



# **BATELI TEA COMPANY LIMITED**

**ANNUAL REPORT 2016-2017**

# BATELI TEA COMPANY LIMITED

CIN: L40100WB1919PLC003227

## **BOARD OF DIRECTORS**

<b>Mr. Rajinder Prosad Jain</b>	Chairman (Independent Director)
<b>Mr. Girdhar Gopal Dalmia</b>	Managing Director
<b>Mr. Vijay Dalmia</b>	Whole-Time Director and CFO
<b>Mr. Manish Dalmia</b>	Non – Executive Non Independent Director
<b>Mrs. Bhagwati Devi Dalmia</b>	Non – Executive Non Independent Director
<b>Mr. Pawan Kumar Kayan</b>	Independent Director

## **COMPANY SECRETARY & COMPLIANCE OFFICER**

Mr. M.E.H. Ansari

## **STATUTORY AUDITORS**

S.K. Ghosh & Company  
Chartered Accountants  
10, Old Post Street, Left Block,  
3rd Floor, Room Nos. 77, 78, 79,  
Kolkata – 700001  
Phone No.: 2265-1475  
e-mail: sk\_147508@bsnl.in/eskajico@vsnl.net

## **SECRETARIAL AUDITORS**

M Shahnawaz & Associates  
Company Secretaries  
16A, Abdul Hamid Street,  
5th Floor, Room No. 501,  
Kolkata - 700069  
Phone No.:4600-5705  
e-mail: msassociates16@gmail.com

## **REGISTRAR & SHARE TRANSFER AGENT**

ABS Consultants Pvt. Ltd.  
99, Stephen House, 6th Floor, 4, B.B.D. Bagh (East), Kolkata 700001  
Phone No.: +91 33 2230-1043 | Fax : +91 33 2230-1043

## **REGISTERED OFFICE**

130, Cotton Street, Kolkata- 700 007  
Phone: +91 33-22688588/ 22710390 | Fax: + 91 33-22688587  
e-mail: kolkata@mldalmiagroup.com | Website: www.mldalmiagroup.com

## **CORPORATE OFFICE**

'Dalmia House' 392, Block G, New Alipore, Kolkata – 700053  
Phone No. : +91 33 4017-6900  
e-mail: kolkata@mldalmiagroup.com

## **MANUFACTURING PLANTS**

Bateli Tea Estate,  
P.O. Mazbat, District – Udalguri, Assam

## **WIND POWER PROJECTS**

SF No.493/1A (P) of Kurukkalpatti Village, Sankarankovil Taluk,  
Tirunelveli District, Tamil Nadu

## **BANKERS**

UCO Bank  
Bank of India  
ICICI Bank



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## **NOTICE OF 98TH ANNUAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that the 98<sup>th</sup> Annual General Meeting of the Members of Bateli Tea Co. Limited will be held at the Corporate Office of the Company at 'Dalmia House', 392, Block – G, New Alipore, Kolkata – 700 053, on Thursday, September 21, 2017 at 2.30 p.m. to transact the following business:

### **ORDINARY BUSINESS :**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2017 and the Reports of the Board of Directors and Auditors thereon.
2. To re-appoint Mr. Manish Dalmia (DIN: 00264752) who retires by rotation and, being eligible, offers himself for re-appointment.
3. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any of the Companies Act, 2013 and the Rules framed thereunder, (including any statutory modification(s) or re-enactments thereof for the time being in force) M/s. Dutta Ghosh & Associates, Chartered Accountants (Firm Registration No. 309088E), Kolkata, be and are hereby appointed as the Statutory Auditors of the Company, in place of M/s. S.K. Ghosh & Co., Chartered Accountants, the retiring Auditors, for a term of five years to hold the office from the conclusion of the 98<sup>th</sup> Annual General Meeting of the Company till the conclusion of the 103<sup>rd</sup> Annual General Meeting, subject to ratification of their appointment by the Members at every intervening Annual General Meeting held during their term, at a remuneration, as may be decided by the Board of Directors in consultation with the Statutory Auditors.

Regd. Office  
130, Cotton Street,  
Calcutta - 700 007  
Dated: May 19, 2017

By order of the Board

M.E.H. Ansari  
Company Secretary

## Notes :

- 1) A Member entitled to attend and vote at the Annual General Meeting ('AGM') may appoint a proxy to attend and vote on his/her behalf. A proxy need not be a Member of the Company.

Proxies, in order to be effective, must be received at Corporate Office of the Company at "Dalmia House", 392, Block – G, New Alipore, Kolkata - 700053, not less than forty-eight hours before the commencement of the AGM.

A person can act as a proxy on behalf of members not exceeding 50 and holding 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 and such person shall not act as a proxy for any other person or shareholder.

During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged with the Company, at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.

