



INDEPENDENT AUDITOR'S REPORT ON AUDIT OF STANDALONE FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS
OF BHATKAWA TEA INDUSTRIES LIMITED

Report on the Audit of Standalone Financial Results

Opinion

We have audited the accompanying statement of standalone annual financial results of **BHATKAWA TEA INDUSTRIES LIMITED** (hereinafter referred to as the "Company"), for the three months and year ended March 31, 2020 (the "Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the statement:

- are in accordance with the requirements of Regulation 33 of the Listing Regulations; and
- gives a true and fair view in conformity with recognition and measurement principles laid down in the applicable Indian Accounting Standard 34 "Interim Financial Reporting" (Ind AS 34) prescribed under Section 133 of the Companies Act 2013 (the "Act") read with relevant rules issued there under and other accounting principles generally accepted in India, of the standalone net profit and standalone total comprehensive income and other financial information of the Company for the three months and year ended March 31, 2020, standalone statement of assets and liabilities and the standalone statement of cash flows as at the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw attention to the following matters:

- We draw attention to Note no 5 to the standalone financial results which explains the uncertainties and management's assessment of the financial impact due to the lock-down and other restrictions and conditions related to the COVID-19 pandemic situation, for which a definitive assessment of the impact in subsequent period is highly dependent upon circumstances they evolve. Further our presence at the physical verification of inventory conducted by the management was impracticable under current lock-down restrictions imposed by the Government and we have therefore relied on the related alternate audit procedures to obtain comfort over the existence and condition of inventory at year end.

Our Opinion is not modified in respect of above matter.

Management's Responsibilities for the Standalone Financial Results

This Statement is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared on the basis of standalone financial statements for the year ended March 31, 2020. The Company's



Board of Directors are responsible for the preparation and presentation of the Standalone Financial Results that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Results that give a true and fair view and is free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the Standalone Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors.
- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 of the Listing Regulations.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are



based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Standalone Financial Results, including the disclosures, and whether the Standalone Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the Standalone Financial Results of the Company to express an opinion on the Standalone Financial Results.

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

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

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

Other Matter

The figures for the quarter ended March 31, 2020 and the corresponding quarter ended in the previous year as reported in the Statement are the balancing figures between the audited figures in respect of the full financial year and the published year to date figures upto the end of the third quarter of the current and previous financial year respectively. Also, figures up to the end of the third quarter had only been reviewed and not subject to audit.



For DAS & PRASAD
Chartered Accountants
Registration number- 303054E

A handwritten signature in blue ink, appearing to read 'Sumit Kumar Rajgarhia'.

Sumit Kumar Rajgarhia
Partner

Membership no- 068270
UDIN- 20068270A1AAH2429

Place: Kolkata
Date: July 31, 2020

BHATKAWA TEA INDUSTRIES LIMITED

CIN: L01132WB1911PLC002077

Regd. Office : 2 Hare Street, Kolkata - 700001

Unaudited Financial Results For The Year Ended 31st March, 2020

(₹ in Lacs)

Statement of Audited Standalone Financial Results for the Quarter/ Year ended March 31, 2020

