board of Directors.

### CONSOLIDATED FINANCIAL HIGHLIGHTS

The Company's consolidated financial performance, for the year ended 31st March, 2016 is summarised below:

(Amount, in Rs.)

Particulars	31.03.2016
Revenue from operations	21,41,93,815
Other Income	87,98,084
Total	22,29,91,899
Profit before Finance Cost, Depreciation & Taxation	1,68,46,394
Less: Finance Cost	9,25,084
Less: Depreciation	76,81,010
Profit before Tax	82,40,300
Less: Tax expenses	21,74,192
Profit after Tax	60,66,108
Add: Share of profit of Associate	9,64,669
Profit for the Year	70,30,797

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**CERTIFICATE ON COMPLIANCE OF THE CONDITIONS OF CORPORATE GOVERNANCE**

To the Members of Bhatkawa Tea Industries Ltd.

I have examined the compliance of conditions of Corporate Governance by Bhatkawa Tea Industries Ltd. for the year ended 31st March, 2016, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange, in India

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.

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has generally complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

I state that in respect of investor grievances received during the year ended 31st March, 2016, no grievances are pending for a period of exceeding one month against the Company as per the records maintained by the Company and presented to the Shares Transfers and Investors Grievance Committee.

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 : 13th August, 2016

**Pradip M. Domadia**  
*Practicing Company Secretary*  
Mem no. 3806 CP No. 3867

**CERTIFICATION BY WHOLETIME DIRECTOR AND CFO TO THE BOARD OF DIRECTORS**

- a) We have reviewed the Balance Sheet and the Statement of Profit And Loss Account and Notes thereon as well as the Cash Flow Statement for the year and certify that to the best of our knowledge and belief:
- these statements do not contain any materially untrue statement or omit any material fact nor contain statement that might be misleading,
  - 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.
- There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative to the Company's code of conduct.
- b) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have, evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and that we 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.
- c) We have indicated to the auditors and the Audit Committee :
- significant changes in internal controls over financial reporting during the year;
  - significant changes in the accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - 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 : 13th August, 2016

**Padmanabh Jalan**  
*Wholetime Director*

**Krishnendu Basu**  
*Chief Finance Officer*



## **INDEPENDENT AUDITORS' REPORT**

### **To the Members of BHATKAWA TEA INDUSTRIES LIMITED**

#### **Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of **BHATKAWA TEA INDUSTRIES LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other notes for the year on that date.

#### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act read with Rule 7 of Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

#### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India; of the state of affairs of the Company as at 31<sup>st</sup> March, 2016, its profit and its cash flows for the year ended on that date.

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**Report on Other Legal and Regulatory Requirements**

As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, and according to the information and explanations given to us and also on the basis of such checks as we considered appropriate, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, 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 and the Cash Flow Statement dealt with by this Report are in agreement with the books of account ;
- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards 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, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of section 164 (2) of the Act.
- f) With respect to the adequacy of the Internal Financial Controls over Financial Reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. Pending litigations (other than those already recognized in the financial statements) having material impact on the financial position of the Company have been disclosed in the financial statement as required in terms of the accounting standards and provisions of the Companies Act, 2013 (Note 28(b));
  - ii. The Company does not have any long-term contracts, including derivative contracts, for which there were any material foreseeable losses.
  - iii. Following are the instances of delay in transferring amounts, required to be transferred, to the Investor Protection Fund by the Company.

Sl. No.	Particulars	Due date of transfer	Actual date of transfer	Amount
1.	Unclaimed Dividend of Year 2007-08	31 <sup>st</sup> January, 2016	26 <sup>th</sup> May, 2016	Rs. 53,172/-

For Lodha & Co.  
*Chartered Accountants*  
Firm's ICAI Registration No. : 301051E  
H.K. Verma  
Partner  
Membership No. 055104

Place : Kolkata  
Date : 13th August, 2016



**ANNEXURE 'A' TO THE AUDITORS' REPORT OF EVEN DATE :  
(REFERRED TO IN PARAGRAPH (1) OF OUR REPORT OF EVEN DATE)**

- i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The Fixed assets of the company were physically verified by the Management according to phased program of verification, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies in respect of the assets verified during the year were noticed.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii) As explained to us, the inventories of the Company except materials lying with the third parties have been physically verified by the management at reasonable intervals during the year / at the year-end. In our opinion and according to the information and explanations given to us, the frequency of the verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- iii) The Company has not granted any loans secured or unsecured to companies, firms, Limited Liability Partnerships or parties covered in the register maintained under Section 189 of the Act. Accordingly, clause 3 (iii) of the Order is not applicable to the Company.
- iv) In our opinion and according to the information and explanations 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 deposits from public covered under Sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder.
- 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 explanations given to us, during the year, the Company has generally been regular in depositing to the appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of Customs, duty of excise, value added tax, cess and other statutory dues as applicable to it. According to the information and explanations given to us, there is no undisputed amounts payable in respect of aforesaid dues as on 31<sup>st</sup> March, 2016 for a period of more than six months from the date they became payable except Rs. 43,410 in respect of purchase tax, Rs. 73,047 in respect of service tax and Rs. 5,191 in respect of Dividend Distribution Tax.
- b) According to the information and explanations given to us, the details of sales tax, income tax, customs duty, wealth tax, excise duty, service tax, and cess not deposited on account of any dispute are as follows:

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Statute	Nature of dues	Forum where dispute is pending	Amount (Rs.)	Period to which the amount relates to
The Income Tax Act, 1961	Income Tax	High Court	11,19,669	2004-05 and 2005-06
	Income Tax	Commissioner of Income Tax (Appeals)	2,07,096	2011-12
West Bengal Value Added Tax Act, 2003	Sales Tax	Senior Joint Commissioner	1,80,881	2006-07
		West Bengal Commercial Taxes Appellate and Revisional Board	8,08,535	2009-10 2010-11 and 2011-12
Central Sales Tax Act,	Sales Tax	West Bengal Commercial Taxes Appellate and Revisional Board	5,16,940	2010-11
Bengal Agricultural Income Tax Act, 1944	Agricultural Income Tax	West Bengal Appellate Tribunal	5,47,007	1999-2000

- viii) In our opinion and on the basis of information and explanations given to us by the management, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions and banks. There are no debenture holders.
- ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments). As per the information and explanation given to us, the Company has not availed fresh term loan during the year.
- x) During the course of our examination of books of account carried out in accordance with generally accepted auditing practices in India, we have neither come across any incidence of fraud on the Company by its officers or employees nor have we been informed of any such cases by the management.
- xi) In our opinion and according to the information and explanations given to us, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of the Section 197 read with Schedule V to the Act.
- xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order 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 sections 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 accounting standards.
- xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

Place : Kolkata  
Date : 13th August, 2016

For Lodha & Co.  
*Chartered Accountants*  
Firm's ICAI Registration No. : 301051E  
H.K. Verma  
Partner  
Membership No. 055104

**ANNEXURE 'B' REFERRED TO IN OUR REPORT OF EVEN DATE :**

**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 at March 31, 2016 in conjunction with our audit of the 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 Act.

**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 Act, 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 ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the 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, 2016, 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 Lodha & Co.

*Chartered Accountants*

Firm's ICAI Registration No. : 301051E

H.K. Verma

Partner

Membership No. 055104

Place : Kolkata

Date : 13th August, 2016

BHATKAWA TEA INDUSTRIES LIMITED

**BALANCE SHEET AS AT 31ST MARCH 2016**

	Note	As At 31.03.2016 Rs.	As At 31.03.2015 Rs.
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Fund:</b>			
Share Capital	2	2,24,00,000	2,24,00,000
Reserves and Surplus	3	16,45,21,692	15,96,67,309
<b>Non-Current Liabilities</b>			
Long - Term Borrowings	4	26,11,318	45,66,927
Other Long Term Liabilities	5	52,90,590	56,43,296
Long term provisions	6	1,90,08,672	1,53,00,674
<b>Current liabilities</b>			
Short-term borrowings	7	29,83,516	75,43,829
Trade payable	8		
Outstanding dues of micro enterprises and small enterprises		—	—
Outstanding dues of creditors other than micro enterprises and small enterprises		4,47,37,588	4,28,67,941
Other current liabilities	9	3,07,12,798	88,44,416
Short-term provisions	10	1,08,18,735	90,25,722
<b>TOTAL</b>		<b>30,30,84,909</b>	<b>27,58,60,114</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed Assets:			
–Tangible assets	11	13,15,08,420	12,72,42,916
–Intangible assets	11	1,65,277	2,59,537
Non-current investments	12	4,54,23,485	2,33,54,870
Deferred Tax Assets (Net)	13	17,71,645	27,31,090
Long term loans and advances	14	1,28,62,088	2,40,11,247
Other Non- Current Assets	15	22,92,763	32,25,795
<b>Current Assets</b>			
Current Investments	16	3,20,89,382	1,48,64,914
Inventories	17	4,41,44,025	2,24,28,620
Trade Receivables	18	84,76,305	2,03,17,541
Cash and cash equivalents	19	28,32,062	1,45,76,546
Short-term loans and advances	20	2,10,28,796	2,07,98,821
Other current assets	21	4,90,661	20,48,217
<b>TOTAL</b>		<b>30,30,84,909</b>	<b>27,58,60,114</b>
Significant Accounting Policies	1		
Notes to the financial statements	2-36		

The notes referred to above form part of the Financial Statements.  
This is the Balance Sheet referred to in our report of even date.

Place : Kolkata  
Date : 13th August, 2016

For Lodha & Co.  
(Chartered Accountants)  
H.K. Verma  
Partner

For Bhatkawa Tea Industries Limited  
Padmanabh Jalan *Director*  
Rashmi Chitlangia *Director*



## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2016

	Note	For the year ended 31.03.2016 Rs.	For the year ended 31.03.2015 Rs.
Revenue From Operations	22	21,41,93,815	21,57,63,703
Other Income	23	87,98,084	1,55,71,462
<b>Total Revenue</b>		<b>22,29,91,899</b>	<b>23,13,35,165</b>
<b>Expenses</b>			
Change in inventories of finished goods, (Increase)/Decrease	24	(2,54,10,214)	(3,70,600)
Employee Benefit Expenses	25	14,94,74,238	13,14,58,910
Finance Cost	26	9,25,084	9,12,592
Depreciation and amortization expenses	11	76,81,010	90,13,116
Other Expenses	27	8,20,81,481	8,31,09,310
<b>Total Expenses</b>		<b>21,47,51,599</b>	<b>22,41,23,328</b>
<b>Profit before Tax</b>		<b>82,40,300</b>	<b>72,11,837</b>
Less : Tax Expense	29		
Current Tax		12,14,747	7,80,000
Deferred Tax		9,59,445	6,75,253
Income Tax relating to earlier years		—	2,23,980
<b>Profit after Tax</b>		<b>60,66,108</b>	<b>55,32,604</b>
Basic and Diluted Earnings per Share	32	2.71	2.47
Significant Accounting Policies	1		
Notes to the financial statements	2-36		

The notes referred to above form part of the Financial Statements.  
This is the Statement of Profit & Loss Account referred to in our report of even date.

Place : Kolkata  
Date : 13th August, 2016

For Lodha & Co.  
(Chartered Accountants)  
H.K. Verma  
Partner

For Bhatkawa Tea Industries Limited  
Padmanabh Jalan Director  
Rashmi Chitlangia Director

BHATKAWA TEA INDUSTRIES LIMITED

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016**

	Year ended 31st March, 2016 Rs.	Year ended 31st March, 2015 Rs.
<b>A. Cash Flow from Operating activities:</b>		
Net Profit before tax, exceptional and prior period items	82,40,300	72,11,837
<b>Adjustments for:</b>		
Depreciation	76,81,010	90,13,116
Diminution in value of Investments(Net)	49,661	(5,47,222)
Investment Income	(1,85,556)	(1,88,984)
(Profit)/Loss on sale of Investments (Net)	(9,10,858)	(5,14,660)
(Profit)/Loss on sale of Fixed Assets (Net)	2,03,262	(3,45,183)
Liabilities no longer required written back	(17,87,263)	(5,679)
Interest income	(38,09,483)	(53,69,482)
Finance Costs	9,25,084	9,12,592
<b>Operating Profit before Working Capital changes</b>	<b>1,04,06,157</b>	<b>1,01,66,336</b>
Adjusted for:		
Trade and Other Receivable	1,25,51,430	(97,70,823)
Inventories	(2,17,15,405)	3,64,266
Trade and Other Payables	2,98,11,096	66,98,160
<b>Cash generated from Operations</b>	<b>3,10,53,278</b>	<b>74,57,939</b>
Direct Taxes paid	(4,55,209)	(18,76,485)
Net cash from Operating Activities	<b>3,05,98,069</b>	<b>55,81,454</b>
<b>B. Cash Flow from Investing Activities:</b>		
Purchase of Fixed Assets	(2,35,20,562)	(1,40,33,059)
Sale/Adjustment of Fixed Assets	4,65,046	23,54,211
Refund of capital Advances	10,72,892	1,10,32,829
Term deposit over three months maturity	(78,765)	(22,719)
Purchase of Investments	(6,93,37,690)	(2,98,45,414)
Sale of Investments	3,09,05,801	2,42,38,314
Investment Income	1,85,556	1,88,984
Intercorporate Loans given	2,10,00,000	(18,34,177)
Interest received	44,94,517	46,36,923
<b>Net Cash used in Investing Activities</b>	<b>(3,48,13,205)</b>	<b>(32,84,108)</b>
<b>C. Cash Flow from Financing Activities:</b>		
Proceeds/(repayment) of borrowings	(63,74,351)	99,13,136
Interest paid	(9,27,263)	(8,82,454)
Deposits to Tea Board Default Reserve (net)	8,72,523	(4,83,325)
Dividend paid	(11,20,000)	(11,20,000)
Dividend Distribution Tax paid	(91,726)	(76,138)
Net Cash from/(used) Financing Activities	<b>(76,40,817)</b>	<b>73,51,219</b>

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<b>Net increase in Cash and Cash Equivalents</b>	<b>(1,18,55,953)</b>	96,48,564
<b>Cash and Cash equivalent - Opening balance</b>	<b>1,40,75,845</b>	44,27,281
<b>Cash and Cash equivalent - Closing balance</b>	<b>22,19,892</b>	1,40,75,845

**Notes :**

- Cash flow statement is prepared by the Indirect Method as set out in Accounting Standard-3 on Cash Flow Statement.
- Previous year figures have been rearranged and regrouped wherever necessary

This is the cash flow referred to in our report of even date

Place : Kolkata  
Date : 13th August, 2016

For Lodha & Co.  
(Chartered Accountants)  
H.K. Verma  
Partner

For Bhatkawa Tea Industries Limited  
Padmanabh Jalan *Director*  
Rashmi Chitlangia *Director*

**NOTES FORMING PART OF THE FINANCIAL STATEMENT  
FOR THE YEAR ENDED / AS AT 31ST MARCH, 2016**

**1. SIGNIFICANT ACCOUNTING POLICIES**

**A. BASIS OF PREPARATION OF FINANCIAL STATEMENTS :**

The accounts have been prepared under the historical cost convention and in accordance with the provision of Companies Act 2013 and Accounting Standards as prescribed under section 133 of the Companies Act, 2013, read with paragraph 7 of the Companies (Accounts) Rules, 2014. Accounting policies unless specifically stated to be otherwise, are consistent and are in consonance with generally accepted accounting principles.

**B. USE OF ESTIMATES :**

The preparation of financial statements require management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures relating to contingent liabilities as at the Balance Sheet date and the reported amounts of income and expenses during the year.

Contingencies are recorded when it is probable that a liability will be incurred and the amounts can reasonably be estimated. Differences between the actual results and estimates are recognized in the year in which the results are known / materialized.

**C. SALES :**

Sales are recognized in the accounts on passing of title of the goods i.e. delivery as per terms of sale, on completion of auction in case of auction sale and on receiving of account sale in case of consignment sales. Sales are net of Value Added Tax (VAT).

**D. FIXED ASSETS :**

Fixed assets are carried at cost of acquisition or revalued amount as the case may be less depreciation. Expenditure incurred on Replanting & Development of Tea Bushes is charged to revenue and expenses on Extension planting are capitalized. Related Tea Board Subsidies are accrued as Other Income on obtaining approval from Tea Board. Subsidies related to purchase of fixed assets is reduced from the cost of relevant fixed assets.