- 2) Corporate members intending to send their authorized representatives to attend the AGM are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the AGM.
- 3) Members are requested to bring their copies of Annual Report to the Meeting. In order to enable us to register your attendance at the venue of the Annual General Meeting, members are requested to please bring their folio number/demat account number/DP ID-Client ID to enable us to provide a duly filled attendance slip for your signature and participation at the meeting.
- 4) In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- 5) The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
- 6) The Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
- 7) The Register of Members of the Company will remain closed from **Friday, September 15, 2017 to Thursday, September 21, 2017 (both days inclusive)** for the purpose of Annual General Meeting.
- 8) In case any member is desirous to receive communication from the Company in electronic form, they may register their email address with Company or with their depository participant or send their consent at the Registered Office of the

Company along with their folio no. and valid email address for registration.

- 9) In compliance with Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the Company is offering voting facility through electronic means (remote e-voting) to the members to cast their votes electronically on the Resolutions proposed at this AGM and for which purpose the Company has engaged the services of Central Depository Services (India) Limited. The facility for voting through ballot paper will also be made available at the AGM and members attending the AGM, who have not already cast their votes by remote e-voting shall be able to exercise their right at the AGM through ballot paper. Members who have cast their votes by remote e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their votes again. The instructions for e-voting are annexed to the Notice. The detailed instructions for e-voting are given as a separate attachment to this notice.
- 10) Additional Information pursuant to Regulation 36 of Listing Regulations on Director seeking re-appointment at this AGM is furnished herewith annexure to the Notice. The director has furnished consent for his re-appointment as required under the Companies Act, 2013 and the Rules thereunder.
- 11) The Annual Report 2016-17, the Notice of the 98th AGM and instructions for e-voting, along with the Attendance slip and Proxy form, are being sent by electronic mode to all members whose email addresses are registered with the Company/Depository Participant(s), unless a member has requested for a physical copy of the documents. For members who have not registered their email addresses, physical copies of the documents are being sent by the permitted mode.
- 12) Members may note that the Notice of the AGM and the Company's Annual Report 2016-17 will be available on the Company's website, [www.mldalmiagroup.com](http://www.mldalmiagroup.com). The physical copies of the documents will also be available at the Company's Corporate Office for inspection during normal business hours on working days. Members who require communication in physical form in addition to e-communication, or have any other queries, may write to us at: [investor@mldgroup.in](mailto:investor@mldgroup.in).
- 13) Pursuant to Section 72 of the Companies Act, 2013, members are entitled to make a nomination in respect of shares held by them. Members desirous of making a nomination are requested to send their requests in Form No. SH-13, to the Registrar and Transfer Agent of the Company. Further, members desirous of cancelling/varying nomination are requested to send their requests in Form No. SH- 14, to the Registrar and Transfer Agent of the Company. These forms will be made available on request by the Registrar and Transfer Agent / Company.
- 14) 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 their PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company or its Registrar and Share Transfer Agent, M/s. ABS Consultants Private Limited.

- 15) All documents referred to in the Notice will be available for inspection at the Company's Corporate Office during normal business hours on working days up to the date of the AGM.
- 16) Members whose shareholding is in electronic mode are requested to direct change of address notifications and updates of savings bank account details to their respective Depository Participant(s).
- 17) As a measure to save our natural resources, we request shareholders to update their email address with their Depository Participants /Registrar and Share Transfer Agent to enable the Company to send communications electronically.
- 18) A route map (direction guide) to the AGM venue is appended to the Notice for reference of the members.

**Additional information on Director recommended for re-appointment as required under Regulation 36 of the SEBI (Listing Obligations & Disclosure requirements) Regulations, 2015**

**Mr. Manish Dalmia**

Mr. Manish Dalmia, aged 42 years, is an MBA from Babson College, Wellesley, USA, which is the world's leading institution for entrepreneurship. He has over 13 years experience in Tea, jute, plastics and the software industry.

Mr. Manish Dalmia serves as a member on the prestigious "Entrepreneurs Organization", Kolkata Chapter, the world's leading community for entrepreneurs with chapters in over 40 countries. He is also a member of various committees of the Indian Tea Association'.

Mr. Manish Dalmia is the Non-Executive and Non Independent Director of the Company. He is entrusted with responsibility of overseeing the finance, legal, taxation and corporate affairs. He is also entrusted with the powers and authority to manage the day to day affairs of the Company. He is having vast experience in the field of Jute, Plastics and Software industries. The Company has been suitably benefited by his professional knowledge and managerial expertise. He had played a major role in Company growths.

Companies (including Bateli Tea Co. Limited) in which Mr. Manish Dalmia holds directorship and committee membership:

**Directorship**

Bateli Tea Co. Limited

Dalmia Laminators Limited

Radiant Financial Services Limited

Dalmia Polypack Limited

Dalmia Tea Plantation & Industries Limited

Manish Company Private Limited

Oracle Properties and Trades Private Limited

**Chairpersonship of Board committees**

Dalmia Laminators Limited	Corporate Social Responsibility (CSR) Committee
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**Membership of Board committees**

Bateli Tea Company Limited	Audit Committee
	Nomination and Remuneration Committee
	Stakeholder Relationship Committee

**Shareholding in the Company**

Mr. Manish Dalmia is holding 10,036 (4.68%) equity shares of the Company.

