



# BHATKAWA TEA INDUSTRIES LIMITED

CIN : L01132WB1911PLC002077

## ANNUAL REPORT AND ACCOUNTS 2016-2017

### CONTENTS

1. Notice of Annual General Meeting	—	2
2. Directors' Report	—	10
3. Independent Auditors' Report	—	35
4. Balance Sheet	—	42
5. Statement of Profit & Loss	—	43
6. Cash Flow Statement	—	44
7. Notes to Financial Statement	—	46

#### BOARD OF DIRECTORS :

Padmanabh Jalan  
Purushottom Dass Bhoot  
Rashmi Chitlangia  
Sunil Kumar Ganguly

#### CFO & COMPLIANCE OFFICER :

Krishnendu Basu

#### 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@skinfo.in

#### REGISTERED OFFICE :

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

## BHATKAWA TEA INDUSTRIES LIMITED

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### NOTICE

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

Date : 25th September, 2017  
Day : Monday  
Time : 10.30 A.M.  
Place : Rotary Sadan  
94/2, Chowringhee Road  
Kolkata - 700 020

#### ORDINARY BUSINESS :

1. To consider and adopt the Statement of Profit & Loss and Cash Flow Statement of the Company for the year ended 31 st March, 2017 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, 2017.
3. To consider, and if thought fit, to pass the following resolution as an Ordinary Resolution for appointment of auditors and to fix their remuneration:

“**RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, including any amendment, modification, variation or re-enactment thereof, Messrs Das & Prasad, Chartered Accountants (Firm Registration No. 303054E issued by The Institute of Chartered Accountants of India) be and are hereby appointed as Auditors of the Company for a period of 5 (five) consecutive years, to hold office as such from the conclusion of this Annual General Meeting until the conclusion of the 5th ensuing Annual General Meeting of the Company, subject to ratification of such appointment by the Members of the Company at every Annual General Meeting on 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 for the financial year 2017-18.”

#### SPECIAL BUSINESS :

4. To consider and, if thought fit, to give assent or dissent to the following resolution, with or without modification, as a Special Resolution :

“**RESOLVED THAT** pursuant to the provisions of sections 196,197,198 and 203 read with other applicable provisions and Schedule V of the Companies Act, 2013 and the provisions of Articles of Association of the company and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the recommendations of Nomination & Remuneration Committee and the Board of Directors, the consent of the members of the Company be and is hereby accorded to re-appointment of Mr. Padmanabh Jalan (DIN – 01651268) as Whole-time Director of the Company for a period of three years w.e.f 1st April, 2017 upon the terms and conditions noted hereunder :

## BHATKAWA TEA INDUSTRIES LIMITED



### A. SALARY & BONUS

- a) Salary Rs. 1,30,000 – 30,000<sup>2</sup> – 1,90,000 per month  
(Increase in salary will take effect from 1st April every year)
- b) Bonus One month Salary for 12 months service

### B. PERQUISITES

- i) Re-imbursement of hospital / Medical expenses For self and family up to one month salary.
- ii) Leave travel concession For self and family once in a year up to one month salary.
- iii) Membership of Club Fees Subject to maximum 1 club, excluding admission fees.
- iv) Contribution to Provident Fund and Superannuation Fund Not exceeding 27% of Salary.
- v) Gratuity Not exceeding half a month's salary for each completed year of service.
- vi) Leave One month's leave with full remuneration for every eleven months of service. Encashment of leave at the end of the tenure will be allowed and will not be included in the computation of ceiling of perquisites.
- vii) Others
- a) Car with driver for use on the company's business.
- b) Telephone, Fax and electronic facilities shall be provided at residence for Company's business.
- c) Reimbursement of Electricity bills.
- d) Any other facility as per the rules of the Company.

The following shall not be included in the perquisites :

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

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

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

Place : Kolkata  
Date : 14th August, 2017

By Order of the Board  
Bhatkawa Tea Industries Ltd.  
**Krishnendu Basu**  
Chief Financial Officer

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## NOTES & INFORMATION TO SHAREHOLDERS

### 1. PROXY

A member of the Company entitled to attend, vote at the meeting is entitled to appoint a proxy to attend and vote in his stead and a proxy need not to be a Member of the Company. Proxies, in order to be effective must be received at the Company's Registered Office not less than 48 hours before the meeting. Proxies submitted on behalf of limited liability companies, societies, etc. must be accompanied by appropriate resolution/authority as applicable, issued on behalf of the nominating organization. A person can act as a proxy on behalf of members not exceeding fifty and in the aggregate not more than 10% of the total share capital of the company carrying voting rights. A member holding more than 10% of the total share capital of the company carrying voting rights may appoint a single person as proxy in such person shall not act as a proxy for any other person or share holder. A proxy shall not have a right to speak at the AGM and shall not be entitled to vote except on a poll.

### 2. Closure of Register of Members

Register of members and the Transfer Books of the company will be closed from 22nd September, 2017 to 25th September, 2017 (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 at Stock Exchange in demat form for all categories of shareholders. All transfers are debited / credited through the respective Accounts maintained with the Depository Participants (DPs) of the Investor.

### 5. Nomination of Shares

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

### 6. 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. Physical shares

Members holding shares in physical form are requested to promptly notify in writing any change in their address/bank account details to the Registrars and Share Transfer Agents of the Company – M/s. S. K. Infosolutions Pvt. Ltd.

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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. All NRI members of the Company are hereby requested to get their Indian Postal Addresses, e-mail id's and bank details with their NRI/NRE account nos. registered with their respective DP's/RTA of the Company, so as to facilitate to provide smooth, faster, cost effective and proper service to them by the Company.
13. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company at its registered office address or Registrar & Share Transfer Agents, M/s. S.K.Infosolutions Pvt. Ltd.
14. A Statement pursuant to Section 102 of the Companies Act, 2013 setting out material facts relating to item nos. 3 and 4 of this Notice is annexed herewith and the same should be taken as part of this Notice.
15. As required under Regulation 36(3) of the SEBI (LODR) Regulations, 2015 and the provisions of the Secretarial standards on General Meetings, a brief profile of Mr. Padmanabh Jalan is set out in this Notice.
16. The Ministry of Corporate Affairs ("MCA") has issued Circular on a "Green Initiative in the Corporate governance" by allowing paperless compliances by the companies and, also clarifying that the service of document can be made through electronic mode provided the Company has obtained e-mail addresses of its members for sending the notices / documents. The Company has therefore decided to issue this intimation to every shareholder to register their e-mail address and changes therein from time to time with the Company's Registrar and share Transfer Agents or with concerned depository participant. In the meantime the company proposes to send the documents calling the Annual General Meeting, the audited accounts, directors' report etc. for the year ended 31 st March, 2017 in the electronic form to the e-mail address provided by you and made available to us by the depositories. If you desire to receive the documents above in physical form, please advice accordingly to Registrar & Share Transfer Agent at their e-mail: skc@skinfo.in or at company's e-mail contact@bhatkawa.com.
17. Members are hereby informed that pursuant to the provisions of Section 124 and 125 of the Companies Act, 2013 read with the Investor Education & Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules 2016 applicable w.e.f 7th September, 2016, the Company is obliged to transfer any money lying in the Unpaid Dividend Account, which remains unpaid or unclaimed for a period of seven years from the date of such transfer to the Unpaid Dividend Account, to the credit of Investor Education & Protection Fund (the fund) established by the Central Government.
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18. The Attendance Slip and Proxy Form is being sent to all members of the company on separate papers.

**19. Instruction of E-voting**

**E-voting opens at 10 a.m. on 22.09.2017 and closes at 5.00 p.m on 24.09.2017**

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

- a) User ID and initial Password for E-voting is provided in the table on the face of the Attendance Slip circulated with the Notice.
  - b) NSDL has sent the User-ID and initial password to those members whose shareholding is in dematerialized format and whose Email addresses are registered with the Company/Depository Participants. For members who have not registered their Email ID can use the details as mentioned in the table.
  - c) Launch the internet browser by typing the following <https://www.evoting.nsd.com>
  - d) Click on 'Shareholder-Login'
  - e) Put User ID and Password as initial Password noted in step (a) then Click login. If you are already registered with NSDL for E-voting then you can use your existing User ID and Password for Login.
  - f) If you are logging in for the first time, Password Change Menu appears. Change the Password of your choice with minimum 8 digits / characters or a combination thereof. It is strongly recommended not to share your Password with any other person and take utmost care to keep your Password confidential.
  - g) Home page of E-voting opens. Click on 'E-voting: Active voting Cycles.'
  - h) Select "EVEN (E-Voting Event Number) of Bhatkawa Tea Industries Limited
  - i) Now you are ready for 'E-voting' as 'Cast Vote' page opens.
  - j) Cast your vote selecting appropriate option and click 'Submit' and also 'Confirm' when prompted.
  - k) Once you have voted on the resolution, you will not be allowed to modify your vote.
  - l) Institutional / Corporate members (i.e. members other than individuals, HUF, NRIs, etc.) are also required to send scanned copy (PDF/JPG) format of the relevant board resolution / authority letter etc. together with the attested specimen signature(s) of the duly authorized signatory(ies) who are authorized to vote, to the Company at email id: [contact@bhatkawa.com](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. 21 st September, 2017.
  - o) Mrs. Monalisa Datta, practicing Company Secretaries (Mem.No. A30368) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
  - p) The Scrutinizer shall within a period not exceeding three(3) working days from the conclusion of the E-voting period unblock the votes in the presence of at least two(2) witnesses not in the employment of the company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
  - q) The Results shall be declared on or after the Annual General Meeting of the Company. The results declared along with the Scrutinizer's Report shall be placed on the website of NSDL within two (2) days of passing of the resolution at the Annual General Meeting of the Company and the same shall also be communicated to CSE Limited where the shares of the Company are listed.
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### **General Instruction / Information for members for voting on the resolution**

- (a) A member can opt for only one mode of voting i.e. either by e-voting or through ballot. In case of members who cast their vote for both modes, the voting done through e-voting shall prevail and the ballot paper of that member shall be treated as invalid.
- (b) Facility of voting through poll papers shall also be made available at the meeting. Members attending the meeting, who have not already cast their vote through e-voting or through ballot forms shall be able to exercise their right at the meeting.
- (c) Members who have cast their vote by remote e-voting or through ballot forms prior to the meeting may also attend the meeting but shall not be entitled to vote at the AGM.
- (d) Voting rights of the share holders (who vote through remote e-voting or through ballot forms or by poll papers at the meeting) shall be in proportion to their share of the paid-up equity share capital of the company as on 21st September, 2017 (cutoff date). A member whose name is recorded in Register of Members or in the Register of Beneficial Owners maintained by the depositories as on cutoff date only shall be entitled to avail facilities of remote e-voting, voting through ballot forms as well as voting at the AGM.
- (e) Any person who acquires shares of the company and becomes a member of the company after the despatch of AGM notice and holds share as on the cutoff date i.e. 21st September, 2017 may obtain the Login ID and password by sending a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) by mentioning his/her Folio no. /DP ID and Client ID. However, if you are already registered with NSDL with remote e-voting then you can use your existing voter ID and password for casting your vote. If you have forgotten your password, you may reset your password by using "Forgot User Detail / Password Option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- (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 24th September, 2017 (5 PM). Ballot forms received after this date will be treated as invalid.
- (g) Mrs. Monalisa Datta, practicing Company Secretaries (Mem. No.A30368) has been appointed by the Board of Directors of the Company as scrutinizer for scrutinizing the remote e-voting process as well as voting through post and through ballot paper at the meeting in fair and transparent manner.
- (h) The scrutinizer shall immediately after the conclusion of the voting at the Annual General Meeting, first count the votes cast at the meeting, thereafter unlock remote e-voting and also count the votes received by the post through ballot forms in presence of at least two witness is not in employment of the company.
- (i) The scrutinizer will collect the votes cast at the meeting, votes downloaded from e-voting system and votes received through post and make not later than two days from the conclusion of the meeting, a consolidated scrutinizer report of the total votes cast in favour or against if any to the Chairman or a person authorized by him in writing who shall counter-sign the same.
- (j) The Chairman or a person authorized by him in writing shall forthwith on receipt of consolidated scrutinizer's report, declare the result of the voting. The results declared along with the scrutinizer's report shall be placed on the website of NSDL immediately after their declaration and communicated to Stock Exchange where the company's shares are listed.