**E. IMPAIRMENT :**

Fixed Assets are reviewed at each balance sheet date for impairment. In case events and circumstances indicate any impairment, recoverable amount of fixed asset is determined. An impairment loss is recognized, whenever the carrying amounts of assets exceeds recoverable amount. The recoverable amount is the greater of asset's net selling price or its value in use. In assessing the value in use, the estimated future cash flow from the use of assets are discounted to their present value at appropriate rate. An impairment loss is reversed if there has been change in the recoverable amount and such loss either no longer exists or has decreased. Impairment loss/reversal thereof is adjusted to the carrying value of the respective asset.

**F. DEPRECIATION AND AMORTIZATION :**

Depreciation on assets other than leasehold land and improvements has been provided on the carrying amounts in accordance with Schedule II to the Companies Act, 2013 on straight-line method. Depreciation on Additions/Deductions is calculated pro-rata with respect to the month of additions/deductions. In case of revalued assets, the amount equivalent to the additional depreciation on account of revaluation is recouped from the revaluation reserve and transferred to General Reserve as at the year end. In respect



of leasehold land and development, the salami paid to Government is amortized over the remaining period of lease on straight line method.

**G. INVESTMENTS :**

Long Term Investments are stated at cost less provisions, if any, for diminution in values thereof, other than temporary. Current Investments are valued at cost or fair value as the case may be. Gain/losses on disposal of investments are recognised as income/expenditure.

**H. INVENTORIES :**

Inventories are valued as under :

- i. Stores and Spare Parts are valued at cost or realizable value whichever is lower and the cost is computed on weighted average basis.
- ii. Finished goods are valued at cost or realizable value whichever is lower. Cost includes all attributable charges and is computed on weighted average basis.
- iii. Stock of food stuff is valued at cost or realizable value whichever is lower and the cost is computed on First in First Out basis.

**I. EMPLOYEE BENEFITS :**

- i. Short term employee benefits are recognized at the undiscounted amount as expenses for the year in which the related service is rendered.
- ii. Contribution to defined contributions schemes such as provident fund etc recognized as and when incurred.
- iii. Long term employee benefits under defined scheme such as contribution to gratuity are determined at the close of the year at present value of the amount using projected unit credit method with actuarial valuation techniques.
- iv. Leave is accumulated and encashed on a calendar year basis. Liability for the last three months of the financial year is accrued as per management estimate and considered as a short term benefit.

**J. BORROWING COST :**

Borrowing cost that is attributable to the acquisition or construction of fixed assets are capitalized as part of the borrowing costs are recognized as expenses in the year in which they are incurred.

**K. TAXES ON INCOME :**

Provision for taxes is made for current and deferred taxes. Current tax is provided on the taxable income using the applicable tax rates and tax laws. Deferred tax assets / liabilities arising on account of timing differences, which are capable of reversal in subsequent periods, are recognised using the tax rates and tax laws which have been enacted or substantively enacted. Deferred tax assets are not recognized unless there is sufficient assurance with respect to reversal of the same in future years. Entitlement credit in respect of Minimum Alternate Tax (MAT) is recognised only if there is convincing evidence of realisation of the same.

**L. PROVISION, CONTINGENT LIABILITIES AND CONTINGENT ASSETS :**

Provisions involving substantial degree of estimates in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent assets are neither recognized nor disclosed in the financial statement.

BHATKAWA TEA INDUSTRIES LIMITED

**NOTES FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED / AS AT 31ST MARCH, 2016**

	<b>As at 31.03.2016 Rs.</b>	<b>As at 31.03.2015 Rs.</b>
<b>2. SHARE CAPITAL :</b>		
<b>Authorised</b>		
40,00,000 Ordinary Shares of Rs.10 each	<b>4,00,00,000</b>	4,00,00,000
<b>Issued and Subscribed and Fully Paid up</b>		
22,40,000 Ordinary Shares of Rs.10 each fully paid up	<b>2,24,00,000</b>	2,24,00,000
	<b>2,24,00,000</b>	2,24,00,000
<b>a) Shareholders holding more than 5% shares</b>		
Name of Shareholder	<b>No. of shares</b>	<b>No. of shares</b>
Sudarshan Jalan	446,508	446,508
M/S Kirti Industrial Company Limited	315,915	315,915
Minakshi Jalan	546,194	546,194
Padmanabh Jalan	244,090	244,090
Uphaar Financial Services Pvt. Ltd.	165,575	165,575
<b>b) Terms and Rights attached to equity shares :</b>		
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.		
<b>c) There is no movement in the number of shares at the beginning and at the end of the year.</b>		
<b>3. RESERVES AND SURPLUS</b>		
<b>General Reserve</b>		
Opening Balance	<b>3,16,47,085</b>	3,05,98,391
Add: Transfer from Revaluation Reserve	<b>10,21,229</b>	82,80,497
Less: Adjustment pursuant to Schedule II of The Companies Act, 2013 (net of deferred tax of Rs. 9,70,017)	—	87,31,803
Add: Transfer from Surplus	<b>15,00,000</b>	15,00,000
Closing Balance	<b>3,41,68,314</b>	3,16,47,085
<b>Revaluation Reserve</b>		
Opening Balance	<b>5,99,37,477</b>	6,82,17,974
Less: Transfer to General Reserve (for adjustment pursuant to Schedule II of The Companies Act, 2013)	—	65,06,769
Less: Transfer to General Reserve (Depreciation on revalued amount for the year) (Refer Note 11(f))	<b>9,74,676</b>	17,73,728
Less: Transfer on Sale of Assets	<b>46,552</b>	—
Closing Balance	<b>5,89,16,249</b>	5,99,37,477



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	As at 31.03.2016 Rs.	As at 31.03.2015 Rs.
<b>Surplus</b>		
Opening Balance	6,80,82,747	6,52,61,869
Add: Transfer from Statement of Profit and Loss	60,66,108	55,32,604
Less: Appropriations		
Proposed Dividend	11,20,000	11,20,000
(Dividend per share of Rs.0.50 each (Previous year Re.0.50 each))		
Tax on Dividend- Refer Note 3.1	91,726	91,726
Transfer to General Reserve	15,00,000	15,00,000
Closing Balance	<u>7,14,37,129</u>	<u>6,80,82,747</u>
	<u>16,45,21,692</u>	<u>15,96,67,309</u>

- 3.1 Based on certain legal cases, the Company has provided corporate dividend distribution tax only to the extent the profit is attributable to non agricultural income.

**4. LONG TERM BORROWINGS**

**Loan from Tea Board (Secured)**

Under Special Purpose Tea Fund Scheme	24,82,879	29,79,455
Vehicle Loan	1,28,439	15,87,472
	<u>26,11,318</u>	<u>45,66,927</u>

- a) Loan from Tea Board (including current maturities of long term debt as given in Note 9) 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 10 year Government securities rate plus 1.50% (10.46% during the year).
- b) Vehicle Loan (including current maturities of long term debt as given in Note 9) is secured by hypothecation of vehicle. The loan is repayable in 36 monthly installments beginning May, 2014.

2015-16	—	13,17,463
2016-17	14,59,034	14,59,026
2017-18	1,28,439	1,28,439

**5. OTHER LONG TERM LIABILITIES**

Liability for Capital Expenditure (Refer Note 5(a) and 11(d))	52,90,590	56,43,296
	<u>52,90,590</u>	<u>56,43,296</u>

- a) 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 year, Order has been received from "The Office of the District Magistrate,

BHATKAWA TEA INDUSTRIES LIMITED

Alipurduar” for realisation of Salami in a single installment in terms of Order No. 2531(5)-LP dated 28.08.2015. The company has represented before the Additional District Magistrate of Land and Land Reform Department to withdraw such demand for payment in a single installment. Pending outcome of the representation, the liability to the extent not payable within the next year as per original order has been classified as above.

	<b>As at 31.03.2016 Rs.</b>	<b>As at 31.03.2015 Rs.</b>
<b>6. LONG TERM PROVISIONS</b>		
Provision for Gratuity	1,90,08,672	1,53,00,674
	<b>1,90,08,672</b>	<b>1,53,00,674</b>
<b>7. SHORT TERM BORROWINGS</b>		
Repayable on demand (Secured)		
<b>From Bank :</b>		
Cash Credit Account	29,83,516	75,43,829
	<b>29,83,516</b>	<b>75,43,829</b>
a) Secured by Equitable Mortgage of immovable properties at garden and hypothecation of plant and machinery and other movable assets of the company and hypothecation of raw materials, stock-in-trade, finished goods, book debts and other current assets of the company by way of First Charge, guarantee of a directors and a corporate guarantee.		
<b>8. TRADE PAYABLES</b>		
A) Total outstanding dues of micro enterprises and small enterprises under Micro, Small and Medium Enterprises Development Act, 2006	—	—
B) Total outstanding dues of Creditors other than micro enterprises and small enterprises under Micro, Small and Medium Enterprises Development Act, 2006	4,47,37,588	4,28,67,941
	<b>4,47,37,588</b>	<b>4,28,67,941</b>
a) To the extent identified, the Company has no information from the suppliers covered under the Micro, Small and Medium Enterprise Development Act, 2006 and according, no disclosure is required in terms of section 22 of the said Act.		

BHATKAWA TEA INDUSTRIES LIMITED



	<b>As at 31.03.2016 Rs.</b>	As at 31.03.2015 Rs.
<b>9. OTHER CURRENT LIABILITIES</b>		
Current maturities of long term debt (Refer Note 4(a) and (b))		
Loan from Tea Board	4,96,576	4,96,576
Vehicle Loan	14,59,034	13,17,463
Interest accrued but not due on borrowings	35,155	37,334
Unpaid Dividend	5,70,781	4,20,320
Advances from customers etc.	2,40,31,305	20,21,489
Other Payables		
Statutory Payables	32,17,074	38,59,441
Excise duty on stock	34,349	24,869
Liability for Capital Expenditure (Refer Note 11(d))	7,05,412	3,52,706
Others	1,63,112	3,14,218
	<b>3,07,12,798</b>	<b>88,44,416</b>
<b>10. SHORT TERM PROVISIONS</b>		
For Gratuity	85,22,973	74,53,070
For Proposed Dividend	11,20,000	11,20,000
For Tax on Dividend	96,917	96,917
For Income Tax and Fringe Benefit Tax (Net of Advance Tax) (Refer Note 20)	10,78,845	3,55,735
	<b>1,08,18,735</b>	<b>90,25,722</b>



**NOTES FORMING PART OF THE ACCOUNTS**

**11. FIXED ASSETS**

	GROSS BLOCK				DEPRECIATION BLOCK			NET BLOCK			
	As on 01.04.2015	Additions	Deductions on sale/ Adjustment	As on <b>31.03.2016</b>	As on 01.04.2015	For the Year		As on <b>31.03.2016</b>	As on <b>31.03.2016</b>	As on 31.03.2015	
	Rs.	Rs.	Rs.	Rs.	Rs.	In Retained Earnings Rs.	In Statement of Profit & Loss Rs.	On Sale/ Transfer Rs.	Rs.	Rs.	Rs.
<b>TANGIBLE ASSETS</b>											
Land (Leasehold) & Development	7,27,70,086	—	—	<b>7,27,70,086</b>	7,42,538	—	3,71,269	—	<b>11,13,807</b>	<b>7,16,56,279</b>	7,20,27,548
Buildings	3,01,62,105	11,40,901	—	<b>3,13,03,006</b>	1,41,22,548	—	15,18,454	—	<b>1,56,41,002</b>	<b>1,56,62,003</b>	1,60,39,557
Plant & Equipments	5,45,65,599	1,00,42,715	21,22,046	<b>6,24,86,268</b>	3,48,76,022	—	21,79,890	14,53,737	<b>3,56,02,175</b>	<b>2,68,84,093</b>	1,96,89,576
Electrical Installations and Equipments	1,13,88,657	—	—	<b>1,13,88,657</b>	1,07,74,223	—	1,64,363	—	<b>1,09,38,586</b>	<b>4,50,071</b>	6,14,434
Office Equipments	48,19,272	1,15,680	—	<b>49,34,952</b>	42,99,350	—	2,58,078	—	<b>45,57,428</b>	<b>3,77,525</b>	5,19,922
Furniture & Fixtures	21,63,822	76,750	—	<b>22,40,572</b>	17,58,529	—	82,594	—	<b>18,41,122</b>	<b>3,99,450</b>	4,05,293
Vehicles	1,48,99,378	—	2,77,101	<b>1,46,22,276</b>	66,40,614	—	17,20,331	2,77,101	<b>80,83,843</b>	<b>65,38,433</b>	82,58,764
Irrigation Equipments	2,35,51,649	9,56,457	75,305	<b>2,44,32,801</b>	1,55,17,461	—	11,48,974	75,305	<b>1,65,91,130</b>	<b>78,41,671</b>	80,34,188
Water Supply System	40,00,871	1,88,059	—	<b>41,88,930</b>	23,47,237	—	1,42,798	—	<b>24,90,035</b>	<b>16,98,895</b>	16,53,634
Subtotal	21,83,21,438	1,25,20,562	24,74,452	<b>22,83,67,549</b>	9,10,78,522	—	75,86,750	18,06,143	<b>9,68,59,129</b>	<b>13,15,08,420</b>	12,72,42,916
<b>INTANGIBLE ASSETS</b>											
Computer Software	2,73,000	—	—	<b>2,73,000</b>	13,463	—	94,260	—	<b>1,07,723</b>	<b>1,65,277</b>	2,59,537
Subtotal	2,73,000	—	—	<b>2,73,000</b>	13,463	—	94,260	—	<b>1,07,723</b>	<b>1,65,277</b>	2,59,537
Total	21,85,94,438	1,25,20,563	24,74,453	<b>22,86,40,549</b>	9,10,91,985	—	76,81,010	18,06,143	<b>9,69,66,852</b>	<b>13,16,73,697</b>	12,75,02,453
Previous Year	21,28,74,031	1,26,07,461	68,87,053	<b>21,85,94,438</b>	7,72,55,074	97,01,820	90,13,116	48,78,025	<b>9,10,91,985</b>	<b>12,75,02,453</b>	13,56,18,957



- a) Buildings include Leasehold Land
- b) The Land (Leasehold) & Development, Buildings, Plant & Equipment and Electrical Installations of the company have been revalued as on 31st March 2006 as per valuation made by an approved valuer. This resulted in an increase in the book value of Land (Leasehold) & Development, Buildings, Equipment, Electrical Installations by Rs. 5,34,47,036, Rs. 1,12,60,636 and Rs. 1,18,10,995 Rs. 33,88,070 respectively which was credited to Revaluation Reserve Account as on 31st March 2006.
- c) Also Refer Note No. 4(a) and 7(a)
- d) Land (leasehold) and Development includes Rs. 70,54,120 in represent of levy of Salami by Government of West Bengal on renewal of lease of tea estates for the period from 24.04.2002 to 25.04.2032. The salami is payable in 20 equal annual installments of Rs. 3,52,706 including one installment on execution of lease deeds. (Also Refer Note 5 and 9)
- e) Deduction includes adjustment on account of subsidy received on plant and equipment Rs. Nil (Previous Year Rs. 11,41,337 ), Irrigation Equipments Rs. Nil (Previous Year Rs. 1,44,707). Depreciation is net of reversal of depreciation on subsidy received.
- f) Depreciation for the year includes Rs. 9,74,676 (previous year Rs. 17,73,728) pertaining to additional depreciation due to revaluation of Buildings, Plant & Equipments, Electrical Installations & equipments on 31st March, 2006. This amount has been adjusted from revaluation reserve and transferred to general reserve during the year which was earlier adjusted in the Statement of Profit & Loss.