## INSTRUCTIONS FOR E-VOTING

Dear Member,

In compliance with Regulation 44, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 108 and 110 of the Companies Act, 2013, read with the applicable rules, the Company is pleased to provide e-voting facility to all its Members, to enable to cast their vote electronically instead of dispatching the physical postal ballot form by post. The company has engaged the services of CDSL for the purpose of providing e-voting facility to all its members.

The procedure with respect to **remote e-voting** is provided below:

- i) The voting period begins on **September 18, 2017 (9.00 A.M.)** and ends on **September 20, 2017 (5.00 P.M.)**. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of **September 14, 2017** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- iv) Click on Shareholders.
- v) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- vi) Next enter the Image Verification as displayed and Click on Login.
- vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- viii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"><li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li><li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li></ul>
Dividend Bank Details  <b>OR</b> Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"><li>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li></ul>

- ix) After entering these details appropriately, click on "SUBMIT" tab.
- x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xii) Click on the EVSN for **Bateli Tea Co. Limited** on which you choose to vote.
- xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobile. The m-voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- xx) **Note for Non – Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI, etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.



- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

## GENERAL INSTRUCTIONS

- The e-voting period begins from **September 18, 2017 from 9.00 A.M.** and ends on **September 20, 2017 till 5.00 P.M.** During this period, shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off/entitlement date of **September 14, 2017** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder by electronic means, the shareholder shall not be allowed to change it subsequently or cast his vote by any other means.
- Members of the Company holding shares either in physical form or in dematerialized form as on the cut-off/entitlement date of **September 14, 2017** may cast their vote electronically.
- Mr. Md Shahnawaz, a Practising Company Secretary (C.P. No. 15076 and Membership No. 21427) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent.
- 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.
- Results shall be declared on or after the 98th Annual General Meeting of the Company. This Notice as well as the Results declared along with the Scrutinizer's Report shall be placed on the Company's website and on the website of CDSL within two (2) days of passing of the resolutions at the 98th Annual General Meeting of the Company and shall be communicated to the Stock Exchange(s).

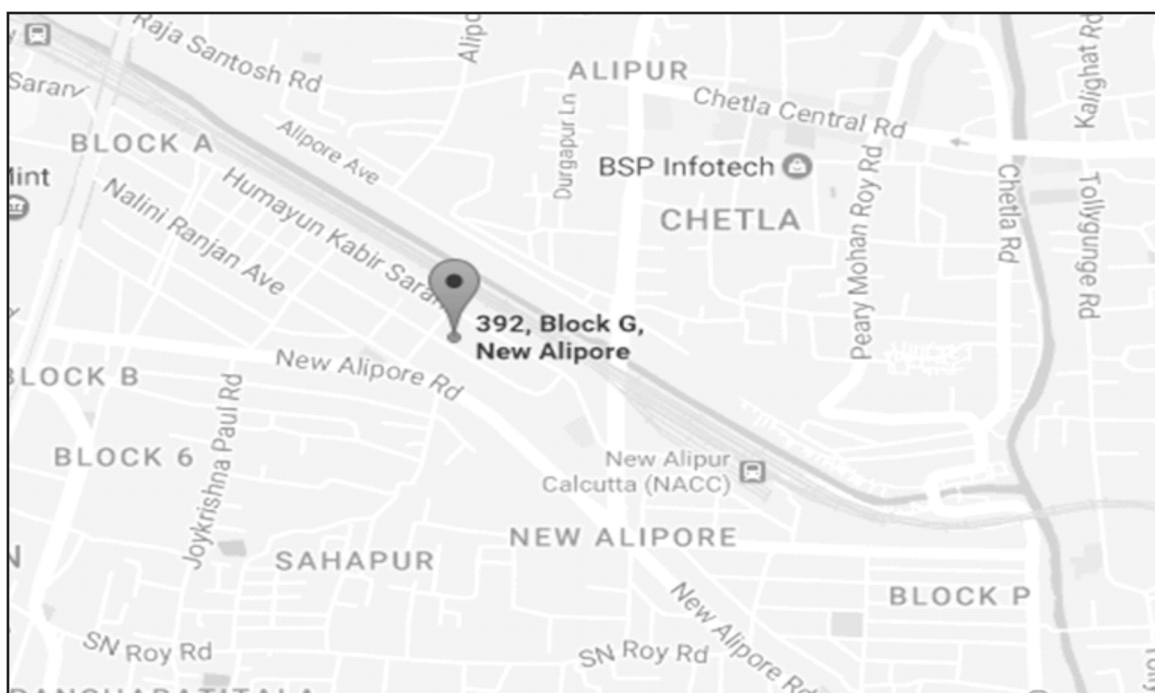
Regd. Office  
130, Cotton Street,  
Kolkata - 700 007

Dated: May 19, 2017

By order of the Board

M.E.H. Ansari  
Company Secretary

**Route map for the location of the venue of the 98<sup>th</sup> Annual General Meeting of the Company is given below:**







## BATELI TEA COMPANY LIMITED

**Registered Office:** 130, Cotton Street, Kolkata – 700 007

**CIN:** L40100WB1919PLC003227

**Phone:** +91-33-2269 6447/4017 6900 **Fax No:** +91-33-2398-1722

**E-mail:** [kolkata@mldgroup.in](mailto:kolkata@mldgroup.in); **Website:** [www.mldalmiagroup.in](http://www.mldalmiagroup.in)

### ATTENDANCE SLIP

98<sup>th</sup> Annual General Meeting – September 21, 2017

Registered Folio no. / DP ID no. / Client ID no. :

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Number of shares held

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

I certify that I am a member / proxy / authorized representative for the member of the Company.