### **Explanatory Statement pursuant to the provisions of Section 102 of the Companies Act, 2013**

As required under Section 102 of the Companies Act, 2013 the following Explanatory Statement sets out all material facts relating to the business set out in Items No.3 & 4 of the accompanying notice dated 14th August, 2017.

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**Item No. 3**

Messrs Lodha & Co., Chartered Accountants, (Firm Registration No. 301051E issued by The Institute of Chartered Accountants of India) have been the auditors of the Company. In terms of the provisions of Section 139 of the Companies Act, 2013 read with Rule 6 of the Companies (Audit and Auditors) Rules, 2014, an audit firm can be appointed as auditors of a company for not more than two terms of five consecutive years each. For the purpose of calculating the period of ten years, the period for which the audit firm had held office as auditors, prior to April 1, 2014, was required to be taken into account. The Companies Act, 2013 also provides a transition period of three years, within which the concerned companies are required to mandatorily rotate its auditors. Accordingly, Messrs Lodha & Co. will complete their term of three years at the conclusion of this Annual General Meeting ("AGM") and are not eligible for re-appointment.

Pursuant to the recommendation of the Audit Committee of Directors, the Board of Directors of the Company proposes to appoint Messrs Das & Prasad, Chartered Accountants, (Firm Registration No. 303054E issued by The Institute of Chartered Accountants of India) of 4, Chowringhee Lane, Diamond Chambers, Block – III, Suite # 8F, Kolkata – 700 016 as the Auditors of the Company for one term of five consecutive years and to hold office as such from the conclusion of this AGM until the conclusion of the ensuing 5th AGM of the Company. The said appointment will be subject to ratification by the Members of the Company at every AGM.

Messrs Das & Prasad have consented to the said appointment and issued a certificate to the effect that the appointment, if made, shall be in accordance with the conditions as prescribed in Section 139 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014. They have also confirmed that they meet the criteria for independence, eligibility and qualification as prescribed in Section 141 of the Companies Act, 2013 and do not have any pecuniary interest in the Company. The Board, accordingly, recommends the appointment of Messrs Das & Prasad, Chartered Accountants as the Auditors of the Company as set out at Item No. 3 of this Notice for the approval of the Members.

None of the Directors or Key Managerial Personnel of the Corporation or their relatives is in any way concerned or interested, financially or otherwise, in the said resolution.

**Item No. 4**

Mr. Padmanabh Jalan was re-appointed as whole time director of the Company by the Board of Directors on the recommendation of Nomination & Remuneration Committee at the meeting of Board of Directors held on 14th February, 2017 for a period of 3 years with effect from 1st April, 2017 subject however, to your approval. The terms of appointment have been mentioned in the resolution laid under item no. 4 in the Notice. Mr. Padmanabh Jalan has been Director of the Company since 31.07.2009 and was appointed as a whole time director to strengthen the management structure of the Company and provide much needed impetus, efficiency and speed in implementation of various projects of the Company resulting in improvement in quality and quantity of production at Garden. The Information as required by the Act is adequately given in the resolution.

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

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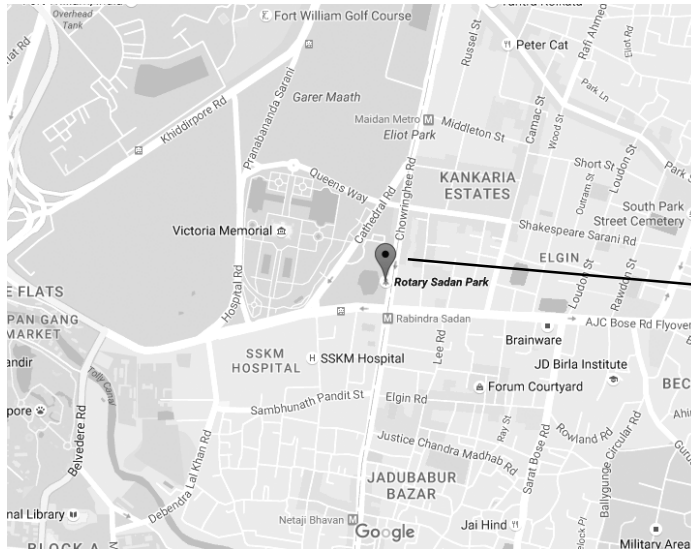
**Details of Director seeking re-appointment:**

<b>Particulars</b>	<b>Re-appointment</b>
Name	<b>Padmanabh Jalan</b>
DIN	01651268
Date of Birth	17.02.1987
Date of Appointment	01.04.2017
Qualification	B.Sc Management Science, UK
Experience	8 years in Tea Industry
Directorship of other Companies (Excluding foreign Companies and Private Limited Companies)	Kirti Industrial Co. Limited
Chairman / Member of Committee of the Boards of Companies of which he is a Director	Member of Audit Committee & Investor Grievance Committee of Bhatkawa Tea Industries Ltd
Shareholding in the Company (Nos.)	244,090 shares

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

Date : 14th August, 2017  
Place : Kolkata

By Order of the Board  
For Bhatkawa Tea Industries Limited  
**Krishnendu Basu**  
Chief Financial Officer



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

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## DIRECTORS' REPORT

TO THE MEMBERS

The Directors have pleasure in presenting the Annual Report and the Audited Accounts for the year ended 31st March, 2017.

<b>FINANCIAL RESULTS</b>	<b>31st March 2017</b>	<b>31st March 2016</b>
Profit before Depreciation & Taxation	<b>2,90,17,211</b>	1,59,21,310
Less : Depreciation	<b>74,59,665</b>	76,81,010
Provision for Taxation	<b>59,59,294</b>	21,74,192
Profit after taxation	<b>1,55,98,252</b>	60,66,108
Surplus brought forward	<b>7,14,37,129</b>	6,80,82,747
Surplus available for appropriation	<b>8,70,35,381</b>	7,41,48,855
Appropriations :		
Dividend	—	11,20,000
Tax on Dividend	—	91,726
Transfer to General Reserve	<b>15,00,000</b>	15,00,000
Surplus carried to Balance Sheet	<b>8,55,35,381</b>	7,14,37,129

### **BUSINESS REVIEW & PROSPECTS :**

The company's manufactured own crop was 14.13 lakh kg against last year's own crop of 14.89 lakh kg. The Directors hope that with the present market trend and barring unforeseen circumstances, the company will show better result in the current year. The company has achieved the production of 6.18 lakh kg up to 12th August, 2017 which is lower than corresponding figures of the previous year.

### **DIVIDEND**

The Board recommends a dividend of 5% (Previous year 5%). On approval at the forthcoming Annual General Meeting, dividend will be paid to those members whose names are recorded in the Register of Members at the close of business on 21st September, 2017, subject, however to the provisions of Section 126 of the Companies Act, 2013. This equity dividend has not been included as a liability in the financial statement.

### **AMOUNT TO BE CARRIED TO RESERVES**

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

### **DEPOSITS**

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

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

Unclaimed dividend amounting to Rs. 95,628/- for FY – 2008-2009 was transferred to Investor Education & Protection Fund on 13th February, 2017. In terms of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended, the Company will be transferring the corresponding shares to the IEPF, where the dividends for the last seven consecutive years have not been claimed by the concerned shareholders.

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Further, the unclaimed dividend in respect of FY – 2009-2010 must be claimed by shareholders on or before 5th January, 2018, failing which the Company will be transferring the unclaimed dividend and the corresponding shares to IEPF within a period of 30 days from the said date.

#### **PERSONNEL**

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

#### **DIRECTORS RESPONSIBILITY STATEMENT**

The Board of Directors states :

- 1 That in the preparation of the Annual Accounts for the year ended 31st March, 2017, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- 1 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 2017 and the profit of the company for that period.
- 1 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.
- 1 That the Directors had prepared the Annual Accounts for the year ended 31st March, 2017 on a going concern basis.
- 1 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.
- 1 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**

Mr. Padmanabh Jalan was re-appointed as whole time director for a period of three years w.e.f 01.04.2017, subject to your approval. The terms and conditions for re-appointment have been given in the resolution for his appointment.

Further, 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**

Messrs Lodha & Co., Chartered Accountants, (Firm Registration No. 301051E issued by The Institute of Chartered Accountants of India) have been the statutory auditors of the Company and will complete their term at the conclusion of the ensuing Annual General Meeting. Due to mandatory rotation of statutory auditors in accordance with the provisions of Section 139 of the Companies Act, 2013 read with Rule 6 of the Companies (Audit and Auditors) Rules, 2014, Messrs. Lodha & Co. are not eligible for reappointment. The Board places on record their appreciation for the professional services rendered by Messrs. Lodha & Co. during their association with the Company as its auditors.

Pursuant to the recommendation of the Audit Committee of Directors, the Board of Directors of the Company proposes to appoint Messrs Das & Prasad, Chartered Accountants, (Firm Registration No. 303054E issued by The

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Institute of Chartered Accountants of India) as the Auditors of the Company for one term of five consecutive years and to hold office as such from the conclusion of this AGM until the conclusion of the ensuing 5th AGM of the Company.

Messrs Das & Prasad have consented to the said appointment and issued a certificate to the effect that the appointment, if made, shall be in accordance with the conditions as prescribed in Section 139 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014. They have also confirmed that they meet the criteria for independence, eligibility and qualification as prescribed in Section 141 of the Companies Act, 2013 and do not have any pecuniary interest in the Company. The said appointment will be subject to ratification by the Members of the Company at every AGM.

The Auditors' Report annexed to the financial statement for the year under review does not contain any qualifications.

#### **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 Whole Time Director (Rs.8,37,520/-), compares favorably to median employees remuneration. The company has 1710 permanent employees on roles of the company. The percentile increase in salary of non Managerial persons as against Managerial persons is fair.