PARTICULARS	Quarter Ended			Year Ended	
	31.03.2020 (Audited)	31.12.2019 (Unaudited)	31.03.2019 (Unaudited)	31.03.2020 (Audited)	31.03.2019 (Audited)
1	Income				
a. Revenue from Operations	343.52	878.70	348.71	2,581.41	2,309.14
b. Other Income	4.93	28.64	8.67	89.77	85.71
Total Income	348.45	907.34	357.38	2,671.18	2,394.85
2	Expenses				
a. Changes in inventories of finished goods, stock-in-trade and work-in-progress	165.11	165.11	93.49	(2.51)	(41.37)
b. Employee benefits expense	498.95	338.83	373.06	1,679.37	1,557.40
c. Finance cost	(0.54)	7.02	4.84	19.91	27.45
d. Depreciation and amortisation expense	33.28	13.90	23.56	84.42	81.53
f. Other expenses	186.91	148.19	152.48	766.47	742.65
Total Expense	883.71	673.05	647.43	2,547.66	2,367.66
3	Profit Before Tax (1-2)				
	(535.26)	234.29	(290.05)	123.52	27.19
4	Tax Expense				
a. Current Tax	(21.96)	-	(20.99)	(21.96)	(20.99)
b. Deferred Tax	149.13	-	(11.87)	149.13	(11.87)
c. Mat Credit Entitlement	-	-	-	-	-
d. Income Tax relating to earlier years	-	-	-	-	-
Total	127.17	-	(32.86)	127.17	(32.86)
5	Net Profit/ (Loss) For The Period (3-4)				
	(408.09)	234.29	(322.91)	250.69	(5.67)
6	Other Comprehensive Income				
(a) Items that will not be Reclassified to Profit & Loss					
Remeasurement of the net defined benefit plans	37.08	(5.33)	14.12	21.08	19.09
FVTOCI of Investments	(112.59)	19.70	18.62	(100.94)	40.02
Tax Effect on Above	-	-	-	(33.83)	(5.51)
7	Total Comprehensive Income (5+6)				
	(483.60)	248.66	(290.17)	137.00	47.93
8	Paid up Equity Share Capital (Face value of ₹ 5/- each)				
	224.00	224.00	224.00	224.00	224.00
9	Earnings per Share (Face value of ₹ 5/- each)				
- Basic & diluted (not annualised)	(9.11)	5.23	(7.21)	5.60	(0.13)



Statement of Assets and Liabilities

	As at 31st March 2020	As at 31st March 2019
ASSETS		
Non-Current Assets		
(A) Property, plant and equipment	671.60	673.24
(B) Capital work-in-progress	47.35	24.57
(C) Other Intangible Assets	2.86	0.06
(D) Financial assets :		
(i) Investments	451.97	458.51
(ii) Other Financial assets	43.92	43.37
(E) Other Non Current Assets	23.76	23.76
Total Non-Current Assets	1,241.46	1,223.51
Current Assets		
(A) Inventories	197.51	204.23
(B) Financial assets:		
(i) Investments	615.46	470.11
(ii) Trade receivables	102.49	137.53
(iii) Cash and cash equivalents	81.02	23.71
(iv) Bank balance other than (iii) above	164.59	229.37
(v) Loans	190.86	257.22
(vi) Other Financial assets	15.89	13.80
(C) Other Current Assets	46.94	40.40
Total Current Assets	1,414.76	1,376.37
Total Assets	2,656.22	2,599.88
EQUITY AND LIABILITIES		
Equity		
(a) Equity Share capital	224.00	224.00
(b) Other Equity	1,690.56	1,553.56
Total Equity	1,914.56	1,777.56
Liabilities		
Non-Current Liabilities		
(A) Financial liabilities:		
(i) Borrowings	4.97	9.93
(B) Provisions	285.59	230.78
(C) Deferred tax (assets)/Liabilities (net)	(69.03)	46.27
(D) Other Non-Current Liabilities	25.71	41.40
Total Non-Current Liabilities	247.24	328.38
Current liabilities		
(A) Financial liabilities:		
(i) Borrowings	-	-
(ii) Trade payables		
(a) total outstanding dues of micro enterprises and small enterprises	-	6.31
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	72.75	95.93
(iii) Other financial Liabilities	70.25	105.98
(B) Provisions	330.27	255.94
(C) Other current liabilities	21.15	29.78
Total Current Liabilities	494.42	493.94
Total Equity and Liabilities	2,656.22	2,599.88