BHATKAWA TEA INDUSTRIES LIMITED

**NOTES FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED/AS AT 31ST MARCH 2016**

	<b>As at 31.03.2016 Rs.</b>	<b>As at 31.03.2015 Rs.</b>
<b>12. NON-CURRENT INVESTMENTS (At cost)</b>		
<b>Other than trade</b>		
Government Securities (Unquoted)		
12 Year National Defence Certificates (Deposited with Central Excise)	<b>800</b>	800
<b>Trade Investments (Fully paid up) :</b>		
<b>Unquoted:</b>		
ABC Tea Workers Welfare Service 50 (50) Ordinary Shares of Rs.10 each	<b>500</b>	500
<b>Other Investments in Equity Instruments</b>		
<b>Unquoted :</b>		
<b>Investment in Associates</b>		
Pahargoomiah Tea Industries Pvt. Ltd. 14,00,000 (Nil) Refer Note 12.1 below	<b>2,10,00,000</b>	—
<b>Other Body Corporates</b>		
Bhakti Fiscal Pvt.Ltd. 300 (300) Equity Shares of Rs.100 each	<b>30,000</b>	30,000
Jalpaiguri Club Ltd. 10 (10) Ordinary Shares of Rs.10 each	<b>100</b>	100
Lake view Dealers Pvt. Ltd 83,000 (83,000) Equity Shares of Rs.10 each	<b>7,55,000</b>	7,55,000
Uphaar Financial Services Pvt. Ltd. 2,50,000 (2,50,000) Equity Shares of Rs.10 each	<b>1,75,000</b>	1,75,000
Nagarjuna Fertilizer Ltd. 20,350 (20,350) of Re. 1 each	<b>4,87,507</b>	4,87,507
<b>Quoted:</b>		
Equity Shares of Rs 10 each unless otherwise stated		
Balmer Lawrie Ltd. 350 (350)	<b>1,32,508</b>	1,32,508
Balrampur Chini Mills Limited. 15,000 (15,000)	<b>7,58,916</b>	7,58,916
Larsen & Toubro Ltd. 3,662 (3,462) of Rs.2 each	<b>25,15,526</b>	22,58,208
Oil & Natural Gas Corporation Ltd. 6,000 (6,000)	<b>17,79,878</b>	17,79,878
State Bank of India. 5,000 (5,000)	<b>8,82,914</b>	8,82,914
SAIL 10,000 (5,000)	<b>5,51,643</b>	3,27,012
<b>INVESTMENTS IN DEBENTURES</b>		
<b>Unquoted :</b>		
24 (24) 1/2% Registered Mortgage Debentures of Rs.100 each Woodland Hospital And Medical Research Centre (*)	<b>2,400</b>	2,400
<b>INVESTMENTS IN BONDS</b>		
<b>Unquoted :</b>		
9.45% Union Bank Perpetual 2016 Bond 4(4) of Rs.10 Lac each	<b>41,48,800</b>	41,48,800
8.2% Power Finance Corporation Limited. 712 (712) of Rs.1000 each	<b>7,12,000</b>	7,12,000
9.75% IFCI Ltd. Bond 1(1) of Rs.10 Lac each	<b>10,40,200</b>	10,40,200
8.38% India Infrastructure Finance Co. Ltd. 3100 (3100) of Rs.1000 each	<b>31,00,000</b>	31,00,000



**NOTES FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED/AS AT 31ST MARCH 2016**

	<b>As at 31.03.2016 Rs.</b>	As at 31.03.2015 Rs.
8.26% India Infrastructure Finance Co. Ltd. 1 (1) of Rs. 10 Lac each	<b>10,11,300</b>	10,11,300
8.76% Housing and Urban Development Corp. Ltd. 3000 (3000) of Rs.1000 each	<b>30,00,000</b>	30,00,000
8.76% National Housing Bank 231 (231) of Rs.5000 each	<b>11,55,000</b>	11,55,000
8.5% National Highway Authority of India 2671 (2100) of Rs.1000 each	<b>26,71,000</b>	21,00,000
	<b>4,59,10,992</b>	2,38,58,043
Less Provision for Diminution in Investments	<b>4,87,507</b>	5,03,173
	<b>4,54,23,485</b>	2,33,54,870
Aggregate Amount of Quoted Investments	<b>66,21,385</b>	61,39,436
Aggregate Amount of Unquoted Investments	<b>3,92,89,607</b>	1,77,18,607
Aggregate Market Value of Quoted Investments	<b>89,59,112</b>	1,04,03,256
Aggregate provision made for diminution in value of Investments	<b>4,87,507</b>	5,03,173

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

12.1 acquired on 29th June, 2015

**13. DEFERRED TAX ASSETS (Net)**

In accordance with Accounting Standard 22 "Accounting for taxes on Income" deferred tax assets have been recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

	<b>As on 31.03.2016</b>	<b>Increase/ (Decrease) in Deferred Tax</b>	<b>As on 01.04.2015</b>
<b>A. Deferred Tax Assets :</b>			
Expenses allowable on payment basis	63,41,996	(3,318)	63,45,314
<b>B. Deferred Tax Liabilities :</b>			
Depreciation difference	45,70,351	9,56,127	36,14,224
<b>C. Deferred tax assets/(liability) (Net)</b>	<b>17,71,645</b>	<b>(9,59,445)</b>	<b>99,59,537</b>
<b>Net increase/ (decrease) in deferred tax assets adjusted as :</b>			
Expense in the Statement of Profit or Loss			9,59,445
Credit to General Reserve			—
			<b>(9,59,445)</b>

BHATKAWA TEA INDUSTRIES LIMITED

**NOTES FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED/AS AT 31ST MARCH 2016**

	<b>As at 31.03.2016 Rs.</b>	<b>As at 31.03.2015 Rs.</b>
<b>14. LONG TERM LOANS AND ADVANCES</b>		
(Unsecured- Considered Good)		
Capital Advances	<b>1,10,00,000</b>	10,72,892
Loans and advances to related parties- (Refer Note 31)	—	2,10,00,000
Inter corporate Loans (Refer Note 14.2 below)	<b>10,00,000</b>	10,00,000
Security Deposit with related parties-Refer Note 31	<b>6,00,000</b>	6,00,000
Security deposit-others	<b>1,06,640</b>	95,580
Staff Advance (Refer Note 20.2)	<b>43,700</b>	94,600
MAT Credit receivable- Refer Note 14.1	<b>1,11,748</b>	1,48,175
	<b>1,28,62,088</b>	2,40,11,247

14.1 The Company is entitled to MAT credit and accordingly based on evidences MAT credit was recognised in the financial statements in the previous year.

14.2 Loans and Advances given to

- Related Parties

Pahargoomiah Tea Industries Pvt. (maximum amount outstanding Rs. 2,10,00,000; PY Rs. 2,10,00,000)	—	2,10,00,000
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- Others

Riga Sugar Company Limited (maximum amount outstanding Rs. 10,00,000; PY Rs. 10,00,000)	10,00,000	10,00,000
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(\*\*) These loans have been given for business purposes and are interest bearing.

**15. OTHER NON CURRENT ASSETS**

(Unsecured- Considered Good)

Other bank balances

Term deposit with maturity of over twelve months (under lien)	<b>7,80,580</b>	6,62,934
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Tea Board Subsidy Receivable (Refer Note 23.3)	<b>12,93,690</b>	23,44,368
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Tea Board Default Reserve (Refer Note 21.1)	<b>2,18,493</b>	2,18,493
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	<b>22,92,763</b>	32,25,795
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**NOTES FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED/AS AT 31ST MARCH 2016**

	<b>As at 31.03.2016 Rs.</b>	<b>As at 31.03.2015 Rs.</b>
<b>16. CURRENT INVESTMENTS</b>		
(At cost or market value whichever is lower)		
<b>(Other than trade)</b>		
<b><u>EQUITY INVESTMENTS</u></b>		
<b>Unquoted:</b>		
Kanpur Fertilizers & Cement Ltd. 429 (429)	<b>14,829</b>	14,829
<b>Quoted:</b>		
Equity Shares of Rs 10 each unless otherwise stated		
Tata Consultancy Services Ltd.116 (116) of Re.1 each	<b>24,650</b>	24,650
Tata Global Beverages Ltd. 12000 (11000)	<b>15,47,414</b>	14,03,505
UltraTech Cement Company Ltd. 400 (400)	<b>1,57,986</b>	1,57,986
Link Pen & Plastic Ltd. 1000 (1000)	<b>72,363</b>	72,363
Reliance Industries Ltd..400 (400)	<b>4,01,778</b>	4,01,778
Star Ferro & Cement Ltd. 7900 (8500)	<b>1,89,839</b>	4,08,513
Shyam Century Ferrous Ltd. 8500 (Nil)	<b>2,04,256</b>	—
Naihati Jute Mills Co. Ltd. Nil (10,000)	—	2,50,000
Castrol India Ltd. 300 (300)	<b>1,36,591</b>	1,36,591
TATA Steel Ltd. 1100 (700)	<b>3,49,976</b>	2,47,332
Maharashtra Seamless Ltd. 1000 (1000)	<b>2,10,972</b>	2,10,972
Jindal Steel & Power Ltd. 2500 (500)	<b>2,46,019</b>	92,289
Motherson Sumi Systems Ltd. 800 (Nil) of Re. 1	<b>2,13,454</b>	—
<b><u>INVESTMENTS IN MUTUAL FUND</u></b>		
<b>Unquoted:</b>		
Reliance Medium Term Fund - 12877.584 (6190.730) Units	<b>2,60,67,692</b>	1,15,53,953
Axis Treasury Fund - 1624.956 (179.353) Units	<b>26,91,586</b>	2,64,849
	<b>3,25,29,405</b>	1,52,39,610
Less Provision for Diminution in Investments	<b>4,40,023</b>	3,74,696
	<b>3,20,89,382</b>	1,48,64,914
Aggregate Value of Quoted Investments	<b>37,55,298</b>	34,05,979
Aggregate Value of Unquoted Investments	<b>2,87,74,107</b>	1,18,33,631
Aggregate Market Value of Quoted Investments	<b>55,86,557</b>	56,23,688
Aggregate provision made for diminution in value of Investments	<b>4,40,023</b>	3,74,696

BHATKAWA TEA INDUSTRIES LIMITED

**NOTES FORMING PART OF THE FINANCIAL STATEMENT  
FOR THE YEAR ENDED/AS AT 31ST MARCH 2016**

	<b>As at 31.03.2016 Rs.</b>	<b>As at 31.03.2015 Rs.</b>
<b>17. INVENTORIES :</b>		
As taken, valued and certified by the management- at lower of cost or net realisable value.		
Stock of Finished Goods-Tea	3,61,05,264	1,06,95,050
Stores and Spares	79,96,091	1,15,41,453
Stock of Foodstuff	42,670	1,92,118
	<b>4,41,44,025</b>	<b>2,24,28,620</b>
a) Refer Note No. 7(a)		
 <b>18. TRADE RECEIVABLES :</b>		
(Unsecured -Considered Good)		
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Secured, considered good		
Unsecured, considered good	2,38,058	12,55,493
Unsecured, considered Doubtful		
	<b>2,38,058</b>	<b>12,55,493</b>
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Secured, considered good		
Unsecured, considered good	82,38,247	1,90,62,048
	<b>82,38,247</b>	<b>1,90,62,048</b>
Total	<b>84,76,305</b>	<b>2,03,17,541</b>
a) Refer Note No. 7(a)		
 <b>19. CASH AND BANK BALANCES :</b>		
<b>Cash and Cash Equivalents</b>		
Balance with bank		
On Current Accounts	1,91,228	1,38,33,074
Cash in hand (as certified by the management)	20,10,814	49,190
Remittance in Transit	17,850	1,93,581
	<b>22,19,892</b>	<b>1,40,75,845</b>
<b>Other Bank Balances</b>		
Fixed Deposit	41,500	80,381
On Dividend Accounts	5,70,669	4,20,320
	<b>6,12,169</b>	<b>5,00,701</b>
	<b>28,32,061</b>	<b>1,45,76,546</b>



**NOTES FORMING PART OF THE FINANCIAL STATEMENT  
FOR THE YEAR ENDED/AS AT 31ST MARCH 2016**

	<b>As at 31.03.2016 Rs.</b>	<b>As at 31.03.2015 Rs.</b>
<b>20. SHORT TERM LOANS AND ADVANCES</b>		
(Unsecured-Considered Good)		
Loans and advance to related parties (Refer Note 31)	—	10,39,521
Inter corporate Loans (Refer Note 20.1)	<b>1,80,00,000</b>	1,80,00,000
Advance to Supplier	<b>23,82,429</b>	12,34,268
Staff Advances (Refer Note 20.2)	<b>1,27,537</b>	1,21,572
Prepaid Expenses	<b>5,00,148</b>	3,87,891
Other loans and advances	<b>18,682</b>	15,569
	<b><u>2,10,28,796</u></b>	<b><u>2,07,98,821</u></b>
<b>20.1 Particulars of Inter Corporate Loans</b>		
(a) Huldibari Industries & Plantation Co. Ltd. (Maximum outstanding balance for 2015-16- Rs. 25,00,000 and 2014-15- Rs. 25,00,000	—	25,00,000
b) Usha Breco Ltd (Maximum outstanding balance for 2015-16- Rs. 50,00,000 and 2014-15- Rs. 50,00,000	—	50,00,000
c) Addarsh Management Pvt Ltd (Maximum outstanding balance for 2015-16- Rs. 50,00,000 and 2014-15- Rs. 50,00,000	<b>50,00,000</b>	50,00,000
d) Elpro International Ltd (Maximum outstanding balance for 2015-16- Rs. 55,00,000 and 2014-15- Rs. 55,00,000)	<b>50,00,000</b>	55,00,000
e) Gillianders Arbuthnot Co. Ltd. A/c Micco (Maximum outstanding balance for 2015-16- Rs. 80,00,000 and 2014-15- Rs. Nil)	<b>80,00,000</b>	—
	<b><u>1,80,00,000</u></b>	<b><u>1,80,00,000</u></b>
(**) These loans have been given for business purposes.		
<b>20.2</b> Staff Advances includes Rs. 92,100/- (Previous Year Rs. 72,600/-) under Short Term Loans and Advances Rs. 43,700/- (Previous Year 94,600/-) under Long Term Loans and Advances in respect of loan to employees. Maximum outstanding Rs. 1,91,400/- (Previous Year Rs. 1,86,300/- )		
<b>21. OTHER CURRENT ASSETS</b>		
Interest Receivable	<b>4,73,066</b>	11,58,100
Tea Board Default Reserve Fund	<b>17,595</b>	8,90,118
	<b><u>4,90,661</u></b>	<b><u>20,48,217</u></b>
<b>21.1</b> Tea Board Default Reserve Fund represents the excess amount of interest paid to the Tea Board refund is receivable in the financial year 2016-17.		