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

The information on conservation of energy, technology absorption and foreign exchange / outgo stipulated under Sec. 134(3) (m) of the Act read with Rule 8 of the Companies (Accounts) Rule, 2015 is annexed as "**Annexure - A**".

#### **SECRETARIAL 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 2016-17. 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.

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

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

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

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

#### **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.

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#### **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 GOVERNANCE**

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**.

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

The Company had no subsidiary or joint venture company during the year under review. Pahargoomiah Tea Industries Pvt. Ltd. has ceased to be an associate company from the year under review. Hence, accordingly, the report on the performance, financial position and other details of the Associate as required under Form AOC-1 is not furnished with this Annual Report. Also, consequently, Consolidation of financial statements as laid down under section 129(3) is not applicable to the Company and hence not presented.

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

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

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

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

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

The Company has always believed in providing a safe and harassment free workplace for every individual working in premises through various interventions and practices. The Company always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment. The Directors of the company are responsible for prevention of harassment of employees and lays down the guidelines for identification, reporting and prevention of sexual harassment. There were no cases of sexual harassment received by the Company in 2016-17.

#### **ACKNOWLEDGEMENTS**

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

Place : Kolkata  
Date : 14th August, 2017

On behalf of the Board  
**PADMANABH JALAN**  
*Wholetime Director*  
(DIN : 01651268)

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**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, 2017.

**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)	17,01,320	20,22,490
Total Amount (Rs.)	1,59,37,608	1,76,95,668
Rate / Unit (Rs.)	9.37	8.75
b) Own Generation		
i) Through Diesel Generator :		
Units (kWh)	45,020	40,244
Units per Ltr. of Diesel Oil	3.03	3.07
Cost / Unit (Rs.)	18.02	16.84
ii) Through Steam Turbine/Generator :		
Units	—	—
Units per Ltr. of Fuel Oil/Gas	—	—
Cost / Unit (Rs.)	—	—
<b>2. Coal</b>		
Quantity (Tonnes)	958	863
Total Cost (Rs.)	69,35,910	80,12,947
Average Rate	7,241	9,281
<b>3. Furnace Oil</b>		
Quantity (K. Liters)	NIL	2,201
Total Amount (Rs.)	NIL	91,597
Average Rate (Per Liter)	NIL	41.62
<b>4. Other Internal Generation</b>		
Quantity	—	—
Total Cost	—	—
Rate / Unit (Rs.)	—	—

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5. Consumption per unit of Production\*

Product: Tea		
Unit: Kgs.		
Electricity	1.20	1.34
Furnace Oil	0.00	0.00
Coal	0.68	0.57
Others	—	—

\* There is no prescribed standard

**FORM B**

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

- Specific area in which R & D carried out by the Company
  - Use of Bio-Product for Pest Management.
  - On soil structure improvement.
  - Vermiculture biotechnology for soil enrichment and nutrient mobilization.
- Benefits derived as a result of the above R & D
  - Improved Pest management and minimising residual effect on tea.
  - Facilitating successful plantation on sub-marginal soil.
  - Application of vermicompost is increasing the fertility level of soil and resulted in healthy growth of plantation.
- Future plan of action: Continue study to improve productivity.
- Expenditure on R & D
  - Capital
  - Recurring
  - Total
  - Total R & D Expenditure as a percentage

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

**Technology Absorption, Adaptation and Innovation**

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

**Foreign exchange earnings and outgo:**

- Foreign Currency earnings (Rs.) : Nil
- Expenditure in Foreign Currency : Rs. 69,854

Place : Kolkata  
Date : 14th August, 2017

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

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**ANNEXURE – B**

**FORM NO. MR-3**

**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2017**

**(Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the  
Companies (Appointment and Remuneration of Personnel) Rules, 2014)**

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

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

Based on my verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2017 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, 2017 according to the provisions as may be applicable to the company of :

- (i) The Companies Act, 2013 (the Act) and the rules made there under.
  - (ii) The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made there under.
  - (iii) The Depositors Act, 1996 and the Regulations and By-laws framed there under.
  - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under.
  - (v) The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act") (to the extent applicable to the Company) :-
    - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
    - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992
    - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
    - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999
    - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008
    - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
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- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998
  - (vi) The Food Safety and Standards Act, 2006 along with Food Safety and Standards Rules 2011
  - (vii) The Tea Board Guidelines and Orders.
  - (viii) Pollution Control Act, Rules and Notification issued thereof.
  - (ix) Legal Metrology Act, 2009 and Rules made there under.
  - (x) The Tea Act, 1953 and Tea Warehouse (Licensing) Order, 1989
  - (xi) The Factories Act, 1948 and Rules made there under.
  - (xii) Shops and Establishment Act, 1953
  - (xiii) The Employees Provident Fund and Miscellaneous Provisions Act, 1952 Rules made there under
  - (xiv) The Maternity Benefits Act, 1961
  - (xv) The Minimum Wages Act, 1948
  - (xvi) The Payment of Bonus Act, 1965
  - (xvii) The Payment of Gratuity Act, 1972
  - (xviii) The Employment Exchange (Compulsory Notification of Vacancies) Act, 1959
  - (xix) The Payment of Wages Act, 1936 and other applicable Industrial and Labour Laws

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

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

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

**I further report that**

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

**I further report that**

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

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

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

Place : Kolkata  
Date : 14th August, 2017

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

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**ANNEXURE “B-1”**

(To the Secretarial Audit Report of Bhatkawa Tea Industries Limited for the Financial Year Ended 31st March, 2017)

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

My Secretarial Audit Report for the financial year ended 31st March, 2017 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. I have relied upon the report of Statutory Auditors regarding Companies Act, 2013 & Rules made thereunder relating to maintenance of books of accounts, papers & financial statements of the relevant financial year, which gives true and fair view of the state of affairs 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 : 14th August, 2017

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

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## 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.

During the Financial Year 2016-17 there has been no new appointment or cessation of Director in the Company. The term of wholetime directorship of Mr. Padmanabh Jalan expired on 31st March, 2017 and he was re-appointed by the Board of Directors on recommendation of Nomination & Remuneration Committee and subject to approval from members in the ensuing Annual General Meeting. At present the Board consists of three Non-Executive Independent Directors.

Composition of Board as at 31st March, 2017 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	1	NIL	NIL
Mr. Purushottam Dass Bhoot	Non – Executive Independent Director	2	NIL	NIL
Ms. Rashmi Chitlangia	Non – Executive Independent Woman Director	1	NIL	NIL
Mr. Sunil Kumar Ganguly	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, nine Board Meetings were held, the dates being 18th May 2016, 13th June 2016, 17th June, 2016, 13th August 2016, 28th September 2016, 17th October 2016, 11th November 2016, 9th January 2017 and 14th February 2017.

The last AGM was held on 28th September, 2016.

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**Details of attendance**

<b>Director</b>	<b>No. of Board Meetings Attended</b>	<b>Whether attended last AGM</b>
Mr. Padmanabh Jalan	9	Yes
Mr. Purushottam Dass Bhoot	2	Yes
Ms. Rashmi Chitlangia	9	Yes
Mr. Sunil Kumar Ganguly	9	Yes

**3. Audit Committee :**

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

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

- 1 To review with the management, statutory auditors and internal Auditors on the adequacy of the internal control systems.
- 1 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.
- 1 To review the internal audit reports, to discuss with the internal auditors and management about their findings and suggest corrective action wherever necessary.
- 1 To recommend appointment of statutory auditors, fixation of audit fees and approval for payment for any other services.
- 1 To consider the nature and scope of statutory audit and review significant audit observations, if any.
- 1 To review the financial reporting process and disclosure of financial information.
- 1 To review the quarterly, half yearly and annual financials before submission to the Board.
- 1 To review the Company's financial and risk management policies.
- 1 To analysis substantial defaults in respect of payments to stakeholders, if any
- 1 To investigate into any other matters covered by Section 177 of the Companies Act, 2013.
- 1 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 18th May, 2016, 13th August, 2016, 11th November, 2016 and 14th February, 2017. The composition and attendance at the Audit committee meetings are as follows :

<b>Name</b>	<b>No. of Audit Committee Meetings Attended</b>
Mr. Sunil Kumar Ganguly, Chairman (from 13.08.2016	2
Mr. Purushottam Dass Bhoot, (Chairman till 13.08.2016)	2
Mr. Padmanabh Jalan, Member	4
Mrs. Rashmi Chitlangia, Member	4

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#### 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 2017 is as follows.

Name	No. of meetings attended
Mr. Sunil Kumar Ganguly, Chairman (from 11.11.2016)	1
Mr. Purushottam Dass Bhoot, (Chairman till 11.11.2016)	2
Mr. Padmanabh Jalan	1
Mrs. Rashmi Chitlangia	2

The Committee had met on 11th November, 2016 and 14th February, 2017.

- a. Remuneration paid to Managing Director and Wholetime Director during the year ended 31st March, 2017.

Name	Salary	Value of Perquisites	Provident Fund	Total
Mr. Padmanabh Jalan Wholetime Director	6,96,000	58,000	83,520	8,37,520

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

Severance fees : Not applicable

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

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

The composition and attendance at Committee meeting during the year ended 31st March, 2017 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, 2017.

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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**5. General Body Meetings :**

Location and time where last three AGMs were held :

<b>Date</b>	<b>Location</b>	<b>Time</b>
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
28th September, 2016	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 :**

Monday, 25th September, 2017 at 10.30 AM  
at Rotary Sadan, 94/2, Chowringhee Road, Kolkata-700 020.

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

Friday, 22nd September, 2017 to Monday, 25th September, 2017, both days inclusive.  
Cut-off date will be Thursday, 21st September, 2017.  
Dividend payment date : on and from 25th September, 2017

**(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 2016-17**

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 2016 to March 2017) 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, 2017, 79.02% of total holdings have been dematerialized.

**(h) (i) Distribution of shareholding as on 31st March, 2017**

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>

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(ii) Shareholding pattern as at 31st March, 2017

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. Jalpaiguri, West Bengal

(iv) Address for correspondence :

Registrars & Share Transfer Agents,  
S. K. Infosolutions Pvt. Ltd.,  
34/1A, Sudhir Chatterjee Street, Kolkata-700 006  
Phone : 2219-4815 / 6797  
E-mail : mail@skcomputers.net

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

Place : Kolkata  
Date : 14th August, 2017

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

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**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 at 14,12,918 kgs. as compared to 14,88,992 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	2016-17	2015-16	2014-15
Auctions	174.73	165.86	147.52
Consignment Agents	170.61	168.68	147.08
Private Sales	171.98	160.70	160.33

**Corporate Governance & Internal Control System**

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

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

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

**Human Resource Development**

The Company employs about 1710 persons including both in Tea Estate and the Head Office. It is complying with the policies adopted on Health & Safety, Waste Management, Environment and Social activities. Regular forestation and Staff welfare schemes have provided healthy environment at the gardens.