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Cash Flow Statement		(₹ in Lacs)		
	Year ended 31st March, 2020		Year ended 31st March, 2019	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit/(Loss) before tax		123.52		27.19
Adjustments for :				
Depreciation & Amortization Expense	84.42		81.53	
Finance Costs	2.37		6.03	
Remeasurement gains/(losses) on defined benefit plans	21.08		19.09	
Profit on Sale of Fixed Asset (Net)	(1.98)		-	
Profit on Sale of Bonds	(9.70)		-	
Deferred Government Grants	(7.12)		(7.12)	
Dividend Income	(3.49)		(2.61)	
Interest Income	(58.55)	27.02	(58.15)	37.76
Operating Profit before Working Capital Changes		150.54		65.95
Adjustments for:				
(Increase)/Decrease in Inventories	6.71		(43.52)	
(Increase)/Decrease in Trade and other receivables	169.85		(116.20)	
Increase/(Decrease) in Trade and other payables	55.31	231.88	(66.60)	(227.33)
Cash Generated from Operations		382.42		(161.38)
Tax Paid		31.49		18.87
Net Cash (Outflow)/Inflow from Operating Activities		350.93		(180.24)
B. CASH FLOW FROM INVESTING ACTIVITIES				
Acquisition of Property, Plant & Equipment	(51.94)		(27.35)	
Work In Progress of Bearer Plant	(56.49)		(29.15)	
Sale of Property, Plant & Equipment	2.05		-	
Capital Expenditure	(8.57)		(8.57)	
Dividend Received	3.49		2.61	
Sale of Investments	577.15		706.55	
Acquisition of Investments	(807.20)		(475.19)	
Interest Received	55.21	(286.29)	56.44	226.35
Net Cash (Outflow)/Inflow from Investing Activities		(286.29)		226.35
C. CASH FLOW FROM FINANCING ACTIVITIES				
Repayment of Long-Term Borrowings	(4.97)		(4.97)	
Dividend Paid (including tax on dividend)	-		(13.66)	
Interest and Other Finance charges paid	(2.37)	(7.34)	(6.29)	(24.92)
Net Cash Inflow/(Out flow) from Financing Activities		(7.34)		(24.92)
Net Increase/ (Decrease) in Cash & Cash Equivalents (A + B + C)		57.31		21.19
Cash & Cash Equivalents as at Opening		23.71		2.52
Cash & Cash Equivalents as at Closing		81.02		23.71

Notes:

- The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 31st July 2020.
- The company is primarily engaged in the business of growing and manufacturing of tea and accordingly there are no separate reportable segments as per Ind AS 108 dealing with segment reporting.
- The Company is engaged in the business of cultivation, manufacture and sale of tea, which is seasonal in nature and hence, provision for taxation (both current and deferred) has been computed at year end basis and given effect to the results of the last quarter ended March 31, 2020.
- The figures for the quarter ended March 31, 2020 represents the derived figures between the audited figures in respect of the year ended March 31, 2020 and the unaudited published period to date figures upto December 31, 2019, which was subjected to limited review.
- The spread of COVID-19 has severely impacted businesses around the globe. In many countries, including India, there has been severe disruption to regular business operations due to lockdowns, disruptions in transportation, supply chain, travel bans, quarantines, social distancing and other emergency measures. Bhatkawa's gardens and office were under nationwide lockdown since March 24, 2020. As a result of lockdown the volumes for the month of March 2020 have been impacted consequently, the performance for the month of March 2020 has also been partially impacted. Operations are being resumed in a phased manner taking into account directives from the Government. The impact on our business will depend on future developments that cannot be reliably predicted. It is uncertain how long these conditions will last. The impact of global health pandemic might be different from that estimated as at the date of approval of these financial statements and the Company will closely monitor any material changes to future economic conditions. The Company has evaluated its liquidity position and of recoverability and carrying values of its assets and has concluded that no material adjustments are required at this stage in the financial statements.
- Previous year/ period figures have been rearranged / regrouped wherever necessary to make them comparable with current period figures.

For Bhatkawa Tea Industries Limited



Director
(DIN:01651268)

Place: Kolkata
Date: 31st July, 2020



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