BHATKAWA TEA INDUSTRIES LIMITED

**NOTES FORMING PART OF THE FINANCIAL STATEMENT  
FOR THE YEAR ENDED/AS AT 31ST MARCH 2016**

	2015 - 16 Rs.	2014 - 15 Rs.
<b>22. REVENUE FROM OPERATIONS</b>		
Sale of Tea	<b>21,49,41,591</b>	21,64,89,711
Less: Cess on tea	<b>7,47,776</b>	7,26,008
	<b>21,41,93,815</b>	21,57,63,703
22.1	<p>In terms of requirement of Accounting Standard on 'Revenue Recognition' from the current year in respect of consignment sales the company has recognized sales based on receipt of account sales from the consignee as against recognising the sales based on proforma invoice raised on the consignment agent. Accordingly, sales amounting to Rs. 2,70,16,555 based on proforma invoices raised and account sales are yet to be received, have not been recognised in these accounts. Consequently sales are lower by Rs. 2,70,16,555 and inventories are higher by Rs. 2,41,82,010</p>	
<b>23. OTHER INCOME :</b>		
Dividend on Investments (Refer Note (23.1) below)	<b>1,85,556</b>	1,88,984
Miscellaneous receipts	<b>19,38,401</b>	25,59,467
Interest Income (Refer Note (23.2) below)	<b>38,09,483</b>	53,69,482
Claims	<b>37,323</b>	49,769
Liabilities no longer required written back	<b>17,87,263</b>	5,679
Tea Board Subsidy (Refer Note (23.3) below)	—	58,60,917
Profit on Sale of Investments (Net) (Refer Note (23.4) below)	<b>9,00,858</b>	5,14,660
Profit on Sale of Fixed Asset (Net)	—	3,45,183
Rent	<b>1,29,200</b>	1,30,100
Provision for diminution of investments written back (net) (Refer (23.5) below)	—	5,47,222
	<b>87,98,084</b>	1,55,71,462
23.1	<p>The break up of Dividend on investments is as follows :</p>	
Dividend on Long Term Investments-Other than trade	<b>1,16,058</b>	1,57,434
Dividend on Current Investments-Other than trade	<b>69,498</b>	31,550
	<b>1,85,556</b>	1,88,984
23.2	<p>Interest Income includes:</p>	
On intercorporate loans	<b>22,85,094</b>	3,875,670
On Current Investments (Bonds)	<b>14,18,254</b>	1,405,428
On deposit with banks/others (net of pre maturity charges)	<b>1,06,135</b>	88,384
	<b>38,09,483</b>	53,69,482
23.3	<p>During the previous year, the company has received sanction of Tea Board subsidy for the period 2011-12, 2012-13 and 2013-14 of Rs. 58,60,917. Out of this Rs. 45,67,227 of the amount has been disbursed to the Company till date and balance of Rs. 12,93,690 will be released 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 be received has been disclosed as Tea Board Subsidy Receivable under Other Non Current Assets.</p>	



**NOTES FORMING PART OF THE FINANCIAL STATEMENT  
FOR THE YEAR ENDED/AS AT 31ST MARCH 2016**

	<b>2015 - 16</b>	2014 - 15
	<b>Rs.</b>	Rs.
23.4 The break up of profit on sale of investments (Net) is as follows:		
Profit/(Loss) on sale of Long Term Investments	<b>3,27,962</b>	—
Profit/(Loss) on sale of Current Investments	<b>5,82,896</b>	5,14,660
	<b>9,10,858</b>	5,14,660
23.5 The break up of Provision for diminution of investments written back is as follows:		
Diminution in long term investments	—	3,12,375
Diminution in current investments	—	2,34,847
	—	5,47,222
<b>24. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE</b>		
Closing Stock of tea	<b>3,61,05,264</b>	1,06,95,050
Opening stock of tea	<b>1,06,95,050</b>	1,03,24,450
(Increase)/Decrease	<b>(2,54,10,214)</b>	(3,70,600)
<b>25. EMPLOYEE BENEFIT EXPENSES</b>		
Salaries and Wages	<b>11,32,53,124</b>	10,58,02,166
Contribution to Provident and Other Funds (Refer Note 33)	<b>3,07,40,063</b>	1,90,31,704
Staff Welfare	<b>54,81,051</b>	66,25,039
	<b>14,94,74,238</b>	13,14,58,910
<b>26. FINANCE COSTS</b>		
Interest Costs		
On Cash Credit	<b>1,09,761</b>	81,187
On Loan From Tea Board	<b>3,27,986</b>	3,94,241
On Vehicle Loan	<b>2,28,294</b>	3,49,074
On Income Tax	<b>81,941</b>	6,500
On Others	<b>6,929</b>	3,591
Other Borrowing Costs	<b>1,70,173</b>	78,000
	<b>9,25,084</b>	9,12,592

BHATKAWA TEA INDUSTRIES LIMITED

**NOTES FORMING PART OF THE FINANCIAL STATEMENT  
FOR THE YEAR ENDED/AS AT 31ST MARCH 2016**

	2015 - 16 Rs.	2014 - 15 Rs.
<b>27. OTHER EXPENSES</b>		
Stores, Spares and Packing Material consumed—		
Indigenous	2,36,82,117	2,81,96,515
Power & Fuel	2,61,34,456	2,65,92,754
Repairs to Machinery	33,66,671	16,31,451
Repairs to Buildings	36,87,586	11,63,216
Repairs to Others	10,90,163	17,38,037
Rent	8,31,900	8,31,900
Rates and Taxes	4,68,949	6,64,289
Insurance	3,65,330	2,88,877
Carriage outward (Refer Note 27.5)	84,21,222	85,88,965
Brokerage and Commission	47,59,631	37,34,777
Selling and Distribution Expenses (Refer Note 27.1)	18,77,340	26,98,122
Subscription	6,77,858	6,76,617
Service Charges	2,40,000	2,52,330
Professional charges	7,77,704	7,11,206
Bank charges	1,24,557	52,497
Diminution in value of Investments (Net) (Refer Note 27.3)	49,661	—
Auditor's Remuneration (excluding service tax) :		
For Statutory Audit	1,25,000	75,000
For Tax Audit	30,000	20,000
For Certification etc	50,000	10,000
Travelling expenses	18,47,845	17,34,222
Loss on futures & options	—	10,94,636
Loss on sale of fixed asset (net)	2,03,262	—
Miscellaneous Expenses	32,70,229	23,53,901
	<b>8,20,81,481</b>	<b>8,31,09,310</b>
<b>27.1 Selling and Distribution Expenses</b>		
Tea warehousing charges	3,23,351	8,73,435
Advertisement	47,220	50,064
Conference & Seminar	2,00,000	4,45,000
Sales Promotion	3,63,834	—
Other sales charges	9,42,935	13,29,623
	<b>18,77,340</b>	<b>26,98,122</b>
27.2 Stores and spares consumed (Wholly indigenous) amount to Rs. 4,04,94,417 (Previous year Rs. 3,80,38,896) are included under various heads above		
27.3 The break up of diminution in value of investments is as follows :		
Diminution in long term investments	(15,666)	—
Diminution in current investments	65,327	—
	<b>49,661</b>	<b>—</b>
27.4 Expenditure in foreign currency		
Travelling expenses	2,77,857	6,07,483
27.5 Prior period expenses included in Carriage Outward	—	2,22,097



**NOTES FORMING PART OF THE FINANCIAL STATEMENT  
FOR THE YEAR ENDED/AS AT 31ST MARCH 2016**

	<b>31.03.2016</b>	31.03.2015
	<b>Rs.</b>	Rs.
<b>28. CONTINGENT LIABILITIES AND COMMITMENTS (to the extent not provided)</b>		
a) Capital commitments (net of advance)	<b>2,05,84,750</b>	1,04,48,676
b) Contingent Liabilities		
Bank Guarantee to WBSEDCL	<b>40,62,533</b>	40,62,533
Sales Tax under appeal	<b>15,06,356</b>	22,88,145
Income Tax	<b>13,26,765</b>	13,26,765
Income Tax in respect of corporate dividend tax (under appeal)	—	2,55,812
Agricultural Income Tax under appeal	<b>5,47,007</b>	5,47,007
<p>The Company's pending litigation comprise of proceedings 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 (b) above are dependent upon the outcome of the decision/judgements.</p>		
<b>29. Tax expense comprises :</b>		
Current tax for the year	<b>12,14,747</b>	7,80,000
Deferred Tax (credit)/charge	<b>9,59,445</b>	6,75,253
Income Tax relating to earlier years	—	2,23,980
	<b>21,74,192</b>	16,79,233

Current tax includes provision made for agricultural income tax as per Bengal Agricultural Income Tax Act, 1944.

**30.** Based on the guiding principles given in the Accounting Standards on 'Segment Reporting' (AS-17), the Company is primarily in the business of growing and manufacturing of tea. The Company's business activity falls within a single geographical segment (India) and business segment (tea), hence it has no reportable segment.

**31.** Related party disclosures as identified by the management in accordance with the Accounting Standard (AS 18) :

I Related Parties Relationships:	
Name of party	Nature of relation
a) Mr. S. Jalan	Key Management Personnel (Managing Director) (upto 9th October, 2015)
b) Mr. P. Jalan	Director and relative of Key Managerial Personnel
c) Bhakti Fiscal Pvt. Ltd. Sudarshan Jalan (HUF) Uphaar Financial Services Pvt. Ltd. Kirti Industrial Co. Ltd. Lake view Dealers Pvt. Ltd.	Enterprises where KMP and their relatives have significant influence
d) Pahargoomiah Tea Industries Pvt. Ltd.	Associate Company

B H A T K A W A T E A I N D U S T R I E S L I M I T E D

II The details of related party transactions entered into by the company are as follows :

a) Transactions with Key Management Personnel and their relatives :	2015-16 Rs.	2014-15 Rs.
<b>Transactions during the period</b>		
Managerial Remuneration		
Mr. S. Jalan	4,90,755	8,40,614
Mr. P. Jalan	7,75,760	7,22,000
Salary to relative of Key Managerial Personnel	3,36,000	—
Loan taken and repaid in full	—	—
Interest paid on Loan	—	—
Garage rent paid		
Mr. P. Jalan	18,000	18,000
<b>Balance at the end of the period</b>		
Security Deposit		
Mr. P. Jalan	1,500	1,500

b) Transactions and outstanding balances with Enterprise where director and relative have significant influence :

	Name of the Party	2015-16 Rs.	2014-15 Rs.
<b>Transactions during the period</b>			
Conference and Seminar Charges	Bhakti Fiscal Pvt. Ltd.	2,00,000	4,45,000
Rent and service charges	Uphaar Financial Services Pvt. Ltd.	1,71,900	1,71,900
	Kirti Industrial Co. Ltd.	9,00,000	9,00,000
Office Maintaince	Kirti Industrial Co. Ltd.	10,39,521	6,75,000
Reimbursement of electric charges	Kirti Industrial Co. Ltd.	75,000	1,80,000
Electricity and Telephone expenses incurred on behalf (recovered)	Pahargoomiah Tea Industries Pvt. Ltd.	39,600	39,600
Purchase of Stores and Spares	Pahargoomiah Tea Industries Pvt. Ltd.	—	—
Rent Income	Lake View Dealers Pvt. Ltd.	1,28,400	1,28,400
Interest Income	Pahargoomiah Tea Industries Pvt. Ltd.	—	23,21,000
Miscellaneous receipts on account of sale of stores etc.	Pahargoomiah Tea Industries Pvt. Ltd.	7,000	—
Consideration on sale of Fixed Assets	Pahargoomiah Tea Industries Pvt. Ltd.	1,89,625	2,22,044
	Sudarshan Jalan (HUF)	—	2,92,683
Inter Corporate Loans refunded*	Pahargoomiah Tea Industries Pvt. Ltd.*	2,10,00,000	1,00,000
Advance adjusted with rent	Kirti Industrial Co. Ltd.	10,39,521	—





Outstanding balances as at the end of the period	Name of the Party	31.03.2016 Rs.	31.03.2015 Rs.
Investments in Shares	Bhakti Fiscal Pvt. Ltd.	30,000	30,000
	Uphaar Financial Services Pvt. Ltd	1,75,000	1,75,000
	Lake View Dealers Pvt. Ltd.	7,55,000	7,55,000
	Pahaargoomiah Tea Industries Pvt. Ltd.*	2,10,00,000	—
	Intercorporate Loans*	Pahaargoomiah Tea Industries Pvt. Ltd.	—
Security Deposit	Kirti Industrial Co. Ltd.	6,00,000	6,00,000
Other Loans and Advances	Kirti Industrial Co. Ltd.	—	10,39,521
Corporate guarantee provided for cash credit taken by the company:	Uphaar Financial Services Pvt. Ltd	29,83,516	75,43,829
Outstanding balance			

Note :

- (i) In respect of the above parties, there is no provision for doubtful debts as on 31.03.2016 and no amount has been written off or written back during the year in respect of debts due from / to them.
- (ii) The above related party information is as identified by the management and relied upon the auditors.
- (iii) Expenses of Rs. 1,20,000 (Previous Year Rs. 2,40,000) has been reimbursed to Mr. N.N. Nagpaul (Non executive Director) for official purposes and hence the same has not been considered as remuneration for the above purpose.

\* converted into 14,00,000 no.s of equity shares of Rs. 10 each on 29th June, 2015

**32.** In accordance with Accounting Standard 20 'Earnings per Share' basic and diluted earnings per share are calculated as below :

Particulars	2015-16	2014-15
(a) Profit after tax (Rs.)	60,66,108	55,32,604
(b) Weighted Average Number of Equity Shares Outstanding	22,40,000	22,40,000
(c) Basic and Diluted Earnings per Share (Rs.) (Face value Rs 10/- per share) (a/b)	2.71	2.47

**33. Employee Benefits**

a) The disclosures required under Accounting Standard 15 "Employee Benefits" notified in the Companies (Accounting Standards) Rules 2006, are given below :

Defined Contribution Scheme	2015-16	2014-15
Contribution to Defined Contribution Plan, recognized for the period are as under :		
Employer's Contribution to Provident Fund	1,01,49,449	1,00,41,593

**Defined Benefit Scheme**

The employee's gratuity fund scheme is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

BHATKAWA TEA INDUSTRIES LIMITED

	<b>Gratuity (Funded) 31.03.2016</b>	<b>Gratuity (Funded) 31.03.2015</b>
<b>Expenses recognised during the period ended March 31, 2016</b>		
1. Current Service Cost	25,75,860	20,25,247
2. Interest Cost	32,70,927	31,38,105
3. Expected return on plan assets	(15,82,451)	(7,23,285)
4. Actuarial Losses / (Gains)	1,23,13,565	39,07,450
<b>Total Expenses</b>	<b>1,65,77,901</b>	<b>83,47,517</b>
<b>Net (Assets)/Liabilities recognised in Balance Sheet as March 31,2016</b>		
1. Present value of defined obligation	5,85,12,864	4,19,34,963
2. Fair value of Plan Assets	3,09,81,219	1,91,81,219
3. Net (Assets)/Liabilities recognised in Balance Sheet	<b>2,75,31,645</b>	<b>2,27,53,744</b>
<b>Change in the obligation during the period ended March 31, 2016</b>		
1. Present value of Defined Benefit Obligation at the beginning of the period	4,19,34,963	3,48,67,829
2. Current Service Cost	25,75,860	20,25,247
3. Interest Cost	32,70,927	31,38,105
4. Benefit Paid	—	(24,94,506)
5. Actuarial (Gains) / Losses	1,07,31,114	43,98,288
6. Present value of Defined Benefit Obligation at the end of the period	<b>5,85,12,864</b>	<b>4,19,34,963</b>
<b>Change in the fair value of Plan Assets during the period ended March 31, 2016</b>		
1. Fair Value of the Plan Assets at the beginning of the period	1,91,81,219	87,67,096
2. Expected return on plan assets	15,82,451	7,23,285
3. Actuarial gains/(loss) on Plan Assets	(15,82,451)	4,90,838
4. Contributions	1,18,00,000	1,16,94,506
5. Benefit Paid	—	24,94,506
6. Fair Value of the Plan Assets at the end of the period	3,09,81,219	1,91,81,219
7. Actual Return on Plan Assets	—	12,14,123
<b>Reconciliation of Net Asset / (Liability) recognised in the Balance Sheet during the period ended March 31, 2016</b>		
1. Net (Asset) / Liability at beginning of the period	2,27,53,744	2,61,00,733
2. Employer Expenses	1,65,77,901	83,47,517
3. Employer Contributions	(1,18,00,000)	(1,16,94,506)
4. Net (Asset) / Liability at the end of the period	<b>2,75,31,645</b>	<b>2,27,53,744</b>
<b>Actuarial Assumptions</b>		
1. Discount Rate	7.83%	7.80%
2. Expected Rate of Return on Plan Assets	8.25%	8.25%
3. Expected Salary increase rates	7.75%	5.00%
4. Mortality Rates	IALM06-08 Ultimate	IALM06-08 Ultimate



**Notes :**

- a) Assumptions related to future salary increases, attrition, interest rate for discount and overall expected rate of return on Assets have been considered based on relevant economic factors such as inflation, market growth and other factors applicable to the period over which the obligation is expected to be settled.
- b) The amounts of current annual period and previous four annual periods are as follows :

<b>Particulars</b>	<b>2015-16</b>	<b>2014-15</b>	<b>2013-14</b>	<b>2012-13</b>	<b>2011-12</b>
Present value of defined obligation	<b>5,85,12,864</b>	4,19,34,963	3,48,67,829	3,07,51,786	3,21,25,618
Fair value of Plan Assets	<b>3,09,81,219</b>	1,91,81,219	87,67,096	35,49,112	—
Excess of obligation over Plan Assets	<b>2,75,31,645</b>	2,27,53,744	2,61,00,733	2,72,02,674	3,21,25,618
Experience adjustment (Gain)/ Loss on plan liabilities	<b>1,73,195</b>	7,51,394	14,88,356	(32,51,548)	38,04,593
Experience adjustment (Gain)/ Loss on plan assets	<b>(15,82,451)</b>	4,90,838	2,69,528	91,777	—

- c) The Company expects to contribute Rs. 1,29,00,000 (Previous Year Rs. 1,30,00,000) to Gratuity Fund for the next year.
- 34.** The company has taken several premises under cancellable operating leases. The lease term is upto 3 years and have the option of renewal on expiry of the lease period based on mutual agreement of both the parties. Rental expenses towards cancellable operating lease charged to statement of profit and loss amounts to Rs. 6,60,000 (previous year Rs. 6,60,000) and has been disclosed as "Rent" in Note 27 of the financial statement.
- 35.** Certain balances in trade receivables, trade payables, advance from customers, capital advances are subject to confirmation and consequential reconciliation. However, in the opinion of the directors, these have the value at least equal to the amount as stated, if realised in the ordinary course of business unless otherwise stated and hence, will have no material impact on the accounts.
- 36.** Previous year's figures have been rearranged and re-grouped wherever necessary.