**Financials**

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

**General**

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

Place : Kolkata  
Date : 14th August, 2017

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



**ANNEXURE – E**  
**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**  
**As on financial year ended on 31.03.2017**

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

<b>I. REGISTRATION &amp; OTHER DETAILS :</b>		
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	NIL				



#### 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-2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) <b>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%	–
(2) <b>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) FIs			–	–			–	–	–
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%	–

**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-2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% 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	17,596	117,758	135,354	6.04%	17,596	117,758	135,354	6.04%	–
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	–	12,600	12,600	0.56%	–	12,600	12,600	0.56%	–
c) Others (specify) NRI	–	52,388	52,388	2.34%	–	52,388	52,388	2.34%	–
<b>Sub-total (B)(2) :-</b>	616,293	201,365	817,658	36.50%	616,293	201,365	817,658	36.50%	–
<b>Total Public (B)</b>	616,293	260,921	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>	1,769,906	470,094	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%

**(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 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	55.94			55.94
ii) Interest due but not paid				–
iii) Interest accrued but not due				–
<b>Total (i+ii+iii)</b>	55.94	–	–	55.94
<b>Change in Indebtedness during the financial year</b>				
* Addition	–			–
* Reduction	(17.59)			(17.59)
Net Change	(17.59)	–	–	(17.59)
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	38.35			38.35
ii) Interest due but not paid				–
iii) Interest accrued but not due				–
<b>Total (i+ii+iii)</b>	38.35	–	–	38.35

## 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
	Name	Padmanabh Jalan	(Rs./Lac)
	Designation	Wholetime Director	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	6.96	6.96
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.58	0.58
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961		–
2	Stock Option	–	–
3	Sweat Equity	–	–
4	Commission		–
	– as % of profit	–	–
	– others, specify	–	–
5	Others - Contribution to PF	0.84	0.84
	Total (A)	8.38	8.38
	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)				8.38
	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	Krishnendu Basu CFO	CEO	CS	
1	Gross salary	2.97			2.97
	(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 - Contribution to PF	0.31			0.31
	Total	3.28	-	-	3.28

**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			-		

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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, 2017, as stipulated under various regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 under various regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I state that in respect of investor grievances received during the year ended 31st March, 2017, 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 : 14th August, 2017

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

## **CERTIFICATION BY WHOLETIME DIRECTOR AND CHIEF FINANCIAL OFFICER**

To the Board of Directors of Bhatkawa Tea Industries Ltd.

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

- a) We have reviewed the financial statements and the Cash Flow Statement for the financial year ended 31st March, 2017 and that to the best of our knowledge and belief, we state that:
  - i) these statements do not contain any materially untrue statement or omit any material fact nor contain statement that might be misleading,
  - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with the existing Accounting standards, applicable laws and regulations.
- b) We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year which are fraudulent, illegal or violative to the Company's code of conduct.
- c) We are responsible for establishing and maintaining internal controls and for evaluating the effectiveness of the same over the financial reporting of the Company and that have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of which such internal controls, if any, of which we are aware, and the steps we have taken or, proposed to take to rectify these deficiencies.
- d) We have indicated, based on our recent evaluation wherever applicable, to the auditors and the Audit Committee:
  - i) significant changes, if any, in internal controls over financial reporting during the year;
  - ii) significant changes, if any, in the accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place : Kolkata  
Date : 14th August, 2017

**Padmanabh Jalan**  
*Wholetime Director*

**Krishnendu Basu**  
*Chief Financial Officer*

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## **INDEPENDENT AUDITORS' REPORT**

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

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

We have audited the accompanying financial statements of **BHATKAWA TEA INDUSTRIES LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2017, 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 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 relevant rule. 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 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 financial statements

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the 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, 2017, 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, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, 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. There is no delay in transferring any amounts to the Investor Education and Protection Fund by the company during the year.
  - iv. The Company has provided requisite disclosure in the financial statement as to holdings as well as dealing in the Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedure and relying on the management representation we report that the disclosures are in accordance with books of accounts maintained by the Company and as produced to us by the management – Refer Note No. 19(a).

For Lodha & Co.  
*Chartered Accountants*  
Firm's ICAI Registration No. : 301051E  
Sd/-

H.K. Verma  
Partner

Place : Kolkata  
Date : 14th August, 2017

Membership No. 055104

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**ANNEXURE 'A' TO THE AUDITORS' 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, except in respect of certain advance tax payments, 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, 2017 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:
-

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	West Bengal Commercial Taxes Appellate and Revisional Board	5,39,644	2009-10 and 2010-11
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.



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- 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.

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

Place : Kolkata  
Date : 14th August, 2017

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**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, 2017 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,

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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, 2017, 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

Sd/-

H.K. Verma

Partner

Membership No. 055104

Place : Kolkata

Date : 14th August, 2017

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**BALANCE SHEET AS AT 31ST MARCH 2017**

	Note	As At 31.03.2017 Rs.	As At 31.03.2016 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	12,12,03,695	16,45,21,692
<b>Non-Current Liabilities</b>			
Long - Term Borrowings	4	19,86,303	26,11,318
Deferred Tax Liabilities (Net)	13	19,00,457	—
Other Long Term Liabilities	5	42,82,862	52,90,590
Long term provisions	6	68,33,553	1,90,08,672
<b>Current liabilities</b>			
Short-term borrowings	7	18,48,766	29,83,516
Trade payable	8		
Outstanding dues of micro enterprises and small enterprises		—	—
Outstanding dues of creditors other than micro enterprises and small enterprises		4,51,54,766	4,47,37,588
Other current liabilities	9	3,81,51,389	3,07,12,798
Short-term provisions	10	1,16,93,320	1,08,18,735
<b>TOTAL</b>		<b>25,54,55,111</b>	<b>30,30,84,909</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed Assets:			
–Tangible assets	11	7,62,01,595	13,15,08,420
–Intangible assets	11	96,593	1,65,277
–Capital Work in Progress		14,96,642	—
Non-current investments	12	3,62,07,421	4,54,23,485
Deferred Tax Assets (Net)	13	—	17,71,645
Long term loans and advances	14	28,16,426	1,28,62,088
Other Non- Current Assets	15	22,75,932	22,92,763
<b>Current Assets</b>			
Current Investments	16	2,00,49,520	3,20,89,382
Inventories	17	5,44,57,203	4,41,44,025
Trade Receivables	18	99,44,131	84,76,306
Cash and Bank Balances	19	8,63,792	28,32,061
Short-term loans and advances	20	5,05,16,913	2,10,28,796
Other current assets	21	5,28,943	4,90,661
<b>TOTAL</b>		<b>25,54,55,111</b>	<b>30,30,84,909</b>

Significant Accounting Policies and other accompanying notes (1-37) are an integral part of the financial statements

As per our report of even date.

Place : Kolkata  
Date : 14th August, 2017

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

For Bhatkawa Tea Industries Limited  
P. Jalan  
Director  
(DIN: 01651268)

R. Chitlangia  
Director  
(DIN: 07171476)



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**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2017**

	Note	For the year ended 31.03.2017 Rs.	For the year ended 31.03.2016 Rs.
Revenue From Operations	22	22,94,90,633	21,41,93,815
Other Income	23	1,14,19,789	87,98,084
Total Revenue		<u>24,09,10,422</u>	<u>22,29,91,899</u>
<b>Expenses</b>			
Change in inventories of finished goods, (Increase)/Decrease	24	(93,91,051)	(2,54,10,214)
Employee Benefit Expenses	25	14,12,82,502	14,94,74,238
Finance Cost	26	8,76,771	9,25,084
Depreciation and amortization expenses	11	74,59,667	76,81,010
Other Expenses	27	7,91,24,988	8,20,81,481
<b>Total Expenses</b>		<u>21,93,52,877</u>	<u>21,47,51,599</u>
<b>Profit before Tax</b>		2,15,57,545	82,40,300
Less : Tax Expense	29		
Current Tax		22,87,191	12,14,747
Deferred Tax		36,72,103	9,59,445
<b>Profit after Tax</b>		<u>1,55,98,252</u>	<u>60,66,108</u>
Basic and Diluted Earnings per Share	32	6.96	2.71

Significant Accounting Policies and other accompanying notes (1-37) are an integral part of the financial statements

As per our report of even date.

Place : Kolkata  
Date : 14th August, 2017

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

For Bhatkawa Tea Industries Limited  
P. Jalan  
Director  
(DIN: 01651268)

R. Chitlangia  
Director  
(DIN: 07171476)

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**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017**

	Year ended 31st March, 2017 Rs.	Year ended 31st March, 2016 Rs.
<b>A. Cash Flow from Operating activities:</b>		
Net Profit before tax, exceptional and prior period items	2,15,57,545	82,40,300
<b>Adjustments for:</b>		
Depreciation	74,59,667	76,81,010
Diminution in value of Investments(Net)	(7,67,328)	49,661
Investment Income	(2,69,026)	(1,85,556)
(Profit)/Loss on sale of Investments (Net)	77,027	(9,10,858)
(Profit)/Loss on sale of Fixed Assets (Net)	(86,556)	2,03,262
Liabilities no longer required written back	(19,00,002)	(17,87,263)
Interest income	(61,78,983)	(38,09,483)
Finance Costs	7,30,919	9,25,084
<b>Operating Profit before Working Capital changes</b>	<b>2,06,23,263</b>	<b>1,04,06,157</b>
Adjusted for:		
Trade and Other Receivable	(7,210)	1,25,51,429
Inventories	(1,03,13,178)	(2,17,15,405)
Trade and Other Payables	2,73,824	2,98,11,096
<b>Cash generated from Operations</b>	<b>1,05,76,699</b>	<b>3,10,53,277</b>
Direct Taxes paid	(17,55,631)	(4,55,209)
Net cash from Operating Activities	<b>88,21,068</b>	<b>3,05,98,068</b>
<b>B. Cash Flow from Investing Activities:</b>		
Purchase of Fixed Assets	(1,44,16,013)	(2,35,20,562)
Sale/Adjustment of Fixed Assets	1,48,951	4,65,046
Refund of capital Advances	1,10,00,000	10,72,892
Term deposit over three months maturity	16,831	(78,765)
Purchase of Investments	(4,85,24,780)	(6,93,37,690)
Sale of Investments	7,04,71,007	3,09,05,801
Investment Income	2,69,026	1,85,556
Intercorporate Loans given	(3,08,42,502)	2,10,00,000
Interest received	61,81,965	44,94,517
<b>Net Cash used in Investing Activities</b>	<b>(56,95,515)</b>	<b>(3,48,13,205)</b>
<b>C. Cash Flow from Financing Activities:</b>		
Proceeds/(repayment) of borrowings	(30,90,359)	(63,74,351)
Interest paid	(6,87,961)	(9,27,263)
Deposits to Tea Board Default Reserve (net)	(41,263)	8,72,523
Dividend paid	(11,20,000)	(11,20,000)
Dividend Distribution Tax paid	(91,726)	(91,726)
Net Cash from/(used) Financing Activities	<b>(50,31,309)</b>	<b>(76,40,817)</b>

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**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017 (contd.)**

	<b>Year ended 31st March, 2017 Rs.</b>	<b>Year ended 31st March, 2016 Rs.</b>
<b>Net increase in Cash and Cash Equivalents</b>	<b>(19,05,756)</b>	<b>(1,18,55,954)</b>
<b>Cash and Cash equivalent - Opening balance</b>	<b>22,19,892</b>	<b>1,40,75,845</b>
<b>Cash and Cash equivalent - Closing balance</b>	<b>3,14,136</b>	<b>22,19,892</b>

**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 : 14th August, 2017

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

For Bhatkawa Tea Industries Limited  
P. Jalan  
Director  
(DIN: 01651268)

R. Chitlangia  
Director  
(DIN: 07171476)



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**NOTES FORMING PART OF THE FINANCIAL STATEMENT  
FOR THE YEAR ENDED / AS AT 31ST MARCH, 2017**

**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 relevant rules 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 :**

As per revised Accounting Standard (AS) 10 on "Property, Plant and Equipment" effective from 01.04.2016, the company has opted to adopt cost model for all class of assets. Fixed assets are carried at cost of acquisition less accumulated depreciation and accumulated impairment loss if any. Bearer Plants being tea bushes are capitalized as a part of Property, Plant & Equipment. The cost of Bearer Plant includes uprooting cost, replantation cost and upkeep expenses of young bearer plants.