I hereby record my presence at the 98<sup>th</sup> Annual General Meeting of the Company at the Corporate Office of the Company at 'Dalmia House', 392, Block – G, New Alipore, Kolkata - 700053, West Bengal, India, on Thursday, September 21, 2017, at 2.30 p.m. IST.

.....  
Name of the member / proxy  
(in BLOCK letters)

.....  
*Signature of the member / proxy*

*Note : Only member/Proxy can attend the meeting. No minors would be allowed at the meeting.  
Please fill up this attendance slip and hand it over at the entrance of the meeting hall.*

### **Particulars for voting through Electronic means**

For those opting to vote through electronic means, instead of voting by the above postal ballot, facility is available at the web link: <https://www.evotingindia.co.in>. Particulars for electronic voting are as under:

EVEN (E-Voting Event Number)	User ID	Password

Note: Please read the instructions given overleaf carefully before exercising your vote.

Facility to exercise vote by postal ballot including voting through electronic means will be available during the following period:

Commencement of voting:  
End of voting:

From 9.00 a.m. (IST) on September 18, 2017  
Up to 5.00 p.m. (IST) on September 20, 2017

The facility for voting through electronic means will be disabled for voting by CDSL upon expiry of the aforesaid voting period.



**BATELI TEA COMPANY LIMITED****Registered Office:** 130, Cotton Street, Kolkata – 700 007**CIN:** L40100WB1919PLC003227**Phone:** +91-33-2269 6447/4017 6900 **Fax No:** +91-33-2398-1722**E-mail:** kolkata@mldgroup.in; **Website:** www.mldalmiagroup.in**PROXY FORM**

[Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

**98<sup>th</sup> Annual General Meeting – September 21, 2017**

FOLIO/DP ID AND CLIENT ID:	
NAME OF THE MEMBER:	
REGISTERED ADDRESS:	
ADDRESS:-	E MAIL ID:-

I/ We, being the member(s) holding \_\_\_\_\_ shares of the above named Company, hereby appoint:

Name:- \_\_\_\_\_

Address:- \_\_\_\_\_

Email Id:- \_\_\_\_\_ Signature:- \_\_\_\_\_

or failing him/her

Name:- \_\_\_\_\_

Address:- \_\_\_\_\_

Email Id:- \_\_\_\_\_ Signature:- \_\_\_\_\_

or failing him/her

Name:- \_\_\_\_\_

Address:- \_\_\_\_\_

Email Id:- \_\_\_\_\_ Signature:- \_\_\_\_\_

as my/ our proxy to attend and vote (on a poll) for me/us and on my/ our behalf at the Annual General Meeting to be held on Thursday, September 21, 2017 at 2:30 P. M. at the Corporate Office at 'Dalmia House', 392, Block – G, New Alipore, Kolkata – 700053 and at any adjournment thereof in respect of resolutions as are indicated below:

Resolution Nos.	Description of Resolution	Vote (Please mention no. of shares)		
		For	Against	Absent
ORDINARY RESOLUTION				
1.	Approval of the audited financial statements of the Company for the year ended March 31, 2017, along with the reports of the Board of Directors and Auditors thereon.			
2.	Re-appointment of Mr. Manish Dalmia, who retires by rotation and, being eligible, offers himself for re-appointment.			
3.	Appointment of M/s. Dutta Ghosh & Associates, Chartered Accountants as Statutory Auditors and fix their remuneration.			

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2017

Member's Folio/DP ID/Client Id No.: \_\_\_\_\_

Signature of Shareholder : \_\_\_\_\_

Signature of Proxy Holder(s) : \_\_\_\_\_

Affix Revenue Stamp of not less than Re.1
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**Notes:**

- Proxy need not to be a member of the Company
- The proxy form in order to be effective should be duly signed by the Member across the Revenue Stamp and should reach at the registered office of the Company, not less than 48 hours before the commencement of the Meeting.
- Corporate Members intending to send their authorised representative(s) to attend the meeting are requested to send a certified copy of the Board resolution authorizing their representatives to attend the meeting and vote on their behalf at the meeting.
- It is optional to indicate your preference. If you leave the for, against or abstain column blank against any resolution, your proxy will be entitled to vote in the manner as he/she may think appropriate.