Place : Kolkata  
Date : 13th August, 2016

For Lodha & Co.  
(Chartered Accountants)  
H.K. Verma  
Partner

For Bhatkawa Tea Industries Limited  
Padmanabh Jalan Director  
Rashmi Chitlangia Director

# CONSOLIDATED FINANCIAL STATEMENTS

BHATKAWA TEA INDUSTRIES LIMITED

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## INDEPENDENT AUDITORS' REPORT

To the Members of BHATKAWA TEA INDUSTRIES LIMITED

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **BHATKAWA TEA INDUSTRIES LIMITED** ("the Company"), and its associates which comprise the Consolidated Balance Sheet as at March 31, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

### Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of requirement of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act read with Rule 7 of Companies (Accounts) Rules, 2014. The respective Board of Directors of the Company and its associate company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and its associate and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India; of the consolidated



state of affairs of the Company and its associate company incorporated in India, as at 31<sup>st</sup> March, 2016, their consolidated profit and their consolidated cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

As required by Section 143(3) of the Act, 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 and its associate so far as appears from our examination of those;
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this report are in agreement with the books of account ;
- d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards 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 of the Company and its associate, as on March 31, 2016, taken on record by the Board of Directors of the Company and its associate company incorporated in India, none of the directors of the Company and its associate is disqualified as on March 31, 2016, 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 its associate company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”.
- g) With respect to the other matters to be included in the Auditors’ Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. As per the representation received from the management, the Company has disclosed the impact of pending litigations on its financial position in its consolidated financial statements (refer Note 28(b) to the consolidated financial statements.
  - ii. The Company does not have any long-term contracts, including derivative contracts, for which there were any material foreseeable losses.
  - iii. Following are the instances of delay in transferring amounts, required to be transferred, to the Investor Protection Fund by the Company.

Sl. No.	Particulars	Due date of transfer	Actual date of transfer	Amount
1.	Unclaimed Dividend of Year 2007-08	31 <sup>st</sup> January, 2016	26 <sup>th</sup> May, 2016	Rs. 53,172/-

For Lodha & Co.  
Chartered Accountants  
Firm’s ICAI Registration No. : 301051E  
H.K. Verma  
Partner  
Membership No. 055104

Place : Kolkata  
Date : 13th August, 2016

**ANNEXURE 'A' REFERRED TO IN OUR REPORT OF EVEN DATE :**

**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") and its associate company as at March 31, 2016 in conjunction with our audit of the Consolidated financial statements of the Company and its associate for the year ended on that date.

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

The respective Board of Directors of the Company and its associate company incorporated in India are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company and its associate incorporated in India 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 consolidated financial information, as required under the Act.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company and its associate 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 Act, 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 ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the 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 and its associate'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 and its associate company incorporated in India 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, 2016, based on the internal control over financial reporting criteria established by the Company and its associate considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place : Kolkata  
Date : 13th August, 2016

For Lodha & Co.  
*Chartered Accountants*  
Firm's ICAI Registration No. : 301051E  
H.K. Verma  
Partner  
Membership No. 055104

BHATKAWA TEA INDUSTRIES LIMITED

**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2016**

	Note	As At 31.03.2016 Rs.	As At 31.03.2015 Rs.
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Fund:</b>			
Share Capital	2	2,24,00,000	2,24,00,000
Reserves and Surplus	3	16,54,86,360	15,96,67,309
<b>Non-Current Liabilities</b>			
Long - Term Borrowings	4	26,11,318	45,66,927
Other Long Term Liabilities	5	52,90,590	56,43,296
Long term provisions	6	1,90,08,672	1,53,00,674
<b>Current liabilities</b>			
Short-term borrowings	7	29,83,516	75,43,829
Trade payable	8		
Outstanding dues of micro enterprises and small enterprises		—	—
Outstanding dues of creditors other than micro enterprises and small enterprises		4,47,37,588	4,28,67,941
Other current liabilities	9	3,07,12,798	88,44,416
Short-term provisions	10	1,08,18,735	90,25,722
<b>TOTAL</b>		<b>30,40,49,577</b>	<b>27,58,60,114</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed Assets:			
–Tangible assets	11	13,15,08,420	12,72,42,916
–Intangible assets	11	1,65,277	2,59,537
Non-current investments	12	4,63,88,154	2,33,54,870
Deferred Tax Assets (Net)	13	17,71,645	27,31,090
Long term loans and advances	14	1,28,62,088	2,40,11,247
Other Non- Current Assets	15	22,92,763	32,25,795
<b>Current Assets</b>			
Current Investments	16	3,20,89,382	1,48,64,914
Inventories	17	4,41,44,025	2,24,28,620
Trade Receivables	18	84,76,305	2,03,17,541
Cash and Bank Balances	19	28,32,061	1,45,76,546
Short-term loans and advances	20	2,10,28,796	2,07,98,821
Other current assets	21	4,90,661	20,48,217
<b>TOTAL</b>		<b>30,40,49,577</b>	<b>27,58,60,114</b>
Significant Accounting Policies	1		
Notes to the financial statements	2-36		

The notes referred to above form part of the Financial Statements.  
This is the Balance Sheet referred to in our report of even date.

Place : Kolkata  
Date : 13th August, 2016

For Lodha & Co.  
(Chartered Accountants)  
H.K. Verma  
Partner

For Bhatkawa Tea Industries Limited  
Padmanabh Jalan *Director*  
Rashmi Chitlangia *Director*





**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2016**

	Note	For the year ended 31.03.2016 Rs.	For the year ended 31.03.2015 Rs.
Revenue From Operations	22	21,41,93,815	21,57,63,703
Other Income	23	87,98,084	1,55,71,462
<b>Total Revenue</b>		<b>22,29,91,899</b>	<b>23,13,35,165</b>
<b>Expenses</b>			
Change in inventories of finished goods, (Increase)/Decrease	24	(2,54,10,214)	(3,70,600)
Employee Benefit Expenses	25	14,94,74,238	13,14,58,910
Finance Cost	26	9,25,084	9,12,592
Depreciation and amortization expenses	11	76,81,010	90,13,116
Other Expenses	27	8,20,81,481	8,31,09,310
<b>Total Expenses</b>		<b>21,47,51,599</b>	<b>22,41,23,328</b>
<b>Profit before Tax</b>		<b>82,40,300</b>	<b>72,11,837</b>
Less : Tax Expense	29		
Current Tax		12,14,747	7,80,000
Deferred Tax		9,59,445	6,75,253
Income Tax relating to earlier years		—	2,23,980
<b>Profit after Tax</b>		<b>60,66,108</b>	<b>55,32,604</b>
<b>Add : Share of Profit in Associate Company</b>		<b>9,64,669</b>	<b>—</b>
<b>Profit for the Year</b>		<b>70,30,777</b>	<b>—</b>
Basic and Diluted Earnings per Share	32	2.71	2.47

Significant Accounting Policies

1

Notes to the financial statements

2-36

The notes referred to above form part of the Financial Statements.

This is the Statement of Profit & Loss Account referred to in our report of even date.

Place : Kolkata  
Date : 13th August, 2016

For Lodha & Co.  
(Chartered Accountants)  
H.K. Verma  
Partner

For Bhatkawa Tea Industries Limited  
Padmanabh Jalan Director  
Rashmi Chitlangia Director

BHATKAWA TEA INDUSTRIES LIMITED

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016**

	Year ended 31st March, 2016 Rs.	Year ended 31st March, 2015 Rs.
<b>A. Cash Flow from Operating activities:</b>		
Net Profit before tax, exceptional and prior period items	82,40,300	72,11,837
<b>Adjustments for:</b>		
Depreciation	76,81,010	90,13,116
Diminution in value of Investments(Net)	49,661	(5,47,222)
Investment Income	(1,85,556)	(1,88,984)
(Profit)/Loss on sale of Investments (Net)	(9,10,858)	(5,14,660)
(Profit)/Loss on sale of Fixed Assets (Net)	2,03,262	(3,45,183)
Liabilities no longer required written back	(17,87,263)	(5,679)
Interest income	(38,09,483)	(53,69,482)
Finance Costs	9,25,084	9,12,592
<b>Operating Profit before Working Capital changes</b>	<b>1,04,06,157</b>	<b>1,01,66,336</b>
Adjusted for:		
Trade and Other Receivable	1,25,51,430	(97,70,823)
Inventories	(2,17,15,405)	3,64,266
Trade and Other Payables	2,98,11,096	66,98,160
<b>Cash generated from Operations</b>	<b>3,10,53,278</b>	<b>74,57,939</b>
Direct Taxes paid	(4,55,209)	(18,76,485)
Net cash from Operating Activities	<b>3,05,98,069</b>	<b>55,81,454</b>
<b>B. Cash Flow from Investing Activities:</b>		
Purchase of Fixed Assets	(2,35,20,562)	(1,40,33,059)
Sale/Adjustment of Fixed Assets	4,65,046	23,54,211
Refund of capital Advances	10,72,892	1,10,32,829
Term deposit over three months maturity	(78,765)	(22,719)
Purchase of Investments	(6,93,37,690)	(2,98,45,414)
Sale of Investments	3,09,05,801	2,42,38,314
Investment Income	1,85,556	1,88,984
Intercorporate Loans given	2,10,00,000	(18,34,177)
Interest received	44,94,517	46,36,923
<b>Net Cash used in Investing Activities</b>	<b>(3,48,13,205)</b>	<b>(32,84,108)</b>
<b>C. Cash Flow from Financing Activities:</b>		
Proceeds/(repayment) of borrowings	(63,74,351)	99,13,136
Interest paid	(9,27,263)	(8,82,454)
Deposits to Tea Board Default Reserve (net)	8,72,523	(4,83,325)
Dividend paid	(11,20,000)	(11,20,000)
Dividend Distribution Tax paid	(91,726)	(76,138)
Net Cash from/(used) Financing Activities	<b>(76,40,817)</b>	<b>73,51,219</b>

B H A T K A W A T E A I N D U S T R I E S L I M I T E D



<b>Net increase in Cash and Cash Equivalents</b>	<b>(1,18,55,953)</b>	96,48,564
<b>Cash and Cash equivalent - Opening balance</b>	<b>1,40,75,845</b>	44,27,281
<b>Cash and Cash equivalent - Closing balance</b>	<b>22,19,892</b>	1,40,75,845

**Notes :**

- a) Cash flow statement is prepared by the Indirect Method as set out in Accounting Standard-3 on Cash Flow Statement.
- b) Previous year figures have been rearranged and regrouped wherever necessary

This is the cash flow referred to in our report of even date

Place : Kolkata  
Date : 13th August, 2016

For Lodha & Co.  
(Chartered Accountants)  
H.K. Verma  
Partner

For Bhatkawa Tea Industries Limited  
Padmanabh Jalan *Director*  
Rashmi Chitlangia *Director*

**ACCOUNTING POLICIES AND NOTES ON CONSOLIDATED FINANCIAL STATEMENTS**

**1.1 SIGNIFICANT ACCOUNTING POLICIES**

- A. The Consolidated Financial Statements of Bhatkawa Tea Industries Ltd. ('the Company') and its associate company have been prepared in accordance with the Accounting Standard (AS)-23 "Accounting for Investments in Associates in Consolidated Financial Statements" notified vide Companies (Accounting Standards) Rules, 2006.
- B. The name, country of incorporation or residence and the proportion of ownership interest of associate company considered in the consolidated financial statements are as under :

Name of Associate Company	Country of Incorporation	Proportion of Ownership As at 31.03.2016
Pahargoomiah Tea Industries Ltd.	India	37.54%

- C. Investments in associate are accounted in accordance with AS 23 under "equity method". Unrealized profit/loss are eliminated to the extent of share in the associate company.
- D. The difference between the cost of Investments in associate and the share of net assets at the time of acquisition of shares in associate is identified in the consolidated financial statements as Goodwill or Capital reserve as the case may be.
- E. Investments other than in associate have been accounted as per Accounting Standard (AS) 13 "Accounting for Investments".

**1.2 OTHER SIGNIFICANT ACCOUNTING POLICIES**

**A. GENERAL**

These accounts have been prepared under the historical cost convention and in accordance with the provision of Companies Act 2013 and Accounting Standards as prescribed under section 133 of the Companies Act, 2013, read with paragraph 7 of the Companies (Accounts) Rules, 2014. Accounting policies unless specifically stated to be otherwise, are consistent and are in consonance with generally accepted accounting principles.

**B. USE OF ESTIMATES**

The preparation of financial statements require management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures relating to contingent liabilities as at the Balance Sheet date and the reported amounts of income and expenses during the year.

Contingencies are recorded when it is probable that a liability will be incurred and the amounts can reasonably be estimated. Differences between the actual results and estimates are recognized in the year in which the results are known / materialized.

**C. SALES**

Sales are recognized in the accounts on passing of title of the goods i.e. delivery as per terms of sale, on completion of auction in case of auction sale and on receipt of account sale in case of consignment sales. Sales are net of Value Added Tax (VAT).

**D. FIXED ASSETS**

Fixed assets are carried at cost of acquisition or revalued amount as the case may be less depreciation. Expenditure incurred on Replanting & Development of Tea Bushes is charged to revenue and expenses on Extension planting are capitalized. Related Tea Board Subsidies are accrued as Other Income on obtaining approval from Tea Board. Subsidies related to purchase of fixed assets is reduced from the cost of relevant fixed assets.

**E. IMPAIRMENT**

Fixed Assets are reviewed at each balance sheet date for impairment. In case events and circumstances indicate any impairment, recoverable amount of fixed asset is determined. An impairment loss is recognized, whenever the carrying amounts of assets exceeds recoverable amount. The recoverable amount is the greater of asset's net selling price or its value in use. In assessing the value in use, the estimated future cash flow from the use of assets are discounted to their present value at appropriate rate. An impairment loss is reversed if there has been change in the recoverable amount and such loss either no longer exists or has decreased. Impairment loss/reversal thereof is adjusted to the carrying value of the respective asset.

**F. DEPRECIATION AND AMORTIZATION**

Parent Company (Bhatkawa Tea Industries Limited)

Depreciation on assets other than leasehold land and improvements has been provided on the carrying amounts in accordance with Schedule II to the Companies Act, 2013 on straight-line method. Depreciation on Additions/Deductions is calculated pro-rata with respect to the month of additions/deductions. In case of revalued assets, the amount equivalent to the additional depreciation on account of revaluation is recouped from the revaluation reserve and transferred to General Reserve as at the year end. In respect of leasehold land and development, the salami paid to Government is amortized over the remaining period of lease on straight line method.

In respect of Associate (Pahargoomiah Tea Industries Limited.)

Depreciation on fixed assets ( tangible ) are provided for under Written down value method. Effective 1<sup>st</sup> April, 2014, the associate depreciates it's fixed assets over the useful life in the manner prescribed in Schedule II of the Companies Act, 2013.

**G. INVESTMENTS**

Long Term Investments are stated at cost less provisions, if any, for diminution in values thereof, other than temporary. Current Investments are valued at cost or fair value as the case may be. Gain/losses on disposal of investments are recognised as income/expenditure.

**H. INVENTORIES**

Inventories are valued as under:

- i) Stores and Spare Parts are valued at cost or realizable value whichever is lower and the cost is computed on weighted average basis.
- ii) Finished goods are valued at cost or realizable value whichever is lower. Cost includes all attributable charges and is computed on weighted average basis.
- iii) Stock of food stuff is valued at cost or realizable value whichever is lower and the cost is computed on First in First out basis.

**I. EMPLOYEE BENEFIT**

Parent Company (Bhatkawa Tea Industries Limited)

- i) Short term employee benefits are recognized at the undiscounted amount as expenses for the year in which the related service is rendered.
- ii) Contribution to defined contributions schemes such as provident fund etc recognized as and when incurred.
- iii) Long term employee benefits under defined scheme such as contribution to gratuity are determined at the close of the year at present value of the amount using projected unit credit method with actuarial valuation techniques.
- iv) Leave is accumulated and encashed on a calendar year basis. Liability for the last three months of the financial year is accrued as per management estimate and considered as a short term benefit.