**E. SUBSIDY :**

Tea Replantation Subsidy and other subsidies is accounted for on acceptance/receipt by/from the concerned authorities. Replantation subsidy/Capital subsidy received are adjusted from the respective cost of Bearer Plant/ Fixed assets.

**F. 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.

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#### **G. 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 respect of leasehold land and development, the salami paid to Government is amortized over the remaining period of lease on straight line method. Depreciation on Bearer Plants is provided on "Straight Line Basis" at the rates determined considering useful lives of tea bushes of 40 years.

#### **H. 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.

#### **I. 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.

#### **J. 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.

#### **K. 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.

#### **L. 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.

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**M. PROPOSED DIVIDEND :**

Dividend recommended/declared after the Balance Sheet Date but before the Financial Statements are approved by Shareholders in the General Meeting are not recognized as a liability at the Balance Sheet Date because no obligation exists at the Balance Sheet Date.

**N. 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.

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**NOTES FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED / AS AT 31ST MARCH, 2017**

	As at 31.03.2017 Rs.	As at 31.03.2016 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	4,46,508	4,46,508
M/S Kirti Industrial Company Limited	3,15,915	3,15,915
Minakshi Jalan	5,46,194	5,46,194
Padmanabh Jalan	2,44,090	2,44,090
Uphaar Financial Services Pvt. Ltd.	1,65,575	1,65,575
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	3,41,68,314	3,16,47,085
Add: Transfer from Revaluation Reserve	—	10,21,229
Add: Transfer from Surplus	<u>15,00,000</u>	<u>15,00,000</u>
Closing Balance	<u>3,56,68,314</u>	<u>3,41,68,314</u>
<b>Revaluation Reserve</b>		
Opening Balance	5,89,16,249	5,99,37,477
Less: Adjustment with carrying amount of related assets (Refer Note-11(f))	<u>5,89,16,249</u>	—
Less: Transfer to General Reserve (Depreciation on revalued amount for the year) (Refer Note 11(e))	—	9,74,676
Less: Transfer on Sale of Assets	—	<u>46,552</u>
Closing Balance	—	<u>5,89,16,249</u>

	<b>As at 31.03.2017 Rs.</b>	<b>As at 31.03.2016 Rs.</b>
<b>Surplus</b>		
Opening Balance	<b>7,14,37,129</b>	6,80,82,747
Add: Transfer from Statement of Profit and Loss	<b>1,55,98,252</b>	60,66,108
Less: Appropriations		
Proposed Dividend Refer Note 3(b)	—	11,20,000
Tax on Dividend- Refer Note 3(a)	—	91,726
Transfer to General Reserve	<b>15,00,000</b>	15,00,000
Closing Balance	<b>8,55,35,381</b>	7,14,37,129
	<b>12,12,03,695</b>	16,45,21,692

- 3(a) Based on certain legal cases, the Company had provided corporate dividend distribution tax only to the extent the profit is attributable to non agricultural income in the previous year.
- 3(b) The Board of Directors has recommended a dividend of Rs. 0.50 per share to be paid on fully paid equity shares. This equity dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in this financial statements for the current year. The total estimated equity dividend to be paid is Rs. 11,20,000 and the dividend distribution tax hereon amounts to Rs. 91,726.

#### 4. LONG TERM BORROWINGS

##### Loan from Tea Board (Secured)

Under Special Purpose Tea Fund Scheme	<b>19,86,303</b>	24,82,879
Vehicle Loan	—	1,28,439
	<b>19,86,303</b>	26,11,318

- 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% (8.914% 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	—	—
2016-17	—	14,59,034
2017-18	1,28,439	1,28,439



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	<b>As at 31.03.2017 Rs.</b>	<b>As at 31.03.2016 Rs.</b>
<b>5. OTHER LONG TERM LIABILITIES</b>		
Liability for Capital Expenditure (Refer Note 5(a) and 11(d))	<b>42,82,862</b>	52,90,590
	<b>42,82,862</b>	52,90,590
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 financial year 2015-16 , Order was 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 28.8.2015 against which the company had represented before the Additional District Magistrate of Land and Land Reform Department to withdraw such demand for payment in a single instalment In respect of the above representation an order dated 13th January,2017 has been passed, according to which the balance amount is payable in seven equal annual installments of Rs.8,56,570 from the date of the Order.		
<b>6. LONG TERM PROVISIONS</b>		
Provision for Gratuity	<b>68,33,553</b>	1,90,08,672
	<b>68,33,553</b>	1,90,08,672
<b>7. SHORT TERM BORROWINGS</b>		
Repayable on demand (Secured)		
<b>From Bank :</b>		
Cash Credit Account	<b>18,48,766</b>	29,83,516
	<b>18,48,766</b>	29,83,516
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 director 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>4,51,54,766</b>	4,47,37,588
	<b>4,51,54,766</b>	4,47,37,588
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 31.03.2017 Rs.</b>	<b>As at 31.03.2016 Rs.</b>
<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	1,28,439	14,59,034
Interest accrued but not due on borrowings	78,113	35,155
Unpaid Dividend	5,08,156	5,70,781
Advances from customers etc.	3,38,42,733	2,40,31,305
Other Payables		
Statutory Payables	20,42,198	32,17,074
Excise duty on stock	24,668	34,349
Liability for Capital Expenditure (Refer Note 11(d))	8,56,570	7,05,412
Others	1,73,936	1,63,112
	<b>3,81,51,389</b>	<b>3,07,12,798</b>
<b>10. SHORT TERM PROVISIONS</b>		
For Gratuity	1,00,79,667	85,22,973
For Proposed Dividend (Refer Note 3(b))	—	11,20,000
For Tax on Dividend	5,191	96,917
For Income Tax and Fringe Benefit Tax (Net of Advance Tax) (Refer Note 20)	16,08,462	10,78,845
	<b>1,16,93,320</b>	<b>1,08,18,735</b>



## NOTES FORMING PART OF THE ACCOUNTS

### 11. FIXED ASSETS

	GROSS BLOCK				DEPRECIATION BLOCK				NET BLOCK		
	As on 01.04.2016	Additions	Adjustment of Revaluation reserve on adoption of Cost Model on 01.04.2016 (Refer Note 11(g))	Deductions on sale/ Adjustment	As on 31.03.2017	As on 01.04.2016	For the Year In Statement of Profit & Loss	On Sale/ Transfer	As on 31.03.2017	As on 31.03.2017	As on 31.03.2016
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
<b>TANGIBLE ASSETS</b>											
Land (Leasehold) & Development	70,54,120	—	—	—	<b>70,54,120</b>	11,13,807	3,71,269	—	<b>14,85,076</b>	<b>55,69,044</b>	59,40,313
Bearer Plant	6,57,15,966	27,97,416	5,34,47,036	—	<b>1,50,66,346</b>	—	5,65,587	—	<b>5,65,587</b>	<b>1,45,00,759</b>	6,57,15,966
Buildings	3,13,03,006	8,94,783	50,05,102	—	<b>2,71,92,687</b>	1,56,41,002	7,15,281	—	<b>1,63,56,283</b>	<b>1,08,36,404</b>	1,56,62,004
Plant & Equipments	6,24,86,268	43,17,331	4,64,111	2,992	<b>6,63,36,496</b>	3,56,02,175	25,49,438	2,992	<b>3,81,48,621</b>	<b>2,81,87,875</b>	2,68,84,093
Electrical Installations and Equipments	1,13,88,657	—	—	—	<b>1,13,88,657</b>	1,09,38,586	1,14,010	—	<b>1,10,52,596</b>	<b>3,36,061</b>	4,50,071
Office Equipments	49,34,952	1,71,187	—	—	<b>51,06,139</b>	45,57,428	2,35,629	—	<b>47,93,057</b>	<b>3,13,082</b>	3,77,524
Furniture & Fixtures	22,40,572	1,52,367	—	—	<b>23,92,939</b>	18,41,123	89,778	—	<b>19,30,901</b>	<b>4,62,038</b>	3,99,449
Vehicles	1,46,22,277	15,24,917	—	6,92,906	<b>1,54,54,288</b>	80,83,844	15,75,174	6,30,511	<b>90,28,507</b>	<b>64,25,781</b>	65,38,433
Irrigation Equipments	2,44,32,801	11,78,550	—	1,00,000	<b>2,55,11,351</b>	1,65,91,130	10,11,587	1,00,000	<b>1,75,02,717</b>	<b>80,08,634</b>	78,41,671
Water Supply System	41,88,930	—	—	—	<b>41,88,930</b>	24,90,034	1,36,979	—	<b>26,27,013</b>	<b>15,61,917</b>	16,98,896
Subtotal	22,83,67,549	1,10,36,551	5,89,16,249	7,95,898	<b>17,96,91,953</b>	9,68,59,129	73,64,732	7,33,503	<b>10,34,90,358</b>	<b>7,62,01,595</b>	13,15,08,420
<b>INTANGIBLE ASSETS</b>											
Computer Software	2,73,000	26,250	—	—	<b>2,99,250</b>	1,07,723	94,935	—	<b>2,02,657</b>	<b>96,593</b>	1,65,277
Subtotal	2,73,000	26,250	—	—	<b>2,99,250</b>	1,07,723	94,935	—	<b>2,02,657</b>	<b>96,593</b>	1,65,277
Total	22,86,40,549	1,10,62,801	5,89,16,249	7,95,898	<b>17,99,91,203</b>	9,69,66,852	74,59,667	7,33,503	<b>10,36,93,015</b>	<b>7,62,98,188</b>	13,16,73,697
Previous Year	21,85,94,438	1,25,20,562	—	24,74,452	<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