## BATELI TEA COMPANY LIMITED

Registered Office: 130, Cotton Street, Kolkata – 700 007

CIN: L40100WB1919PLC003227

Phone: +91-33-2269 6447/4017 6900 Fax No: +91-33-2398-1722

E-mail: kolkata@mldgroup.in; Website: www.mldalmiagroup.in

### Form No. MGT-12

### Polling Paper

[Pursuant to section 109(5) of the Companies Act, 2013 and rule 21(1)(c) of the Companies (Management and Administration) Rules, 2014]

Name of the Company:	Bateli Tea Company Limited
Registered office:	130, Cotton Street, Kolkata – 700 007
CIN:	L40100WB1919PLC003227

### BALLOT PAPER (98<sup>th</sup> AGM 2017)

S. No.	Particulars	Details
1.	Name of the First Named Shareholder (In block letters)	
2.	Postal address	
3.	Registered folio No. / *Client ID No. (*Applicable to investors holding shares in dematerialized form)	
4.	Class of Share	Equity Share

I hereby exercise my vote in respect of Ordinary/ Special resolution enumerated below by recording my assent or dissent to the said resolution in the following manner:

S. No.	Resolutions	No. of shares held by me	I assent to the resolution	I dissent from the resolution
1.	Adoption of the Audited Financial Statements of the Company for the financial year ended March 31, 2017, and the Reports of the Board of Directors and Auditors thereon.			
2.	Re-appoint Mr. Manish Dalmia, who retires by rotation and, being eligible, offers himself for re-appointment.			
3.	Appointment of M/s. Dutta Ghosh & Associates, Chartered Accountants (Firm Registration No. 309088E) as Statutory Auditors and fix their remuneration.			

Place:

Date :

(Signature of the shareholder)

\* As per Company's records



## DIRECTORS' REPORT .....

Your Directors are pleased to present the 98th Annual Report of your Company together with the Audited Financial Statements for the year ended March 31, 2017.

### **1. Financial summary of highlights/performance of the Company and its subsidiaries:**

The key highlights of financial performance for the Company for the financial year ended March 31, 2017 as compared to the previous financial year are tabulated below:

(Rs. in Lacs)

Particulars	FY2017	FY2016
Sales and Other Income	4630.98	4079.84
Profit before Tax	535.99	504.98
Less; Tax Expense	20.83	4.09
Profit after Tax	515.16	500.89
EPS	240.47	233.81

Our Company does not have any subsidiary company during the year under review.

### **2. DIVIDEND**

With a view to strengthening the financial position of the Company, your Directors do not recommend any dividend for the financial year 2016-17.

### **3. RESERVES**

During the financial year ended March 31, 2017, the Company has not transferred any sum to the general reserve.

### **4. Deposits**

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on public deposits was outstanding as on the date of the balance sheet.

### **5. Share Capital**

There was no change in the paid up share capital of the Company during the year under review. The paid up share capital of the Company as on March 31, 2017 comprises 2,14,229 Equity Share of Rs.10/- each fully paid up.

### **6. Operations**

The Company is engaged in the manufacturing of tea and generation of wind power, and 98.76% of the total revenue of the Company is derived from these activities.

The tea division of the Company is a fully integrated unit having own plantations with state-of-art manufacturing facilities at beautifully sprawled estates in Assam. Our teas are well marketed through auctions as well as through our own distribution network. Our brands have strong localized presence in different parts of the country. During the year under review, we have manufactured 2,679,001 Kgs. of tea.

The wind power generated by the Company is directly supplied to Dalmia Laminators Limited. During the year under review, we have supplied 3,191,850 KW to Dalmia Laminators Limited.



## **DIRECTORS' REPORT .....**

### **7. Change in the nature of business**

During the year under review, there has been no change in the nature of business of the Company.

### **8. Material changes and commitments affecting the financial position of the company between the end of the financial year and date of this report**

No material changes have been occurred subsequent to the close of the financial year of the Company to which the balance sheet relates till the date of this report.

### **9. Details of significant and material orders passed by the regulators or courts or tribunals**

No significant material orders passed by any regulators or courts or tribunals which would impact the going concern status of the Company and its future operations.

### **10. Internal Control System**

The Company has an adequate Internal Control System, commensurate with the size, scale and complexity of its operations. To maintain its objectivity and independence, the Internal Auditor reports to the Chairman of the Audit Committee of the Board.

The Internal Audit process monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of internal audit, management undertakes appropriate action in their respective areas and thereby strengthens the controls. Significant audit observations, if any and corrective actions thereon are presented to the Audit Committee of the Board.

### **11. Subsidiary/Joint Ventures/Associate Companies**

During the year under review, the Company does not have any subsidiary company (whether direct and step down) or Associate Company or joint venture.

### **12. Transactions with related parties**

Pursuant to Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014, the particulars of contractor arrangement entered into by the Company with related parties referred to in Section 188(1) in Form AOC-2 is attached as '**Annexure – 1**' and the same forms part of this report.

### **13. Board of Directors and Key Managerial Personnel**

In accordance with the provisions of Section 149(7) of the Companies Act, 2013, the Independent Directors have confirmed to the Company that he/she meets the criteria of Independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

Mr. Manish Dalmia retires by rotation and being eligible offered himself for re-appointment.

During the year, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company.

## DIRECTORS' REPORT .....

The following are the Key Managerial Personnel of the Company:

1.	Mr. Girdhar Gopal Dalmia	Managing Director
2.	Mr. Vijay Dalmia	Chief Financial Officer
3.	Mr. M.E.H. Ansari *	Company Secretary

\* Appointed as Company Secretary w.e.f. January 1, 2017.