**J. BORROWING COST**

Borrowing cost that is attributable to the acquisition or construction of fixed assets are capitalized as part of the borrowing costs are recognized as expenses in the year in which they are incurred.

**K. TAXES ON INCOME**

Provision for taxes is made for current and deferred taxes. Current tax is provided on the taxable income using the applicable tax rates and tax laws. Deferred tax assets / liabilities arising on account of timing differences, which are capable of reversal in subsequent periods, are recognised using the tax rates and tax laws which have been enacted or substantively enacted. Deferred tax assets are not recognized unless there is sufficient assurance with respect to reversal of the same in future years. Entitlement credit in respect of Minimum Alternate Tax (MAT) is recognised only if there is convincing evidence of realization of the same.

**L. PROVISION, CONTINGENT LIABILITIES AND CONTINGENT ASSETS :**

Provisions involving substantial degree of estimates in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent assets are neither recognized nor disclosed in the financial statement.



**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT  
FOR THE YEAR ENDED / AS AT 31ST MARCH, 2016**

	As at 31.03.2016 Rs.	As at 31.03.2015 Rs.
<b>2. SHARE CAPITAL :</b>		
<b>Authorised</b>		
40,00,000 Ordinary Shares of Rs.10 each	<u>4,00,00,000</u>	<u>4,00,00,000</u>
<b>Issued and Subscribed and Fully Paid up</b>		
22,40,000 Ordinary Shares of Rs.10 each fully paid up	<u>2,24,00,000</u>	<u>2,24,00,000</u>
	<u>2,24,00,000</u>	<u>2,24,00,000</u>
a) Shareholders holding more than 5% shares	<b>No. of shares</b>	<b>No. of shares</b>
Name of Shareholder		
Sudarshan Jalan	446,508	446,508
M/S Kirti Industrial Company Limited	315,915	315,915
Minakshi Jalan	546,194	546,194
Padmanabh Jalan	244,090	244,090
Uphaar Financial Services Pvt. Ltd.	165,575	165,575
b) Terms and 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) There is no movement in the number of shares at the beginning and at the end of the year.		
<b>3. RESERVES AND SURPLUS</b>		
<b>General Reserve</b>		
Opening Balance	<b>3,16,47,085</b>	3,05,98,391
Add: Transfer from Revaluation Reserve	<b>10,21,229</b>	82,80,497
Less: Adjustment pursuant to Schedule II of The Companies Act, 2013 (net of deferred tax of Rs. 9,70,017)	—	87,31,803
Add: Transfer from Surplus	<u>15,00,000</u>	<u>15,00,000</u>
Closing Balance	<u>3,41,68,314</u>	<u>3,16,47,085</u>
<b>Revaluation Reserve</b>		
Opening Balance	<b>5,99,37,477</b>	6,82,17,974
Less: Transfer to General Reserve (for adjustment pursuant to Schedule II of The Companies Act, 2013)	—	65,06,769
Less: Transfer to General Reserve (Depreciation on revalued amount for the year) (Refer Note 11(f))	<b>9,74,676</b>	17,73,728
Less: Transfer on Sale of Assets	<u>46,552</u>	—
Closing Balance	<u>5,89,16,248</u>	<u>5,99,37,477</u>

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	As at 31.03.2016 Rs.	As at 31.03.2015 Rs.
<b>Surplus</b>		
Opening Balance	6,80,82,747	6,52,61,869
Add: Transfer from Statement of Profit and Loss	70,30,777	55,32,604
Less: Appropriations		
Proposed Dividend	11,20,000	11,20,000
(Dividend per share of Rs.0.50 each (Previous year Re.0.50 each))		
Tax on Dividend- Refer Note 3.1	91,726	91,726
Transfer to General Reserve	15,00,000	15,00,000
Closing Balance	<u>7,24,01,798</u>	<u>6,80,82,747</u>
	<u>16,54,86,360</u>	<u>15,96,67,309</u>

- 3.1 Based on certain legal cases, the Company has provided corporate dividend distribution tax only to the extent the profit is attributable to non agricultural income.

**4. LONG TERM BORROWINGS**

**Loan from Tea Board (Secured)**

Under Special Purpose Tea Fund Scheme	24,82,879	29,79,455
Vehicle Loan	1,28,439	15,87,472
	<u>26,11,318</u>	<u>45,66,927</u>

- a) Loan from Tea Board (including current maturities of long term debt as given in Note 9) 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 10 year Government securities rate plus 1.50% (10.46% during the year).
- b) Vehicle Loan (including current maturities of long term debt as given in Note 9) is secured by hypothecation of vehicle. The loan is repayable in 36 monthly installments beginning May, 2014.

2015-16	—	13,17,463
2016-17	14,59,034	14,59,026
2017-18	1,28,439	1,28,439

**5. OTHER LONG TERM LIABILITIES**

Liability for Capital Expenditure (Refer Note 5(a) and 11(d))	52,90,590	56,43,296
	<u>52,90,590</u>	<u>56,43,296</u>

- 5 (a) 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 year, Order has been received from "The Office of the District Magistrate,





Alipurduar” for realisation of Salami in a single installment in terms of Order No. 2531(5)-LP dated 28.08.2015. The company has represented before the Additional District Magistrate of Land and Land Reform Department to withdraw such demand for payment in a single installment. Pending outcome of the representation, the liability to the extent not payable within the next year as per original order has been classified as above.

	<b>As at 31.03.2016 Rs.</b>	As at 31.03.2015 Rs.
<b>6. LONG TERM PROVISIONS</b>		
Provision for Gratuity	<b>1,90,08,672</b>	1,53,00,674
	<b>1,90,08,672</b>	1,53,00,674
<b>7. SHORT TERM BORROWINGS</b>		
Repayable on demand (Secured)		
<b>From Bank :</b>		
Cash Credit Account	<b>29,83,516</b>	75,43,829
	<b>29,83,516</b>	75,43,829
a) Secured by Equitable Mortgage of immovable properties at garden and hypothecation of plant and machinery and other movable assets of the company and hypothecation of raw materials, stock-in-trade, finished goods, book debts and other current assets of the company by way of First Charge, guarantee of a directors and a corporate guarantee.		
<b>8. TRADE PAYABLES</b>		
A) Total outstanding dues of micro enterprises and small enterprises under Micro, Small and Medium Enterprises Development Act, 2006	—	—
B) Total outstanding dues of Creditors other than micro enterprises and small enterprises under Micro, Small and Medium Enterprises Development Act, 2006	<b>4,47,37,588</b>	4,28,67,941
	<b>4,47,37,588</b>	4,28,67,941
a) To the extent identified, the Company has no information from the suppliers covered under the Micro, Small and Medium Enterprise Development Act, 2006 and according, no disclosure is required in terms of section 22 of the said Act.		

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	<b>As at 31.03.2016 Rs.</b>	As at 31.03.2015 Rs.
<b>9. OTHER CURRENT LIABILITIES</b>		
Current maturities of long term debt (Refer Note 4(a) and (b))		
Loan from Tea Board	4,96,576	4,96,576
Vehicle Loan	14,59,034	13,17,463
Interest accrued but not due on borrowings	35,155	37,334
Unpaid Dividend	5,70,781	4,20,320
Advances from customers etc.	2,40,31,305	20,21,489
Other Payables		
Statutory Payables	32,17,074	38,59,441
Excise duty on stock	34,349	24,869
Liability for Capital Expenditure (Refer Note 11(d))	7,05,412	3,52,706
Others	1,63,112	3,14,218
	<u>3,07,12,798</u>	<u>88,44,416</u>
<b>10. SHORT TERM PROVISIONS</b>		
For Gratuity	85,22,973	74,53,070
For Proposed Dividend	11,20,000	11,20,000
For Tax on Dividend	96,917	96,917
For Income Tax and Fringe Benefit Tax (Net of Advance Tax) (Refer Note 20)	10,78,845	3,55,735
	<u>1,08,18,735</u>	<u>90,25,722</u>

BHATKAWA TEA INDUSTRIES LIMITED



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT

11. FIXED ASSETS

	GROSS BLOCK				DEPRECIATION BLOCK			NET BLOCK			
	As on 01.04.2015	Additions	Deductions on sale/ Adjustment	As on 31.03.2016	As on 01.04.2015	For the Year	On Sale/ Transfer	As on 31.03.2016	As on 31.03.2016	As on 31.03.2015	
	Rs.	Rs.	Rs.	Rs.	Rs.	In Retained Earnings Rs.	In Statement of Profit & Loss Rs.	Rs.	Rs.	Rs.	
<b>TANGIBLE ASSETS</b>											
Land (Leasehold) & Development	7,27,70,086	—	—	<b>7,27,70,086</b>	7,42,538	—	3,71,269	—	<b>11,13,807</b>	<b>7,16,56,279</b>	7,20,27,548
Buildings	3,01,62,105	11,40,901	—	<b>3,13,03,006</b>	1,41,22,548	—	15,18,454	—	<b>1,56,41,002</b>	<b>1,56,62,003</b>	1,60,39,557
Plant & Equipments	5,45,65,599	1,00,42,715	21,22,046	<b>6,24,86,268</b>	3,48,76,022	—	21,79,890	14,53,737	<b>3,56,02,175</b>	<b>2,68,84,093</b>	1,96,89,576
Electrical Installations and Equipments	1,13,88,657	—	—	<b>1,13,88,657</b>	1,07,74,223	—	1,64,363	—	<b>1,09,38,586</b>	<b>4,50,071</b>	6,14,434
Office Equipments	48,19,272	1,15,680	—	<b>49,34,952</b>	42,99,350	—	2,58,078	—	<b>45,57,428</b>	<b>3,77,525</b>	5,19,922
Furniture & Fixtures	21,63,822	76,750	—	<b>22,40,572</b>	17,58,529	—	82,594	—	<b>18,41,122</b>	<b>3,99,450</b>	4,05,293
Vehicles	1,48,99,378	—	2,77,101	<b>1,46,22,276</b>	66,40,614	—	17,20,331	2,77,101	<b>80,83,843</b>	<b>65,38,433</b>	82,58,764
Irrigation Equipments	2,35,51,649	9,56,457	75,305	<b>2,44,32,801</b>	1,55,17,461	—	11,48,974	75,305	<b>1,65,91,130</b>	<b>78,41,671</b>	80,34,188
Water Supply System	40,00,871	1,88,059	—	<b>41,88,930</b>	23,47,237	—	1,42,798	—	<b>24,90,035</b>	<b>16,98,895</b>	16,53,634
Subtotal	21,83,21,438	1,25,20,562	24,74,452	<b>22,83,67,549</b>	9,10,78,522	—	75,86,750	18,06,143	<b>9,68,59,129</b>	<b>13,15,08,420</b>	12,72,42,916
<b>INTANGIBLE ASSETS</b>											
Computer Software	2,73,000	—	—	<b>2,73,000</b>	13,463	—	94,260	—	<b>1,07,723</b>	<b>1,65,277</b>	2,59,537
Subtotal	2,73,000	—	—	<b>2,73,000</b>	13,463	—	94,260	—	<b>1,07,723</b>	<b>1,65,277</b>	2,59,537
Total	21,85,94,438	1,25,20,563	24,74,453	<b>22,86,40,549</b>	9,10,91,985	—	76,81,010	18,06,143	<b>9,69,66,852</b>	<b>13,16,73,697</b>	12,75,02,453
Previous Year	21,28,74,031	1,26,07,461	68,87,053	<b>21,85,94,438</b>	7,72,55,074	97,01,820	90,13,116	48,78,025	<b>9,10,91,985</b>	<b>12,75,02,453</b>	13,56,18,958

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- a) Buildings include Leasehold Land
- b) The Land (Leasehold) & Development, Buildings, Plant & Equipment and Electrical Installations of the company have been revalued as on 31st March 2006 as per valuation made by an approved valuer. This resulted in an increase in the book value of Land (Leasehold) & Development, Buildings, Equipment, Electrical Installations by Rs. 5,34,47,036, Rs. 1,12,60,636 and Rs. 1,18,10,995 Rs. 33,88,070 respectively which was credited to Revaluation Reserve Account as on 31st March 2006.
- c) Also Refer Note No. 4(a) and 7(a)
- d) Land (leasehold) and Development includes Rs. 70,54,120 in represent of levy of Salami by Government of West Bengal on renewal of lease of tea estates for the period from 24.04.2002 to 25.04.2032. The salami is payable in 20 equal annual installments of Rs. 3,52,706 including one installment on execution of lease deeds. (Also Refer Note 5 and 9)
- e) Deduction includes adjustment on account of subsidy received on plant and equipment Rs. Nil (Previous Year Rs. 11,41,337 ), Irrigation Equipments Rs. Nil (Previous Year Rs. 1,44,707). Depreciation is net of reversal of depreciation on subsidy received.
- f) Depreciation for the year includes Rs. 9,74,676 (previous year Rs. 17,73,728) pertaining to additional depreciation due to revaluation of Buildings, Plant & Equipments, Electrical Installations & equipments on 31st March, 2006. This amount has been adjusted from revaluation reserve and transferred to general reserve during the year which was earlier adjusted in the Statement of Profit & Loss.



**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT  
FOR THE YEAR ENDED/AS AT 31ST MARCH 2016**

	<b>As at 31.03.2016 Rs.</b>	<b>As at 31.03.2015 Rs.</b>
<b>12. NON-CURRENT INVESTMENTS (At cost)</b>		
<b>Other than trade</b>		
Government Securities (Unquoted)		
12 Year National Defence Certificates (Deposited with Central Excise)	<b>800</b>	800
<b>Trade Investments (Fully paid up) :</b>		
<b>Unquoted:</b>		
ABC Tea Workers Welfare Service 50 (50) Ordinary Shares of Rs.10 each	<b>500</b>	500
<b>Other Investments in Equity Instruments</b>		
<b>Unquoted :</b>		
<b>Investment in Associates</b>		
Pahargoomiah Tea Industries Pvt. Ltd. 14,00,000 (Nil) Refer Note 12.1 below (includes goodwill of Rs.67,56,292 (P.Y. Nil))	<b>2,10,00,000</b>	—
Add : Share of Post Acquisition Profit for the year	<b>9,64,669</b>	
	<b>2,19,64,669</b>	
<b>Other Body Corporates</b>		
Bhakti Fiscal Pvt.Ltd. 300 (300) Equity Shares of Rs.100 each	<b>30,000</b>	30,000
Jalpaiguri Club Ltd. 10 (10) Ordinary Shares of Rs.10 each	<b>100</b>	100
Lake view Dealers Pvt. Ltd 83,000 (83,000) Equity Shares of Rs.10 each	<b>7,55,000</b>	7,55,000
Uphaar Financial Services Pvt. Ltd. 2,50,000 (2,50,000) Equity Shares of Rs.10 each	<b>1,75,000</b>	1,75,000
Nagarjuna Fertilizer Ltd. 20,350 (20,350) of Re. 1 each	<b>4,87,507</b>	4,87,507
<b>Quoted:</b>		
Equity Shares of Rs 10 each unless otherwise stated		
Balmer Lawrie Ltd. 350 (350)	<b>1,32,508</b>	1,32,508
Balrampur Chini Mills Limited. 15,000 (15,000)	<b>7,58,916</b>	7,58,916
Larsen & Toubro Ltd. 3,662 (3,462) of Rs.2 each	<b>25,15,526</b>	22,58,208
Oil & Natural Gas Corporation Ltd. 6,000 (6,000)	<b>17,79,878</b>	17,79,878
State Bank of India. 5,000 (5,000)	<b>8,82,914</b>	8,82,914
SAIL 10,000 (5,000)	<b>5,51,643</b>	3,27,012
<b><u>INVESTMENTS IN DEBENTURES</u></b>		
<b>Unquoted :</b>		
24 (24) 1/2% Registered Mortgage Debentures of Rs.100 each Woodland Hospital And Medical Research Centre (*)	<b>2,400</b>	2,400
<b><u>INVESTMENTS IN BONDS</u></b>		
<b>Unquoted :</b>		
9.45% Union Bank Perpetual 2016 Bond 4(4) of Rs.10 Lac each	<b>41,48,800</b>	41,48,800
8.2% Power Finance Corporation Limited. 712 (712) of Rs.1000 each	<b>7,12,000</b>	7,12,000
9.75% IFCI Ltd. Bond 1(1) of Rs.10 Lac each	<b>10,40,200</b>	10,40,200