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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) for creation of charge against fixed assets of the company.
  - 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(a) and 9)
  - e) Depreciation for the year includes Rs. NIL (previous year Rs. 9,74,676) pertaining to additional depreciation due to revaluation of Buildings, Plant & Equipments on 31st March, 2006. This amount has been adjusted from revaluation reserve and transferred to general reserve during the previous year which was earlier adjusted in the Statement of Profit & Loss.
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**NOTES FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED AS AT 31ST MARCH 2017**

	As at 31.03.2017 Nos	As at 31.03.2016 Nos	As at 31.03.2017 Rs.	As at 31.03.2016 Rs.
<b>12. NON-CURRENT INVESTMENTS (At cost)</b>				
<b>(at cost except otherwise stated)</b>				
<b>Trade Investments (Fully paid up) :</b>				
<b>Unquoted:</b>				
ABC Tea Workers Welfare Service Ordinary Shares of Rs.10 each	50	50	500	500
<b>Other Investments in Equity Instruments</b>				
<b>Unquoted :</b>				
Pahargoomiah Tea Industries Pvt. Ltd. Equity shares of Rs. 10/- each Refer Note 12(a) below	7,30,000	14,00,000	1,09,50,000	2,10,00,000
Bhakti Fiscal Pvt.Ltd. Equity Shares of Rs.100 each	—	300	—	30,000
Jalpaiguri Club Ltd. Ordinary Shares of Rs.10 each	10	10	100	100
Lake view Dealers Pvt. Ltd. Equity Shares of Rs.10 each	—	83,000	—	7,55,000
Uphaar Financial Services Pvt. Ltd. Equity Shares of Rs.10 each	—	25,000	—	1,75,000
<b>Quoted:</b>				
Equity Shares of Rs 10 each unless otherwise stated				
Balmer Lawrie Ltd.	1,400	350	1,32,508	1,32,508
Balrampur Chini Mills Limited. of Rs. 1 each	15,000	15,000	7,58,916	7,58,916
Larsen & Toubro Ltd. of Rs.2 each	3,662	3,662	39,28,124	25,15,526
Oil & Natural Gas Corporation Ltd. of Rs. 5 each	9,000	6,000	17,79,878	17,79,878
State Bank of India. of Rs.1 each	6,000	5,000	10,46,901	8,82,914
Nagarjuna Fertilizer and Chemical Ltd. of Rs.1 each	20,350	20,350	4,87,507	4,87,507
Steel Authority of India Limited	12,000	10,000	6,40,087	5,51,643
<b>Other than trade</b>				
Government Securities (Unquoted)				
12 Year National Defence Certificates (Deposited with Central Excise)	—	—	800	800
<b>Investments in Preference Shares</b>				
<b>Fully paid up Preference Shares</b>				
<b>Compulsorily Convertible Preference Shares</b>				
Purple Style Labs Pvt. Ltd. of Rs.10 each	100	—	5,00,000	—
<b>INVESTMENTS IN DEBENTURES</b>				
<b>Unquoted :</b>				
1/2% Registered Mortgage Debentures of Rs.100 each	24	24	2,400	2,400
Woodland Hospital And Medical Research Centre (*)				

**NOTES FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED/AS AT 31ST MARCH 2017**

	<b>As at 31.03.2017 Nos</b>	<b>As at 31.03.2016 Nos</b>	<b>As at 31.03.2017 Rs.</b>	<b>As at 31.03.2016 Rs.</b>
<b><u>INVESTMENTS IN BONDS</u></b>				
<b>Unquoted :</b>				
9.45% Union Bank Perpetual 2016 Bond of Rs.10 Lac each	—	4	—	41,48,800
9.75% IFCI Ltd. 2030 Bond of Rs.10 Lac each	1	—	10,45,400	—
8.76% Housing and Urban Development Corp. Ltd. of Rs.1000 each	3,000	3,000	30,00,000	30,00,000
9.75% IFCI Ltd. Bond of Rs.10 Lac each	1	1	10,40,200	10,40,200
7.35% National Highway Authority of India of Rs.1000 each	571	571	5,71,000	5,71,000
<b>Quoted:</b>				
8.2% Power Finance Corporation Limited. of Rs.1000 each	712	712	7,12,000	7,12,000
8.38% India Infrastructure Finance Co. Ltd. of Rs.1000 each	3,100	3,100	31,00,000	31,00,000
8.26% India Infrastructure Finance Co. Ltd. Rs.10 Lac each	1	1	10,11,300	10,11,300
8.76% National Housing Bank of Rs.5000 each	231	231	11,55,000	11,55,000
10.65% United Bank of India 2022 of Rs.10 Lac each	2	—	22,44,800	—
8.5% National Highway Authority of India of Rs.1000 each	2,100	2,100	21,00,000	21,00,000
			<u>3,62,07,421</u>	<u>4,59,10,992</u>
Less Provision for Diminution in Investments			—	4,87,507
			<u>3,62,07,421</u>	<u>4,54,23,485</u>
Aggregate Amount of Quoted Investments			87,73,921	66,21,385
Aggregate Amount of Unquoted Investments			2,74,33,500	3,92,89,607
Aggregate Market Value of Quoted Investments			2,24,69,625	89,59,112
Aggregate provision made for diminution in value of Investments			—	4,87,507

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

12.(a) During the year the company has sold shares 6,70,000 shares of Pahargoomiah Tea Industries Pvt. Ltd. Consequently upon disposal of the said equity shares, Pahargoomiah Tea Industries Pvt. Ltd. has ceased to be an associate with effect from 4th July, 2016 and accordingly, separate consolidated financial statement has not been prepared.





**NOTES FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED/AS AT 31ST MARCH 2017**

**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.

	As at 31.03.2017	Increase/ (Decrease) in Deferred Tax Asset	As at 31.03.2016
<b>A. Deferred Tax Assets :</b>			
Expenses allowable on payment basis	57,88,181	(5,53,815)	63,41,996
<b>B. Deferred Tax Liabilities :</b>			
Depreciation difference	76,88,638	31,18,288	45,70,351
<b>C. Deferred tax assets/(liability) (Net)</b>	<u>(19,00,457)</u>	<u>(36,72,103)</u>	<u>17,71,645</u>
<b>Net increase/ (decrease) in deferred tax assets adjusted as :</b>			
Expense in the Statement of Profit or Loss			36,72,103
Credit to General Reserve			—
			<u>(36,72,103)</u>

**14. LONG TERM LOANS AND ADVANCES**

(Unsecured- Considered Good)

	As at 31.03.2017 Rs.	As at 31.03.2016 Rs.
Capital Advances	10,00,000	1,10,00,000
Inter corporate Loans (Refer Note 14(b) below)	10,00,000	10,00,000
Security Deposit with related parties-Refer Note 31	6,00,000	6,00,000
Security deposit-others	61,820	1,06,640
Staff Advance (Refer Note 20(b))	44,800	43,700
MAT Credit receivable- Refer Note 14(a)	1,09,806	1,11,748
	<u>28,16,425</u>	<u>1,28,62,088</u>

14(a) 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(b) Loans and Advances given to  
- 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.

**NOTES FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED/AS AT 31ST MARCH 2017**

	<b>As at 31.03.2017 Rs.</b>	<b>As at 31.03.2016 Rs.</b>
<b>15. OTHER NON CURRENT ASSETS</b>		
(Unsecured- Considered Good)		
Other bank balances		
Term deposit with maturity of over twelve months (under lien)	<b>7,63,749</b>	7,80,580
Tea Board Subsidy Receivable (Refer Note 15(a))	<b>12,93,690</b>	12,93,690
Tea Board Default Reserve (Refer Note 21(a))	<b>2,18,493</b>	2,18,493
	<b>22,75,932</b>	22,92,763

15(a) During the year 2014-15 company had 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.

	<b>As at 31.03.2017 Nos</b>	<b>As at 31.03.2016 Nos</b>	<b>As at 31.03.2017 Rs.</b>	<b>As at 31.03.2016 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>Quoted:</b>				
Equity Shares of Rs 10 each unless otherwise stated				
Kanpur Fertilizers & Cement Ltd.	<b>429</b>	429	<b>14,829</b>	14,829
Tata Consultancy Services Ltd. of Re.1 each	<b>116</b>	116	<b>24,650</b>	24,650
Tata Global Beverages Ltd. of Rs.1 each	<b>12,000</b>	12,000	<b>15,47,414</b>	15,47,414
UltraTech Cement Company Ltd.	<b>400</b>	400	<b>1,57,986</b>	1,57,986
Link Pen & Plastic Ltd.	<b>1,000</b>	1,000	<b>72,363</b>	72,363
Reliance Industries Ltd.	<b>400</b>	400	<b>4,01,778</b>	4,01,778
Star Ferro & Cement Ltd.	<b>7,900</b>	7,900	<b>1,89,839</b>	1,89,839
Shyam Century Ferrous Ltd.	<b>8,500</b>	8,500	<b>2,04,256</b>	2,04,256
Castrol India Ltd. of Rs.5 each	<b>300</b>	300	<b>1,36,591</b>	1,36,591
TATA Steel Ltd.	<b>1,900</b>	100	<b>6,26,529</b>	3,49,976
Maharashtra Seamless Ltd. of Rs.5 each	<b>1,000</b>	1,000	<b>2,10,972</b>	2,10,972
Jindal Steel & Power Ltd. of Re.1 each	<b>2,500</b>	2,500	<b>2,46,019</b>	2,46,019
Kotak Mahindra Bank of Rs.5 each	<b>200</b>	—	<b>1,65,141</b>	—
Mahindra & Mahindra Limited of Rs.5 each	<b>100</b>	—	<b>1,34,802</b>	—
RBL Bank Limited	<b>1,600</b>	—	<b>5,71,654</b>	—
Godfrey Phillips India Ltd. Rs. 2 each	<b>200</b>	—	<b>2,11,445</b>	—
Motherson Sumi Systems Ltd. of Re.1	<b>800</b>	800	<b>2,13,454</b>	2,13,454



	As at 31.03.2017 Nos	As at 31.03.2016 Nos	As at 31.03.2017 Rs.	As at 31.03.2016 Rs.
<b>INVESTMENTS IN MUTUAL FUND</b>				
<b>Unquoted:</b>				
DSP Blackrock Micro Chip	2,289	—	1,20,000	—
BSL Frontline Equity Fund Growth	2,677	—	4,80,000	—
Birla Sunlife Medium Term Plan	2,51,269	—	50,00,000	—
ICICI Prudential Value Discovery Funds	3,884	—	4,80,000	—
ICICI Prudential Long term Funds	2,45,250	—	50,00,000	—
SBI Corp Bond	1,57,922	—	40,00,000	—
Reliance Medium Term Fund	—	12,878	—	2,60,67,692
Axis Treasury Fund	—	1,625	—	26,91,586
			<b>2,02,09,722</b>	<b>3,25,29,405</b>
Less Provision for Diminution in Investments			<b>1,60,202</b>	<b>4,40,023</b>
			<b>2,00,49,520</b>	<b>3,20,89,382</b>
Aggregate Value of Quoted Investments			<b>51,14,893</b>	<b>37,55,298</b>
Aggregate Value of Unquoted Investments			<b>1,50,94,829</b>	<b>2,87,74,107</b>
Aggregate Market Value of Quoted Investments			<b>90,00,539</b>	<b>55,86,557</b>
Aggregate provision made for diminution in value of Investments			<b>1,60,202</b>	<b>4,40,023</b>

**16(a)** The movement of Provision for diminution of investments written back is as follows :

Particulars	2016-17	2015-16
Opening Balance	9,27,530	8,77,869
Additions	1,60,202	9,27,530
Less: Written Back	(9,27,530)	(8,77,869)
	<b>1,60,202</b>	<b>9,27,530</b>

**17. INVENTORIES :**

As taken, valued and certified by the management- at lower of cost or net realisable value.