### **14. Board Evaluation**

Pursuant to the provisions of the Companies Act, 2013, Regulation 17(10) of the Listing Regulations and in line with our corporate governance guidelines, peer evaluation of all Board members, annual performance evaluation of its own performance, as well as the evaluation of the working of Board's Committees was undertaken. This evaluation is led by the Chairman of the Nomination and Remuneration Committee with specific focus on the performance and effective functioning of the Board and its Committees. The evaluation process also considers the time spent by each of the Board members, core competencies, personal characteristics, accomplishment of specific responsibilities and expertise.

The performance of the Board was evaluated by the Board after seeking inputs from all the Directors on the basis of the criteria such as the Board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the Committees was evaluated by the Board after seeking inputs from the Committee Members on the basis of the criteria such as the composition of Committees, effectiveness of Committee meetings, etc.

### **15. Number of Meetings of the Board of Directors**

During the year under review, the Board met 12 times. The details of the Board meetings are provided in the Report on Corporate Governance, which forms a part of this Annual Report.

The intervening gap between two consecutive meetings was within the limit prescribed under the Secretarial Standard 1 and Companies Act, 2013.

### **16. Audit Committee**

The Audit Committee of the Board comprises of:

Name of Directors	Category
Mr. Rajinder Prosad Jain	Chairman - Independent Director
Mr. Pawan Kumar Kayan	Member - Independent Director
Mr. Manish Dalmia	Member - Non-Executive Non-Independent Director

During the year under review, there has been no instance where the recommendations of the Audit Committee have not been accepted by the Board. The details of Committee and its terms of reference are set out in the Corporate Governance Report forming part of the Board's Report.

## DIRECTORS' REPORT .....

### **17. Vigil Mechanism**

The Company has adopted a vigil mechanism named Whistle Blower Policy for directors and employees to report genuine concerns which shall provide adequate safeguards against victimization of persons who use such mechanism. Under this policy, we encourage our employees to report any reporting of fraudulent financial or other information to the stakeholders, any conduct that results in violation of the Company's Code of Business Conduct, to management (on an anonymous basis, if employees so desire).

Likewise, under this policy, we have prohibited discrimination, retaliation or harassment of any kind against any employees who, based on the employee's reasonable belief that such conduct or practice have occurred or are occurring, reports that information or participates in the said investigation.

This meets the requirement under Section 177(9) and (10) of the Companies Act, 2013 and Regulation 22 of the Listing Regulations.

No individual in the Company has been denied access to the Audit Committee or its Chairman.

### **18. Nomination and Remuneration Committee**

The Nomination & Remuneration Committee of the Board comprises of:

Name of Directors	Category
Mr. Rajinder Prosad Jain	Chairman - Independent Director
Mr. Pawan Kumar Kayan	Member - Independent Director
Mr. Manish Dalmia	Member - Non-Executive Non-Independent Director

The Board has, on the recommendation of the Nomination and Remuneration Committee, framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The details of Committee and its terms of reference are set out in the Corporate Governance Report forming part of the Board's Report.

### **19. Managerial Remuneration and Particulars of Employees**

The particulars of Managerial remuneration as stated in section 134(3)(q) of the Companies Act, 2013 read with rules 5(1) of the Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014, is annexed herewith as "**Annexure- 2**" and forms part of this Board's Report.

Further, the Company has not employed any individual whose remuneration falls within the purview of the limits prescribed in rules 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

### **20. Auditors & Auditors' Report**

Pursuant to the provisions of Section 139 of the Companies Act, 2013, and the Rules made thereunder, the term of office of M/s. S.K. Ghosh & Company, Chartered Accountants (FRN – 301017E), as the Statutory Auditors of the Company will expire from the conclusion of the ensuing Annual General Meeting of the Company.

The Board of Directors places on record its appreciation to the services rendered by M/s. S.K. Ghosh & Company, Chartered Accountants, as the Statutory Auditors of the Company.

## DIRECTORS' REPORT .....

The Board of Directors of the Company, based on the recommendation of Audit Committee, proposes the appointment of M/s. Dutta Ghosh & Associates, Chartered Accountants (FRN – 309088E) as the Statutory Auditors of the Company pursuant to Section 139 of the Companies Act, 2013.

Accordingly, the proposal for their appointment is included in the Notice of Annual General Meeting for the approval of member.

The Auditors' Report does not contain any qualification, reservation or adverse remark and are self-explanatory and, therefore, do not call for any further comments.

### **21. Secretarial Audit Report**

Pursuant to the provisions of Section 204 of the Companies Act, 2013, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Mr. Md. Shahnawaz, Proprietor of M Shahnawaz & Associates, Company Secretary in Practice, has conducted the Secretarial Audit of the Company. The Report of the Secretarial Audit is annexed herewith as '**Annexure-3**' and forms part of this Board's report.

With regard to the suspension of equity shares due to non-compliance with listing agreement/Listing Regulations, as may be applicable from time to time, the Company has already submitted all pending compliances with the Calcutta Stock Exchange Limited and the revocation of suspension is under process and expected soon.

Except as stated above, there are no qualifications, reservations or adverse remarks made by Secretarial Auditor in his report.