BHATKAWA TEA INDUSTRIES LIMITED

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT  
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	<b>As at 31.03.2016 Rs.</b>	As at 31.03.2015 Rs.
8.38% India Infrastructure Finance Co. Ltd. 3100 (3100) of Rs.1000 each	<b>31,00,000</b>	31,00,000
8.26% India Infrastructure Finance Co. Ltd. 1 (1) of Rs. 10 Lac each	<b>10,11,300</b>	10,11,300
8.76% Housing and Urban Development Corp. Ltd. 3000 (3000) of Rs.1000 each	<b>30,00,000</b>	30,00,000
8.76% National Housing Bank 231 (231) of Rs.5000 each	<b>11,55,000</b>	11,55,000
8.5% National Highway Authority of India 2671 (2100) of Rs.1000 each	<b>26,71,000</b>	21,00,000
	<b>4,68,75,661</b>	2,38,58,043
Less Provision for Diminution in Investments	<b>4,87,507</b>	5,03,173
	<b>4,63,88,154</b>	2,33,54,870
Aggregate Amount of Quoted Investments	<b>66,21,385</b>	61,39,436
Aggregate Amount of Unquoted Investments	<b>4,02,54,276</b>	1,77,18,607
Aggregate Market Value of Quoted Investments	<b>89,59,112</b>	1,04,03,256
Aggregate provision made for diminution in value of Investments	<b>4,87,507</b>	5,03,173

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

12.1 acquired on 29th June, 2015

**13. DEFERRED TAX ASSETS (Net)**

In accordance with Accounting Standard 22 "Accounting for taxes on Income" deferred tax assets have been recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

	<b>As on 31.03.2016</b>	<b>Increase/ (Decrease) in Deferred Tax</b>	<b>As on 01.04.2015</b>
<b>A. Deferred Tax Assets :</b>			
Expenses allowable on payment basis	63,41,996	(3,318)	63,45,314
<b>B. Deferred Tax Liabilities :</b>			
Depreciation difference	45,70,351	9,56,127	36,14,224
<b>C. Deferred tax assets/(liability) (Net)</b>	<b>17,71,645</b>	<b>(9,59,445)</b>	<b>99,59,537</b>
<b>Net increase/ (decrease) in deferred tax assets adjusted as :</b>			
Expense in the Statement of Profit or Loss			9,59,445
Credit to General Reserve			—
			<b>(9,59,445)</b>



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FOR THE YEAR ENDED/AS AT 31ST MARCH 2016**

	<b>As at 31.03.2016 Rs.</b>	<b>As at 31.03.2015 Rs.</b>
<b>14. LONG TERM LOANS AND ADVANCES</b>		
(Unsecured- Considered Good)		
Capital Advances	<b>1,10,00,000</b>	10,72,892
Loans and advances to related parties- (Refer Note 31)	—	2,10,00,000
Inter corporate Loans (Refer Note 14.2 below)	<b>10,00,000</b>	10,00,000
Security Deposit with related parties-Refer Note 31	<b>6,00,000</b>	6,00,000
Security deposit-others	<b>1,06,640</b>	95,580
Staff Advance (Refer Note 20.2)	<b>43,700</b>	94,600
MAT Credit receivable- Refer Note 14.1	<b>1,11,748</b>	1,48,175
	<b><u>1,28,62,088</u></b>	<u>2,40,11,247</u>

14.1 The Company is entitled to MAT credit and accordingly based on evidences MAT credit was recognised in the financial statements in the previous year.

14.2 Loans and Advances given to

- Related Parties

Pahargoomiah Tea Industries Pvt. (maximum amount outstanding Rs. 2,10,00,000; PY Rs. 2,10,00,000)	—	2,10,00,000
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- Others

Riga Sugar Company Limited (maximum amount outstanding Rs. 10,00,000; PY Rs. 10,00,000)	10,00,000	10,00,000
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(\*\*) These loans have been given for business purposes and are interest bearing.

**15. OTHER NON CURRENT ASSETS**

(Unsecured- Considered Good)

Other bank balances

Term deposit with maturity of over twelve months (under lien)	<b>7,80,580</b>	6,62,934
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Tea Board Subsidy Receivable (Refer Note 23.3)	<b>12,93,690</b>	23,44,368
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Tea Board Default Reserve (Refer Note 21.1)	<b>2,18,493</b>	2,18,493
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	<b><u>22,92,763</u></b>	<u>32,25,795</u>
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BHATKAWA TEA INDUSTRIES LIMITED

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT  
FOR THE YEAR ENDED/AS AT 31ST MARCH 2016**

	<b>As at 31.03.2016 Rs.</b>	<b>As at 31.03.2015 Rs.</b>
<b>16. CURRENT INVESTMENTS</b>		
(At cost or market value whichever is lower)		
<b>(Other than trade)</b>		
<b><u>EQUITY INVESTMENTS</u></b>		
<b>Unquoted:</b>		
Kanpur Fertilizers & Cement Ltd. 429 (429)	14,829	14,829
<b>Quoted:</b>		
Equity Shares of Rs 10 each unless otherwise stated		
Tata Consultancy Services Ltd.116 (116) of Re.1 each	24,650	24,650
Tata Global Beverages Ltd. 12000 (11000)	15,47,414	14,03,505
UltraTech Cement Company Ltd. 400 (400)	1,57,986	1,57,986
Link Pen & Plastic Ltd. 1000 (1000)	72,363	72,363
Reliance Industries Ltd..400 (400)	4,01,778	4,01,778
Star Ferro & Cement Ltd. 7900 (8500)	1,89,839	4,08,513
Shyam Century Ferrous Ltd. 8500 (Nil)	2,04,256	—
Naihati Jute Mills Co. Ltd. Nil (10,000)	—	2,50,000
Castrol India Ltd. 300 (300)	1,36,591	1,36,591
TATA Steel Ltd. 1100 (700)	3,49,976	2,47,332
Maharashtra Seamless Ltd. 1000 (1000)	2,10,972	2,10,972
Jindal Steel & Power Ltd. 2500 (500)	2,46,019	92,289
Motherson Sumi Systems Ltd. 800 (Nil) of Re. 1	2,13,454	—
<b>INVESTMENTS IN MUTUAL FUND</b>		
<b>Unquoted:</b>		
Reliance Medium Term Fund - 12877.584 (6190.730) Units	2,60,67,692	1,15,53,953
Axis Treasury Fund - 1624.956 (179.353) Units	26,91,586	2,64,849
	<b>3,25,29,405</b>	1,52,39,610
Less Provision for Diminution in Investments	4,40,023	3,74,696
	<b>3,20,89,382</b>	1,48,64,914
Aggregate Value of Quoted Investments	<b>37,55,298</b>	34,05,979
Aggregate Value of Unquoted Investments	<b>2,87,74,107</b>	1,18,33,631
Aggregate Market Value of Quoted Investments	<b>55,86,557</b>	56,23,688
Aggregate provision made for diminution in value of Investments	<b>4,40,023</b>	3,74,696





**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT  
FOR THE YEAR ENDED/AS AT 31ST MARCH 2016**

	<b>As at 31.03.2016 Rs.</b>	<b>As at 31.03.2015 Rs.</b>
<b>17. INVENTORIES :</b>		
As taken, valued and certified by the management- at lower of cost or net realisable value.		
Stock of Finished Goods-Tea	<b>3,61,05,264</b>	1,06,95,050
Stores and Spares	<b>79,96,091</b>	1,15,41,453
Stock of Foodstuff	<b>42,670</b>	1,92,118
	<b>4,41,44,025</b>	2,24,28,620
a) Refer Note No. 7(a)		
<b>18. TRADE RECEIVABLES :</b>		
(Unsecured -Considered Good)		
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Secured, considered good		
Unsecured, considered good	<b>2,38,058</b>	12,55,493
Unsecured, considered Doubtful		
	<b>2,38,058</b>	12,55,493
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Secured, considered good		
Unsecured, considered good	<b>82,38,247</b>	1,90,62,048
	<b>82,38,247</b>	1,90,62,048
Total	<b>84,76,305</b>	2,03,17,541
a) Refer Note No. 7(a)		
<b>19. CASH AND BANK BALANCES :</b>		
<b>Cash and Cash Equivalents</b>		
Balance with bank		
On Current Accounts	<b>1,91,228</b>	1,38,33,074
Cash in hand (as certified by the management)	<b>20,10,814</b>	49,190
Remittance in Transit	<b>17,850</b>	1,93,581
	<b>22,19,892</b>	1,40,75,845
<b>Other Bank Balances</b>		
Fixed Deposit	<b>41,500</b>	80,381
On Dividend Accounts	<b>5,70,669</b>	4,20,320
	<b>6,12,169</b>	5,00,701
	<b>28,32,061</b>	1,45,76,546

BHATKAWA TEA INDUSTRIES LIMITED

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT  
FOR THE YEAR ENDED/AS AT 31ST MARCH 2016**

	<b>As at 31.03.2016 Rs.</b>	<b>As at 31.03.2015 Rs.</b>
<b>20. SHORT TERM LOANS AND ADVANCES</b>		
(Unsecured-Considered Good)		
Loans and advance to related parties (Refer Note 31)	—	10,39,521
Inter corporate Loans (Refer Note 20.1)	<b>1,80,00,000</b>	1,80,00,000
Advance to Supplier	<b>23,82,429</b>	12,34,268
Staff Advances (Refer Note 20.2)	<b>1,27,537</b>	1,21,572
Prepaid Expenses	<b>5,00,148</b>	3,87,891
Other loans and advances	<b>18,682</b>	15,569
	<b>2,10,28,796</b>	<b>2,07,98,821</b>

**20.1 Particulars of Inter Corporate Loans**

(a) Huldibari Industries & Plantation Co. Ltd. (Maximum outstanding balance for 2015-16- Rs. 25,00,000 and 2014-15- Rs. 25,00,000	—	25,00,000
b) Usha Breco Ltd (Maximum outstanding balance for 2015-16- Rs. 50,00,000 and 2014-15- Rs. 50,00,000	—	50,00,000
c) Addarsh Management Pvt Ltd (Maximum outstanding balance for 2015-16- Rs. 50,00,000 and 2014-15- Rs. 50,00,000	<b>50,00,000</b>	50,00,000
d) Elpro International Ltd (Maximum outstanding balance for 2015-16- Rs. 55,00,000 and 2014-15- Rs. 55,00,000)	<b>50,00,000</b>	55,00,000
e) Gilllanders Arbuthnot Co. Ltd. A/c Micco (Maximum outstanding balance for 2015-16- Rs. 80,00,000 and 2014-15- Rs. Nil)	<b>80,00,000</b>	—
	<b>1,80,00,000</b>	<b>1,80,00,000</b>

(\*\*) These loans have been given for business purposes.

**20.2** Staff Advances includes Rs. 92,100/- (Previous Year Rs. 72,600/-) under Short Term Loans and Advances Rs. 43,700/- (Previous Year 94,600/-) under Long Term Loans and Advances in respect of loan to employees. Maximum outstanding Rs. 1,91,400/- (Previous Year Rs. 1,86,300/- )

**21. OTHER CURRENT ASSETS**

Interest Receivable	<b>4,73,066</b>	11,58,100
Tea Board Default Reserve Fund	<b>17,595</b>	8,90,118
	<b>4,90,661</b>	<b>20,48,217</b>

**21.1** Tea Board Default Reserve Fund represents the excess amount of interest paid to the Tea Board refund is receivable in the financial year 2016-17.



**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT  
FOR THE YEAR ENDED/AS AT 31ST MARCH 2016**

	2015 - 16 Rs.	2014 - 15 Rs.
<b>22. REVENUE FROM OPERATIONS</b>		
Sale of Tea	<b>21,49,41,591</b>	21,64,89,711
Less: Cess on tea	<b>7,47,776</b>	7,26,008
	<b><u>21,41,93,815</u></b>	<b><u>21,57,63,703</u></b>
22.1	<p>In terms of requirement of Accounting Standard on 'Revenue Recognition' from the current year in respect of consignment sales the company has recognized sales based on receipt of account sales from the consignee as against recognising the sales based on proforma invoice raised on the consignment agent. Accordingly, sales amounting to Rs. 2,70,16,555 based on proforma invoices raised and account sales are yet to be received, have not been recognised in these accounts. Consequently sales are lower by Rs. 2,70,16,555 and inventories are higher by Rs. 2,41,82,010</p>	
<b>23. OTHER INCOME :</b>		
Dividend on Investments (Refer Note (23.1) below)	<b>1,85,556</b>	1,88,984
Miscellaneous receipts	<b>19,38,401</b>	25,59,467
Interest Income (Refer Note (23.2) below)	<b>38,09,483</b>	53,69,482
Claims	<b>37,323</b>	49,769
Liabilities no longer required written back	<b>17,87,263</b>	5,679
Tea Board Subsidy (Refer Note (23.3) below)	—	58,60,917
Profit on Sale of Investments (Net) (Refer Note (23.4) below)	<b>9,10,858</b>	5,14,660
Profit on Sale of Fixed Asset (Net)	—	3,45,183
Rent	<b>1,29,200</b>	1,30,100
Provision for diminution of investments written back (net) (Refer (23.5) below)	—	5,47,222
	<b><u>87,98,084</u></b>	<b><u>1,55,71,462</u></b>
23.1	<p>The break up of Dividend on investments is as follows :</p>	
Dividend on Long Term Investments-Other than trade	<b>1,16,058</b>	1,57,434
Dividend on Current Investments-Other than trade	<b>69,498</b>	31,550
	<b><u>1,85,556</u></b>	<b><u>1,88,984</u></b>
23.2	<p>Interest Income includes:</p>	
On intercorporate loans	<b>22,85,094</b>	3,875,670
On Current Investments (Bonds)	<b>14,18,254</b>	1,405,428
On deposit with banks/others (net of pre maturity charges)	<b>1,06,135</b>	88,384
	<b><u>38,09,483</u></b>	<b><u>53,69,482</u></b>
23.3	<p>During the previous year, the company has received sanction of Tea Board subsidy for the period 2011-12, 2012-13 and 2013-14 of Rs. 58,60,917. Out of this Rs. 45,67,227 of the amount has been disbursed to the Company till date and balance of Rs. 12,93,690 will be released 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 be received has been disclosed as Tea Board Subsidy Receivable under Other Non Current Assets.</p>	

BHATKAWA TEA INDUSTRIES LIMITED

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	<b>2015 - 16</b>	<b>2014 - 15</b>
	<b>Rs.</b>	<b>Rs.</b>
23.4 The break up of profit on sale of investments (Net) is as follows:		
Profit/(Loss) on sale of Long Term Investments	<b>3,27,962</b>	—
Profit/(Loss) on sale of Current Investments	<b>5,82,896</b>	5,14,660
	<b><u>9,10,858</u></b>	<u>5,14,660</u>
23.5 The break up of Provision for diminition of investments written back is as follows:		
Diminition in long term investments	—	3,12,375
Diminition in current investments	—	2,34,847
	<u>—</u>	<u>5,47,222</u>
<b>24. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE</b>		
Closing Stock of tea	<b>3,61,05,264</b>	1,06,95,050
Opening stock of tea	<b>1,06,95,050</b>	1,03,24,450
(Increase)/Decrease	<b><u>(2,54,10,214)</u></b>	<u>(3,70,600)</u>
<b>25. EMPLOYEE BENEFIT EXPENSES</b>		
Salaries and Wages	<b>11,32,53,124</b>	10,58,02,166
Contribution to Provident and Other Funds (Refer Note 33)	<b>3,07,40,063</b>	1,90,31,704
Staff Welfare	<b>54,81,051</b>	66,25,039
	<b><u>14,94,74,238</u></b>	<u>13,14,58,910</u>
<b>26. FINANCE COSTS</b>		
Interest Costs		
On Cash Credit	<b>1,09,761</b>	81,187
On Loan From Tea Board	<b>3,27,986</b>	3,94,241
On Vehicle Loan	<b>2,28,294</b>	3,49,074
On Income Tax	<b>81,941</b>	6,500
On Others	<b>6,929</b>	3,591
Other Borrowing Costs	<b>1,70,173</b>	78,000
	<b><u>9,25,084</u></b>	<u>9,12,592</u>