	As at 31.03.2017 Rs.	As at 31.03.2016 Rs.
Stock of Finished Goods-Tea	4,54,96,315	3,61,05,264
Stores and Spares	89,19,354	79,96,091
Stock of Foodstuff	41,534	42,670
	<b>5,44,57,203</b>	<b>4,41,44,025</b>

a) Refer Note No. 7(a)

**NOTES FORMING PART OF THE FINANCIAL STATEMENT  
FOR THE YEAR ENDED/AS AT 31ST MARCH 2017**

	<b>As at 31.03.2017 Rs.</b>	<b>As at 31.03.2016 Rs.</b>
<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>2,47,813</b>	2,38,059
Unsecured, considered Doubtful	—	—
	<b>2,47,813</b>	<b>2,38,059</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	<b>96,96,318</b>	82,38,247
	<b>96,96,318</b>	<b>82,38,247</b>
Total	<b>99,44,131</b>	<b>84,76,306</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	<b>51,725</b>	1,91,228
Cash in hand (as certified by the management) (Refer Note 19(a))	<b>2,18,933</b>	20,10,814
Remittance in Transit	<b>43,478</b>	17,850
	<b>3,14,136</b>	<b>22,19,892</b>
<b>Other Bank Balances</b>		
On Margin Accounts (under lien)		
Fixed Deposit	<b>41,500</b>	41,500
Unpaid Dividend	<b>5,08,156</b>	5,70,669
	<b>5,49,656</b>	<b>6,12,169</b>
	<b>8,63,792</b>	<b>28,32,061</b>



#### 19(a) SPECIFIED BANK NOTES DISCLOSURE (SBN's)

The details of SBN (Rs. 500 and Rs. 1,000 notes existing as on November 08, 2016) and other other notes held and transacted during the period from November 8, 2016 to December 30, 2016 as defined and required vide MCA Notification Number GSR 308(E) dated March 30, 2017 is given below:

Particulars	SBNs	Other Denomination Notes	Total
Closing cash in hand as on November 8, 2016	2,70,000	10,004	2,80,004
Add: Permitted receipts		79,53,912	79,53,912
Less: Permitted payments		77,85,626	77,85,626
Less: Amount deposited in Banks	2,70,000		2,70,000
Closing cash in hand as on November 30, 2016	—	1,78,290	1,78,290

#### 20. SHORT TERM LOANS AND ADVANCES

(Unsecured-Considered Good)

	As at 31.03.2017 Rs.	As at 31.03.2016 Rs.
Inter corporate Loans (Refer Note 20(a))	<b>4,88,42,502</b>	1,80,00,000
Advance to Supplier	<b>9,76,166</b>	23,82,429
Staff Advances (Refer Note 20(b))	<b>1,16,476</b>	1,27,537
Prepaid Expenses	<b>5,53,284</b>	5,00,148
Other loans and advances	<b>28,485</b>	18,682
	<b>5,05,16,913</b>	2,10,28,796

#### 20(a) Particulars of Inter Corporate Loans

a) Addarsh Management Pvt Ltd.	<b>51,43,753</b>	50,00,000
b) Elpro International Ltd.	—	50,00,000
c) Eighteen Woodland Properties Pvt. Ltd.	<b>31,62,740</b>	—
d) Gilllanders Arbuthnot Co. Ltd. A/c Micco	<b>80,00,000</b>	80,00,000
e) International Conveyors Limited	<b>75,00,000</b>	—
f) Patcorp Construction Pvt. Ltd.	<b>50,16,643</b>	—
g) Shelter Properties Pvt. Ltd.	<b>83,99,710</b>	—
h) Stanley Merchants Pvt. Ltd.	<b>3,59,507</b>	—
i) Super Diamond Reforms LLP	<b>11,60,149</b>	—
j) The Oudh Sugar Mills Ltd.	<b>1,01,00,000</b>	—
	<b>4,88,42,502</b>	1,80,00,000

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

**20(b)** Staff Advances includes Rs. 116,476/- (Previous Year Rs. 92,100/-) under Short Term Loans and Advances and Rs. 44,800 (Previous Year Rs. 43,700/-) under Long Term Loans and Advances in respect of loan to employees. Maximum outstanding Rs. 2,30,000/- (Previous Year Rs. 1,86,300/-)

**NOTES FORMING PART OF THE FINANCIAL STATEMENT  
FOR THE YEAR ENDED/AS AT 31ST MARCH 2017**

	<b>As at 31.03.2017 Rs.</b>	<b>As at 31.03.2016 Rs.</b>
<b>21. OTHER CURRENT ASSETS</b>		
Interest Receivable	4,70,085	4,73,066
Tea Board Default Reserve Fund	<b>58,858</b>	17,595
	<b>5,28,943</b>	4,90,661

21(a) Tea Board Default Reserve Fund represents the excess amount of interest paid to the Tea Board refund is receivable in the financial year 2017-18.

	<b>2016 - 17 Rs.</b>	<b>2015 - 16 Rs.</b>
<b>22. REVENUE FROM OPERATIONS</b>		
Sale of Tea	<b>23,01,97,384</b>	21,49,41,591
Less: Cess on tea	<b>7,06,751</b>	7,47,776
	<b>22,94,90,633</b>	21,41,93,815

**23. OTHER INCOME :**

Dividend on Investments (Refer Note (23(a)) below)	<b>2,69,026</b>	1,85,556
Miscellaneous receipts	<b>20,72,885</b>	19,38,401
Interest Income (Refer Note (23(b)) below)	<b>61,78,983</b>	38,09,483
Claims	<b>15,409</b>	37,323
Liabilities no longer required written back	<b>19,00,002</b>	17,87,263
Profit on Sale of Investments (Net) (Refer Note (23(c)) below)	—	9,10,858
Profit on Sale of Fixed Asset (Net)	<b>86,556</b>	—
Rent	<b>1,29,600</b>	1,29,200
Provision for diminition of investments written back (net) (Refer (23(d)) below)	<b>7,67,328</b>	—
	<b>1,14,19,789</b>	87,98,084

23(a) The break up of Dividend on investments is as follows :

Dividend on Long Term Investments	<b>2,08,682</b>	1,16,058
Dividend on Current Investments	<b>60,344</b>	69,498
	<b>2,69,026</b>	1,85,556

23(b) Interest Income includes:

On intercorporate loans	<b>49,15,693</b>	22,85,094
On Current Investments (Bonds)	<b>11,96,402</b>	14,18,254
On deposit with banks/others (net of pre maturity charges)	<b>66,888</b>	1,06,135
	<b>61,78,983</b>	38,09,483



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

	<b>2016 - 17</b>	<b>2015 - 16</b>
	<b>Rs.</b>	<b>Rs.</b>
23(c) The break up of profit on sale of investments (Net) is as follows:		
Profit/(Loss) on sale of Long Term Investments	<b>10,19,226</b>	3,27,962
Profit/(Loss) on sale of Current Investments	<b>(10,96,253)</b>	5,82,896
	<b>(77,027)</b>	9,10,858
23(d) The break up of Provision for diminution of investments written back is as follows:		
Diminution in long term investments	<b>4,87,507</b>	—
Diminution in current investments	<b>2,79,821</b>	—
	<b>7,67,328</b>	—
<b>24. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE</b>		
Closing Stock of tea	<b>4,54,96,315</b>	3,61,05,264
Opening stock of tea	<b>3,61,05,264</b>	1,06,95,050
(Increase)/Decrease	<b>(93,91,051)</b>	(2,54,10,214)
<b>25. EMPLOYEE BENEFIT EXPENSES</b>		
Salaries and Wages (Refer Note 27(d))	<b>11,73,45,201</b>	11,32,53,124
Contribution to Provident and Other Funds (Refer Note 33)	<b>2,11,75,735</b>	3,07,40,063
Staff Welfare	<b>27,61,566</b>	54,81,051
	<b>14,12,82,502</b>	14,94,74,238
<b>26. FINANCE COSTS</b>		
Interest Costs		
On Fixed Loans & Deposits	<b>3,44,032</b>	5,56,280
To Bank and Others	<b>3,97,589</b>	1,98,631
Other Borrowing Costs		
Other Financial Charges	<b>1,35,150</b>	1,70,173
	<b>8,76,771</b>	9,25,084

**NOTES FORMING PART OF THE FINANCIAL STATEMENT  
FOR THE YEAR ENDED/AS AT 31ST MARCH 2017**

	2016 - 17 Rs.	2015 - 16 Rs.
<b>27. OTHER EXPENSES</b>		
Stores, Spares and Packing Material consumed—		
Indigenous (Refer Note 27(d))	<b>2,03,58,995</b>	2,36,82,117
Power & Fuel	<b>2,42,77,456</b>	2,61,34,456
Repairs to Machinery	<b>31,80,415</b>	33,66,671
Repairs to Buildings	<b>46,51,343</b>	36,87,586
Repairs to Others	<b>1,51,093</b>	10,90,163
Rent	<b>8,31,900</b>	8,31,900
Rates and Taxes	<b>19,39,180</b>	4,68,949
Insurance	<b>3,08,034</b>	3,65,330
Carriage outward	<b>89,68,444</b>	84,21,222
Brokerage and Commission	<b>52,63,871</b>	47,59,631
Selling and Distribution Expenses (Refer Note 27(2))	<b>18,70,743</b>	18,77,340
Subscription	<b>14,71,947</b>	6,77,858
Service Charges	<b>3,10,000</b>	2,40,000
Professional charges	<b>14,62,324</b>	7,77,704
Bank charges	<b>2,60,517</b>	1,24,557
Diminution in value of Investments (Net) (Refer Note 27(c))	—	49,661
Auditor's Remuneration (excluding service tax) :		
For Statutory Audit	<b>1,25,000</b>	1,25,000
For Tax Audit	<b>30,000</b>	30,000
For Certification etc	<b>25,000</b>	50,000
Travelling expenses	<b>9,30,340</b>	18,47,845
Loss on sale of fixed asset (net)	—	2,03,262
Loss on sale of investments (Net) (Refer Note (23(c)) above)	<b>77,027</b>	—
Miscellaneous Expenses	<b>26,31,359</b>	32,70,229
	<b>7,91,24,988</b>	8,20,81,481
<b>27(a) Selling and Distribution Expenses</b>		
Tea warehousing charges	<b>1,53,258</b>	3,23,351
Advertisement	<b>45,535</b>	47,220
Conference & Seminer	<b>1,22,500</b>	2,00,000
Sales Promotion	<b>8,883</b>	3,63,834
Other sales charges	<b>15,40,291</b>	9,42,935
Total	<b>18,70,467</b>	18,77,340
<b>27(b) Stores and spares consumed (Wholly indigenous) amount to Rs. 37,589,209 (Previous year Rs. 4,04,94,417) are included under various heads above</b>		
<b>27(c) The Company had capitalised the following expenses of</b>		
Diminution in long term investments	—	(15,666)
Diminution in current investments	1,60,202	65,327
	<b>1,60,202</b>	49,661





27(d) The Company had capitalised the following expenses of revenue nature incurred for replantation of bearer plants, to the cost of Property, Plant and Equipment/capital work-in progress (CWIP). Consequently, expenses disclosed under the respective notes are net of amounts capitalised by the company.