### **22. Particulars of loans, guarantees or investments**

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013, are given in the notes to the Financial Statements in Note no. 13, 14 & 18.

### **23. Conservation of energy, technology absorption and foreign exchange earnings and outgo**

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is annexed herewith as 'Annexure - 4' and the same forms part of this report.

### **24. Corporate Governance Report and Management Discussion & Analysis Report**

Pursuant to Regulation 15(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the compliance with the corporate governance provisions as specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 shall not apply, in respect of the listed entity having paid up equity share capital not exceeding rupees ten crore and net worth not exceeding rupees twenty five crore, as on the last day of the previous financial year.

However, when the provisions relating to Corporate Governance become applicable to a listed entity at a later date, such listed entity shall comply with the requirements within six months from the date on which the provisions became applicable to the listed entity.

Members may note that the Net Worth of the Company as at March 31, 2017 become Rs. 28.15 crores thereby exceeding the threshold limit stipulated for compliance with Corporate Governance provisions as specified. Accordingly, the Corporate Governance and Management Discussion & Analysis Report are enclosed to this Annual Report as a separate section, which

## DIRECTORS' REPORT .....

form an integral part of this Report, together with the Certificate from Secretarial Auditors regarding compliance with the requirement of Corporate Governance as required under Listing Regulations.

### **25. Corporate Social Responsibility**

As per Section 135 of the Companies Act, 2013, the Company has constituted the Corporate Social Responsibility (CSR) Committee of its Board of Directors on February 14, 2017. The Committee comprises of Mr. Vijay Dalmia (Chairman), Mr. P.K. Kayan and Mr. Manish Dalmia.

We are committed to be at the forefront in extending benefits to the local communities in and around its plant location. We have always believed in the sustainable development of the society. We have earned the trust of the local community over the years through our community services, on a regular basis, throughout the year.

During the financial year 2016-17, the Company had incurred Rs. 10.00 lacs towards Corporate Social activities. The Report on CSR is annexed herewith as "**Annexure- 5**" and forms a part of the Board's Report.

### **26. Disclosure as per Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder. During the financial year 2016-17, no complain had been received.

### **27. Risk Management Policy**

Pursuant to the requirement of Regulation 21 of the Listing Regulations, the Company has constituted Risk Management Committee. The details of Committee and its terms of reference are set out in the Corporate Governance Report forming part of the Board's Report.

The Company has a Risk Management framework to identify, evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on the business objective and enhance the Company's competitive advantage.

### **28. Directors' Responsibility Statement**

Pursuant to Section 134(3)(c) of the Companies Act, 2013, your Directors confirm that:

- a. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- c. they have 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;
- d. the annual accounts have been prepared on a going concern basis; and
- e. they have laid down internal financial controls to be followed by the company and that

## DIRECTORS' REPORT .....

such internal financial controls are adequate and were operating effectively.

- f. proper systems had been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **29. Extract of the Annual Return**

The extract of the Annual Return in prescribed Form No. MGT – 9 as required under section 92(3) of the Companies Act, 2013 is included in this report and annexed herewith as '**Annexure -6**' and forms a part of the Board's Report.

### **30. Human Resources**

Our employees are our core resource and the Company has continuously evolved policies to strengthen its employee value proposition. Your Company was able to attract and retain best talent in the market and the same can be felt in the past growth of MLD Group. The Company is constantly working on providing the best working environment to its Human Resources with a view to inculcate leadership, autonomy and towards this objective; your company spends large efforts on training. Your Company shall always place all necessary emphasis on continuous development of its Human Resources.

### **31. Acknowledgements**

Your Directors take this opportunity to thank the Regulatory and Government Authorities, Bankers, Business Associates, Shareholders and the Customers of the Company for their continued support to the Company. The Directors express their deep sense of appreciation towards all the employees and staff of the Company and wish the management all the best for achieving greater heights in the future.

**For Bateli Tea Co. Limited**

**Girdhar Gopal Dalmia**

Managing Director

DIN - 00583976

**Manish Dalmia**

Director

DIN - 00264752

Kolkata

May 19, 2017

# DIRECTORS' REPORT .....

## ANNEXURE - 1

### Form No. AOC-2

*(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)*

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013, including certain arm's length transactions under third proviso thereto.

#### 1. Details of contracts or arrangements or transactions not at arm's length basis

During the year under review, the contracts or arrangement or transactions with related party were done at arm's length basis.