**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT  
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<b>27. OTHER EXPENSES</b>	<b>2015 - 16 Rs.</b>	<b>2014 - 15 Rs.</b>
Stores, Spares and Packing Material consumed—		
Indigenous	<b>2,36,82,117</b>	2,81,96,515
Power & Fuel	<b>2,61,34,456</b>	2,65,92,754
Repairs to Machinery	<b>33,66,671</b>	16,31,451
Repairs to Buildings	<b>36,87,586</b>	11,63,216
Repairs to Others	<b>10,90,163</b>	17,38,037
Rent	<b>8,31,900</b>	8,31,900
Rates and Taxes	<b>4,68,949</b>	6,64,289
Insurance	<b>3,65,330</b>	2,88,877
Carriage outward (Refer Note 27.5)	<b>84,21,222</b>	85,88,965
Brokerage and Commission	<b>47,59,631</b>	37,34,777
Selling and Distribution Expenses (Refer Note 27.1)	<b>18,77,340</b>	26,98,122
Subscription	<b>6,77,858</b>	6,76,617
Service Charges	<b>2,40,000</b>	2,52,330
Professional charges	<b>7,77,704</b>	7,11,206
Bank charges	<b>1,24,557</b>	52,497
Diminution in value of Investments (Net) (Refer Note 27.3)	<b>49,661</b>	—
Auditor's Remuneration (excluding service tax) :		
For Statutory Audit	<b>1,25,000</b>	75,000
For Tax Audit	<b>30,000</b>	20,000
For Certification etc	<b>50,000</b>	10,000
Travelling expenses	<b>18,47,845</b>	17,34,222
Loss on futures & options	—	10,94,636
Loss on sale of fixed asset (net)	<b>2,03,262</b>	—
Miscellaneous Expenses	<b>32,70,229</b>	23,53,901
	<b>8,20,81,481</b>	8,31,09,310
<b>27.1 Selling and Distribution Expenses</b>		
Tea warehousing charges	<b>3,23,351</b>	8,73,435
Advertisement	<b>47,220</b>	50,064
Conference & Seminer	<b>2,00,000</b>	4,45,000
Sales Promotion	<b>3,63,834</b>	—
Other sales charges	<b>9,42,935</b>	13,29,623
	<b>18,77,340</b>	26,98,122
<b>27.2 Stores and spares consumed (Wholly indigenous) amount to Rs. 4,04,94,417 (Previous year Rs. 3,80,38,896) are included under various heads above</b>		
<b>27.3 The break up of diminution in value of investments is as follows :</b>		
Diminution in long term investments	<b>(15,666)</b>	—
Diminution in current investments	<b>65,327</b>	—
	<b>49,661</b>	—
<b>27.4 Expenditure in foreign currency</b>		
Travelling expenses	<b>2,77,857</b>	6,07,483
<b>27.5 Prior period expenses included in Carriage Outward</b>	—	2,22,097

BHATKAWA TEA INDUSTRIES LIMITED

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	2015 - 16 Rs.	2014 - 15 Rs.
<b>28. CONTINGENT LIABILITIES AND COMMITMENTS (to the extent not provided)</b>		
a) Capital commitments (net of advance)	<b>2,05,84,750</b>	1,04,48,676
b) Contingent Liabilities		
Bank Guarantee to WBSEDCL	<b>40,62,533</b>	40,62,533
Sales Tax under appeal	<b>15,06,356</b>	22,88,145
Income Tax	<b>13,26,765</b>	13,26,765
Income Tax in respect of corporate dividend tax (under appeal)	—	2,55,812
Agricultural Income Tax under appeal	<b>5,47,007</b>	5,47,007
<p>The Company's pending litigation comprise of proceedings 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 (b) above are dependent upon the outcome of the decision/judgements.</p>		
<b>29. Tax expense comprises :</b>		
Current tax for the year	<b>12,14,747</b>	7,80,000
Deferred Tax (credit)/charge	<b>9,59,445</b>	6,75,253
Income Tax relating to earlier years	—	2,23,980
	<b>21,74,192</b>	16,79,233

Current tax includes provision made for agricultural income tax as per Bengal Agricultural Income Tax Act, 1944.

**30.** Based on the guiding principles given in the Accounting Standards on 'Segment Reporting' (AS-17), the Company is primarily in the business of growing and manufacturing of tea. The Company's business activity falls within a single geographical segment (India) and business segment (tea), hence it has no reportable segment.

**31.** Related party disclosures as identified by the management in accordance with the Accounting Standard (AS 18) :

I Related Parties Relationships:	Nature of relation
Name of party	
a) Mr. S. Jalan	Key Management Personnel (Managing Director) (upto 9th October, 2015)
b) Mr. P. Jalan	Director and relative of Key Managerial Personnel
c) Bhakti Fiscal Pvt. Ltd. Sudarshan Jalan (HUF) Uphaar Financial Services Pvt. Ltd. Kirti Industrial Co. Ltd. Lake view Dealers Pvt. Ltd.	Enterprises where KMP and their relatives have significant influence
d) Pahargoomiah Tea Industries Pvt. Ltd.	Associate Company



II The details of related party transactions entered into by the company are as follows :

a) Transactions with Key Management Personnel and their relatives :

	<b>2015-16</b>	2014-15
	<b>Rs.</b>	Rs.
<b>Transactions during the period</b>		
Managerial Remuneration		
Mr. S. Jalan	4,90,755	8,40,614
Mr. P. Jalan	7,75,760	7,22,000
Salary to relative of Key Managerial Personnel	3,36,000	—
Loan taken and repaid in full	—	—
Interest paid on Loan	—	—
Garage rent paid		
Mr. P. Jalan	18,000	18,000
<b>Balance at the end of the period</b>		
Security Deposit		
Mr. P. Jalan	1,500	1,500

b) Transactions and outstanding balances with Enterprise where director and relative have significant influence :

	<b>Name of the Party</b>	<b>2015-16</b>	<b>2014-15</b>
		<b>Rs.</b>	<b>Rs.</b>
<b>Transactions during the period</b>			
Conference and Seminar Charges	Bhakti Fiscal Pvt. Ltd.	2,00,000	4,45,000
Rent and service charges	Uphaar Financial Services Pvt. Ltd.	1,71,900	1,71,900
	Kirti Industrial Co. Ltd.	9,00,000	9,00,000
Office Maintaince	Kirti Industrial Co. Ltd.	10,39,521	6,75,000
Reimbursement of electric charges	Kirti Industrial Co. Ltd.	75,000	1,80,000
Electricity and Telephone expenses incurred on behalf (recovered)	Pahargoomiah Tea Industries Pvt. Ltd.	39,600	39,600
Purchase of Stores and Spares	Pahargoomiah Tea Industries Pvt. Ltd.	—	—
Rent Income	Lake View Dealers Pvt. Ltd.	1,28,400	1,28,400
Interest Income	Pahargoomiah Tea Industries Pvt. Ltd.	—	23,21,000
Miscellaneous receipts on account of sale of stores etc.	Pahargoomiah Tea Industries Pvt. Ltd.	7,000	—
Consideration on sale of Fixed Assets	Pahargoomiah Tea Industries Pvt. Ltd.	1,89,625	2,22,044
	Sudarshan Jalan (HUF)	—	2,92,683
Inter Corporate Loans refunded*	Pahargoomiah Tea Industries Pvt. Ltd.*	2,10,00,000	1,00,000
Advance adjusted with rent	Kirti Industrial Co. Ltd.	10,39,521	—

B H A T K A W A T E A I N D U S T R I E S L I M I T E D

Outstanding balances as at the end of the period	Name of the Party	31.03.2016 Rs.	31.03.2015 Rs.
Investments in Shares	Bhakti Fiscal Pvt. Ltd.	30,000	30,000
	Uphaar Financial Services Pvt. Ltd	1,75,000	1,75,000
	Lake View Dealers Pvt. Ltd.	7,55,000	7,55,000
	Pahaargoomiah Tea Industries Pvt. Ltd.	2,10,00,000	—
Intercorporate Loans*	Pahaargoomiah Tea Industries Pvt. Ltd.	—	2,10,00,000
Security Deposit	Kirti Industrial Co. Ltd.	6,00,000	6,00,000
Other Loans and Advances	Kirti Industrial Co. Ltd.	—	10,39,521
Corporate guarantee provided for cash credit taken by the company:	Uphaar Financial Services Pvt. Ltd	29,83,516	75,43,829
Outstanding balance			

Note :

- (i) In respect of the above parties, there is no provision for doubtful debts as on 31.03.2016 and no amount has been written off or written back during the year in respect of debts due from / to them.
- (ii) The above related party information is as identified by the management and relied upon the auditors.
- (iii) Expenses of Rs. 1,20,000 (Previous Year Rs. 2,40,000) has been reimbursed to Mr. N.N. Nagpaul (Non executive Director) for official purposes and hence the same has not been considered as remuneration for the above purpose.

\* converted into 14,00,000 no.s of equity shares of Rs. 10 each on 29th June, 2015

**32.** In accordance with Accounting Standard 20 'Earnings per Share' basic and diluted earnings per share are calculated as below :

Particulars	2015-16	2014-15
(a) Profit after tax (Rs.)	60,66,108	55,32,604
(b) Weighted Average Number of Equity Shares Outstanding	22,40,000	22,40,000
(c) Basic and Diluted Earnings per Share (Rs.) (Face value Rs 10/- per share) (a/b)	2.71	2.47

**33. Employee Benefits**

a) The disclosures required under Accounting Standard 15 "Employee Benefits" notified in the Companies (Accounting Standards) Rules 2006, are given below :

Defined Contribution Scheme	2015-16	2014-15
Contribution to Defined Contribution Plan, recognized for the period are as under :		
Employer's Contribution to Provident Fund	1,01,49,449	1,00,41,593

**Defined Benefit Scheme**

The employee's gratuity fund scheme is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.





	<b>Gratuity (Funded) 31.03.2016</b>	<b>Gratuity (Funded) 31.03.2015</b>
<b>Expenses recognised during the period ended March 31, 2016</b>		
1. Current Service Cost	25,75,860	20,25,247
2. Interest Cost	32,70,927	31,38,105
3. Expected return on plan assets	(15,82,451)	(7,23,285)
4. Actuarial Losses / (Gains)	1,23,13,565	39,07,450
<b>Total Expenses</b>	<b>1,65,77,901</b>	<b>83,47,517</b>
<b>Net (Assets)/Liabilities recognised in Balance Sheet as March 31,2016</b>		
1. Present value of defined obligation	5,85,12,864	4,19,34,963
2. Fair value of Plan Assets	3,09,81,219	1,91,81,219
3. Net (Assets)/Liabilities recognised in Balance Sheet	<b>2,75,31,645</b>	<b>2,27,53,744</b>
<b>Change in the obligation during the period ended March 31, 2016</b>		
1. Present value of Defined Benefit Obligation at the beginning of the period	4,19,34,963	3,48,67,829
2. Current Service Cost	25,75,860	20,25,247
3. Interest Cost	32,70,927	31,38,105
4. Benefit Paid	—	(24,94,506)
5. Actuarial (Gains) / Losses	1,07,31,114	43,98,288
6. Present value of Defined Benefit Obligation at the end of the period	<b>5,85,12,864</b>	<b>4,19,34,963</b>
<b>Change in the fair value of Plan Assets during the period ended March 31, 2016</b>		
1. Fair Value of the Plan Assets at the beginning of the period	1,91,81,219	87,67,096
2. Expected return on plan assets	15,82,451	7,23,285
3. Actuarial gains/(loss) on Plan Assets	(15,82,451)	4,90,838
4. Contributions	1,18,00,000	1,16,94,506
5. Benefit Paid	—	24,94,506
6. Fair Value of the Plan Assets at the end of the period	3,09,81,219	1,91,81,219
7. Actual Return on Plan Assets	—	12,14,123
<b>Reconciliation of Net Asset / (Liability) recognised in the Balance Sheet during the period ended March 31, 2016</b>		
1. Net (Asset) / Liability at beginning of the period	2,27,53,744	2,61,00,733
2. Employer Expenses	1,65,77,901	83,47,517
3. Employer Contributions	(1,18,00,000)	(1,16,94,506)
4. Net (Asset) / Liability at the end of the period	<b>2,75,31,645</b>	<b>2,27,53,744</b>
<b>Actuarial Assumptions</b>		
1. Discount Rate	7.83%	7.80%
2. Expected Rate of Return on Plan Assets	8.25%	8.25%
3. Expected Salary increase rates	7.75%	5.00%
4. Mortality Rates	IALM06-08 Ultimate	IALM06-08 Ultimate

BHATKAWA TEA INDUSTRIES LIMITED

**Notes :**

- a) Assumptions related to future salary increases, attrition, interest rate for discount and overall expected rate of return on Assets have been considered based on relevant economic factors such as inflation, market growth and other factors applicable to the period over which the obligation is expected to be settled.
- b) The amounts of current annual period and previous four annual periods are as follows :

<b>Particulars</b>	<b>2015-16</b>	<b>2014-15</b>	<b>2013-14</b>	<b>2012-13</b>	<b>2011-12</b>
Present value of defined obligation	<b>5,85,12,864</b>	4,19,34,963	3,48,67,829	3,07,51,786	3,21,25,618
Fair value of Plan Assets	<b>3,09,81,219</b>	1,91,81,219	87,67,096	35,49,112	—
Excess of obligation over Plan Assets	<b>2,75,31,645</b>	2,27,53,744	2,61,00,733	2,72,02,674	3,21,25,618
Experience adjustment (Gain)/ Loss on plan liabilities	<b>1,73,195</b>	7,51,394	14,88,356	(32,51,548)	38,04,593
Experience adjustment (Gain)/ Loss on plan assets	<b>(15,82,451)</b>	4,90,838	2,69,528	91,777	—

- c) The Company expects to contribute Rs. 1,29,00,000 (Previous Year Rs. 1,30,00,000) to Gratuity Fund for the next year.
- 34.** The company has taken several premises under cancellable operating leases. The lease term is upto 3 years and have the option of renewal on expiry of the lease period based on mutual agreement of both the parties. Rental expenses towards cancellable operating lease charged to statement of profit and loss amounts to Rs. 6,60,000 (previous year Rs. 6,60,000) and has been disclosed as "Rent" in Note 27 of the financial statement.
- 35.** Certain balances in trade receivables, trade payables, advance from customers, capital advances are subject to confirmation and consequential reconciliation. However, in the opinion of the directors, these have the value at least equal to the amount as stated, if realised in the ordinary course of business unless otherwise stated and hence, will have no material impact on the accounts.
- 36.** Previous year's figures have been rearranged and re-grouped wherever necessary.

Place : Kolkata  
Date : 13th August, 2016

For Lodha & Co.  
(Chartered Accountants)  
H.K. Verma  
Partner

For Bhatkawa Tea Industries Limited  
Padmanabh Jalan *Director*  
Rashmi Chitlangia *Director*





**BHATKAWA TEA INDUSTRIES LIMITED**

**PROXY FORM**

Client ID / Folio No. ....

No. of Shares .....

I/We.....

of.....

being a member/members of B H A T K A W A T E A I N D U S T R I E S L I M I T E D hereby appoint

.....

or failing him.....

of.....

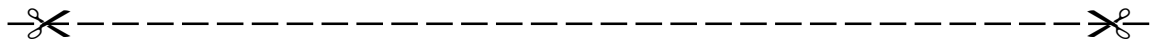
as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held at 10.30 A.M. on Wednesday, the 28th September, 2016 Rotary Sadan, 94/2, Chowringhee Road, Kolkata-700 020 and at any adjournment thereof.

At witness my hand this..... day of..... 2016.

Signed by the said.....  
in the presence of.....

Please affix  
Revenue  
Stamp

NOTE : This Proxy must be deposited at the Registered Office of the Company at 2, Hare Street, Kolkata - 700 001, not later than 48 hours before the time fixed for the meeting.



**BHATKAWA TEA INDUSTRIES LIMITED**

**ATTENDANCE SLIP**

Client ID / Folio No. ....

No. of Shares .....

I certify that I am a registered member/proxy for registered member of the company. I hereby record my presence at the Annual General Meeting of the Company held at Rotary Sadan, 94/2, Chowringhee Road, Kolkata - 700 020, at 10.30 A.M. on Wednesday, 28th September, 2016.

Member's/Proxy's name in BLOCK letters \_\_\_\_\_

Member's/Proxy's Signature \_\_\_\_\_

Note: Please fill in this attendance slip and hand it over at the ENTRANCE of MEETING HALL

**ANNUAL REPORT 2015-16**



**Bhatkawa Tea Industries Limited**