Sl.No.	Particulars	Year ended 31st March 2017
(i)	Salaries and Wages	24,23,488
(ii)	Stores, Spares and Packing Material consumed-Indigenous	18,70,571
		<b>42,94,058</b>
	Less: Allocated to Property, Plant and Equipment	27,97,416
	<b>Carried Forward as CWIP</b>	<b>14,96,642</b>

	31.03.2017 Rs.	31.03.2016 Rs.
<b>28. CONTINGENT LIABILITIES AND COMMITMENTS (to the extent not provided)</b>		
a) Capital commitments (net of advance)	<b>1,03,34,750</b>	2,05,84,750
b) Contingent Liabilities		
Bank Guarantee to WBSEDCL	<b>40,62,533</b>	40,62,533
Sales Tax under appeal	<b>5,16,940</b>	10,80,287
Income Tax	<b>13,26,765</b>	13,26,765
Agricultural Income Tax under appeal	<b>5,47,007</b>	5,47,007

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.

<b>29. Tax expense comprises :</b>		
Current Tax for the year	<b>22,87,191</b>	12,14,747
Deferred Tax (credit)/charge	<b>36,72,103</b>	9,59,445
MAT Credit Entitlement	—	—
<b>Total</b>	<b>59,59,294</b>	21,74,192

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.

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

I Related Parties Relationships:

<u>Name of party</u>	<u>Nature of relation</u>
a) Mr. S. Jalan	Key Management Personnel (Managing Director) (upto 9th October, 2015). Relative of Key Managerial Personnel
b) Mr. P. Jalan	Director
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 till 4th July, 2016 Enterprises where KMP and their relatives have significant influence

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

a) Transactions with Key Management Personnel and their relatives :

(in Rs.)

<b>Particulars</b>	<b>2016-17</b>	<b>2015-16</b>
<b>Transactions during the period</b>		
Managerial Remuneration		
Mr. S. Jalan	—	4,90,755
Mr. P. Jalan	8,37,520	7,75,760
Salary to relative of Key Managerial Personnel	11,46,400	3,36,000
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

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

<b>Particulars</b>	<b>Name of the Party</b>	<b>Rs.</b>	
		<b>2016-17</b>	<b>2015-16</b>
<b>Transactions during the period</b>			
Conference and Seminar Charges	Bhakti Fiscal Pvt. Ltd.	—	2,00,000
	Lake View Dealers Pvt. Ltd.	1,22,500	—
Rent and service charges	Uphaar Financial Services Pvt. Ltd.	1,71,900	1,71,900
	Kirti Industrial Co. Ltd.	6,60,000	9,00,000
Office Maintaince	Kirti Industrial Co. Ltd.	3,00,000	10,39,521
Sale of shares	Kirti Industrial Co. Ltd.	63,65,000	—
Reimbursement of electric charges	Kirti Industrial Co. Ltd.	—	75,000
Electricity and Telephone expenses incurred on behalf (recovered)	Pahargoomiah Tea Industries Pvt. Ltd.	39,600	39,600
Rent Income	Lake View Dealers Pvt. Ltd.	1,28,400	1,28,400
Miscellaneous receipts on account of sale of stores etc.	Pahargoomiah Tea Industries Pvt. Ltd.	3,530	7,000
Consideration on sale of Fixed Assets	Pahargoomiah Tea Industries Pvt. Ltd.	—	1,89,625
Inter Corporate Loans refunded*	Pahargoomiah Tea Industries Pvt. Ltd.*	—	2,10,00,000
Advances refunded	Pahargoomiah Tea Industries Pvt. Ltd.*	20,00,000	—
Advances given	Pahargoomiah Tea Industries Pvt. Ltd.*	20,00,000	—
Advance adjusted with rent	Kirti Industrial Co. Ltd.	—	10,39,521
<b>Outstanding balances as at the end of the period</b>			
Investments in Shares	Bhakti Fiscal Pvt. Ltd.	—	30,000
	Uphaar Financial Services Pvt. Ltd.	—	1,75,000
	Lake View Dealers Pvt. Ltd.	—	7,55,000
	Pahaargoomiah Tea Industries Pvt. Ltd.*	1,09,50,000	2,10,00,000
Security Deposit	Kirti Industrial Co. Ltd.	6,00,000	6,00,000
Corporate guarantee provided for cash credit taken by the company:	Uphaar Financial Services Pvt. Ltd.	18,48,766	29,83,516
Outstanding balance			

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Note :

- (i) In respect of the above parties, there is no provision for doubtful debts as on 31.03.2017 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. NIL (Previous Year Rs. 1,20,000) has been reimbursed to Mr. N.N. Nagpal (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	2016-17	2015-16
(a) Profit after tax (Rs.)	1,55,98,252	60,66,108
(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)	6.96	2.71

### 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	2016-17	2015-16
Contribution to Defined Contribution Plan, recognized for the period are as under :		
Employee's Contribution to State Insurance	5,37,645	—
Employer's Contribution to Provident Fund	1,05,67,620	1,01,49,449

#### 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.

Sl. No.	Particulars	Gratuity (Funded) 31.03.2017	Gratuity (Funded) 31.03.2016
	<b>Expenses recognised during the period ended March 31, 2017</b>		
1.	Current Service Cost	37,51,358	25,75,860
2.	Interest Cost	45,81,557	32,70,927
3.	Expected return on plan assets	(25,55,951)	(15,82,451)
4.	Actuarial Losses / (Gains)	6,04,611	1,23,13,565
	<b>Total Expenses</b>	<b>63,81,575</b>	<b>1,65,77,901</b>

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Sl. No.	Particulars	Gratuity (Funded) 31.03.2017	Gratuity (Funded) 31.03.2016
<b>Net (Assets)/Liabilities recognised in Balance Sheet as March 31, 2017</b>			
1.	Present value of defined obligation	7,08,50,578	5,85,12,864
2.	Fair value of Plan Assets	5,39,37,358	3,09,81,219
3.	Net (Assets)/Liabilities recognised in Balance Sheet	<u>1,69,13,220</u>	<u>2,75,31,645</u>
<b>Change in the obligation during the period ended March 31, 2017</b>			
1.	Present value of Defined Benefit Obligation at the beginning of the period	5,85,12,864	4,19,34,963
2.	Current Service Cost	37,51,358	25,75,860
3.	Interest Cost	45,81,557	32,70,927
4.	Benefit Paid	—	—
5.	Actuarial (Gains) / Losses	40,04,799	1,07,31,114
6.	Present value of Defined Benefit Obligation at the end of the period	<u>7,08,50,578</u>	<u>5,85,12,864</u>
<b>Change in the fair value of Plan Assets during the period ended March 31, 2017</b>			
1.	Fair Value of the Plan Assets at the beginning of the period	3,09,81,219	1,91,81,219
2.	Expected return on plan assets	25,55,951	15,82,451
3.	Actuarial gains/(loss) on Plan Assets	34,00,188	(15,82,451)
4.	Contributions	1,70,00,000	1,18,00,000
5.	Benefit Paid	—	—
6.	Fair Value of the Plan Assets at the end of the period	5,39,37,358	3,09,81,219
7.	Actual Return on Plan Assets	—	—
<b>Reconciliation of Net Asset / (Liability) recognised in the Balance Sheet during the period ended March 31, 2017</b>			
1.	Net (Asset) / Liability at beginning of the period	2,75,31,645	2,27,53,744
2.	Employer Expenses	63,81,575	1,65,77,901
3.	Employer Contributions	(1,70,00,000)	(1,18,00,000)
4.	Net (Asset) / Liability at the end of the period	<u>1,69,13,220</u>	<u>2,75,31,645</u>
<b>Actuarial Assumptions</b>			
1.	Discount Rate	7.33%	7.83%
2.	Expected Rate of Return on Plan Assets	8.25%	8.25%
3.	Expected Salary increase rates	8.50%	7.75%
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>2016-17</b>	<b>2015-16</b>	<b>2014-15</b>	<b>2013-14</b>	<b>2012-13</b>
Present value of defined obligation	<b>7,08,50,578</b>	5,85,12,864	4,19,34,963	3,48,67,829	3,07,51,786
Fair value of Plan Assets	<b>5,39,37,358</b>	3,09,81,219	1,91,81,219	87,67,096	35,49,112
Excess of obligation over Plan Assets	<b>1,69,13,220</b>	2,75,31,645	2,27,53,744	2,61,00,733	2,72,02,674
Experience adjustment (Gain)/ Loss on plan liabilities	<b>(29,11,739)</b>	1,73,195.00	7,51,394	14,88,356	(32,51,548)
Experience adjustment (Gain)/ Loss on plan assets	<b>34,00,188</b>	(15,82,451)	4,90,838	2,69,528	91,777

c) The Company expects to contribute Rs. 53,00,000 (Previous Year Rs. 1,29,00,000) 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.** Changes in Accounting policy

**35(a)** As per relevant paragraph of revised Accounting Standard (AS) 10 "Property, Plant and Equipment" effective from 01.04.2016, the Company has adopted the Cost Model as prescribed therein for all its assets. Thus, in keeping with the above requirements, items of PPE having previous revaluation and where cost model is adopted, the amount outstanding in the Revaluation Reserve as on 1st April, 2016 aggregating Rs. 5,89,16,249 has been adjusted with the carrying amount of related items. Consequently depreciation is lower and profit for the year is higher by Rs. 9,60,290. Also as per the Revised Accounting Standard, estate development cost amounting to Rs. 1,22,68,930 which was included in Lease hold land and Estate development has been recognised as Bearer plants. Consequently depreciation amounting to Rs. 5,65,587 for the year ended 31st March, 2017 on bearer plants have been provided.

**35(b)** Replantation expenditure amounting to Rs. 42,94,058 for the year ended 31st March, 2017 which was hitherto charged to the Statement of Profit and Loss has been debited to Capital work in progress/Capitalized during the year.

**35(c)** Consequent upon changes as above profit for the year ended 31st March, 2017 is higher by Rs. 46,88,761.

**36.** 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.

**37.** Previous year's figures have been rearranged and re-grouped wherever necessary.

Place : Kolkata  
Date : 14th August, 2017

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

For Bhatkawa Tea Industries Limited  
P. Jalan  
Director  
(DIN: 01651268)

R. Chitlangia  
Director  
(DIN: 07171476)