#### 2. Details of material contractors or arrangement or transactions at arm's length basis

Name(s) of the related party and nature of relationship	Dalmia Laminators Limited – Enterprise where control exist	Dalmia Tea Plantation & Industries Ltd. – Enterprise where control exist	Mrs. Bhagwati Devi Dalmia & Others – Director & relatives
Nature of contracts/arrangements/transactions	Electricity Charges	Scrap	Electricity & Service Charges
Duration of the contracts / arrangements/transactions	-	-	-
Salient terms of the contracts or arrangements or transactions including the value, if any	Rs. 132.69 Lacs p.a. All transactions are carried out as a part of the business requirements of the Company in ordinary course of business.	Rs. 7.83 Lacs p.a. All transactions are carried out as a part of the business requirements of the Company in ordinary course of business.	Rs. 3, 85,000/- p.a. All transactions are carried out as a part of the business requirements of the Company in ordinary course of business.
Date of approval by the Board, if any	February 13, 2015	February 13, 2015	February 13, 2015
Amount paid as advances, if any:	-	-	-

Name(s) of the related party and nature of relationship	Dalmia Tea Plantation & Industries Ltd. – Enterprise where control exist	Mr. Vijay Dalmia – KMP	Manish Co. Pvt. Ltd. – Enterprise where control exist
Nature of contracts/arrangements/transactions	Investment	Sale of Shares	Interest
Duration of the contracts / arrangements/transactions	-	-	-



## DIRECTORS' REPORT .....

Salient terms of the contracts or arrangements or transactions including the value, if any	Rs. 50 Lacs for the purchase of 25000 equity shares of the Company	Rs. 1.50 lacs for the sale of shares	Rs. 68.59 lacs p.a. As per prevailing market rate.
Date of approval by the Board, if any	February 13, 2015	February 13, 2015	February 13, 2015
Amount paid as advances, if any:	-	-	-

Name(s) of the related party and nature of relationship	Mrs. Bhagwati Devi Dalmia – Director	Nirmala Dalmia – Relative of KMP	Mr. Girdhar Gopal Dalmia – KMP
Nature of contracts/arrangements/transactions	Rent	Rent	Rent
Duration of the contracts / arrangements/transactions	As per rent Agreement	As per rent Agreement	As per rent Agreement
Salient terms of the contracts or arrangements or transactions including the value, if any	Rs. 1, 37,500/- p.a. As defined in rent agreement.	Rs. 1, 37,500/- p.a. As defined in rent agreement.	Rs. 1, 37,500/- p.a. As defined in rent agreement.
Date of approval by the Board, if any	February 13, 2015	February 13, 2015	February 13, 2015
Amount paid as advances, if any:	-	-	-

Name(s) of the related party and nature of relationship	Mr. Manish Dalmia – Director	Mr. Vijay Dalmia – KMP
Nature of contracts/arrangements/transactions	Rent	Rent
Duration of the contracts / arrangements/transactions	As per rent Agreement	As per rent Agreement
Salient terms of the contracts or arrangements or transactions including the value, if any	Rs. 68, 750/- p.a. As defined in rent agreement.	Rs. 68,750/- p.a. As defined in rent agreement.
Date of approval by the Board, if any	February 13, 2015	February 13, 2015
Amount paid as advances, if any:	-	-

Note: Appropriate approvals have been taken for Related Party Transactions. All the transactions referred above are in the Ordinary Course of business and on arm's length basis.

**For Bateli Tea Co. Limited**

May 19, 2017  
Kolkata

**Girdhar Gopal Dalmia**  
Managing Director  
DIN - 00583976

**Manish Dalmia**  
Director  
DIN - 00264752



## DIRECTORS' REPORT .....

### ANNEXURE- 2

**PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 134(3)(q) OF THE COMPANIES ACT, 2013 READ WITH RULES 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNELS) RULES, 2014**

Sr. No.	Requirements of Rule 5(1)	Details
i.)	the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;	<p>Directors &amp; KMP:</p> <p>Mr. G. G. Dalmia (MD) : 16.94:1  Mr. Vijay Dalmia (WTD &amp; CFO): 16.94:1  Mr. M.E.H. Ansari (CS): Details not given as he is appointed as Company Secretary w.e.f. January 1, 2017, hence, salary is paid for January 2017, February 2017 and March 2017 only.</p>
ii.)	the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	<p>Directors &amp; KMP:</p> <p>Mr. G. G. Dalmia (MD): No increase during the year.  Mr. Vijay Dalmia (WTD &amp; CFO): No increase during the year.  Mr. M.E.H. Ansari (CS)*: Not applicable</p> <p>* Mr. M.E.H. Ansari has been appointed as Company Secretary w.e.f. January 1, 2017.</p>
iii.)	the percentage increase in the median remuneration of employees in the financial year;	19.39%
iv.)	the number of permanent employees on the rolls of company	81 employees as on 31.03.2017
v.)	the explanation on the relationship between average increase in remuneration and company performance;	<p>Profit before Tax increased by 6.14% in financial year 2016-17.</p> <p>The average increase in the remuneration of all employees was 19.39% in FY2016-17, which is based on the individual employee's performance linked with the cost of living index.</p>

## DIRECTORS' REPORT .....

vi.)	comparison of the remuneration of the Key Managerial Personnel against the performance of the company;	The increase of remuneration is based on the individual employee's performance linked with the cost of living index. There was no change in the remuneration of Managing Director and Whole-time Director & CFO of the Company during the FY 2016-2017.
vii.)	variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year.	There is no trading in the shares of the Company since May 6, 1999. Hence, market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and the percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer cannot be determined.
viii.)	average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	Average Salary increase of non-managerial employees is 19.39% and there was no change in the managerial remuneration during the year.  There are no exceptional circumstances for increase in the managerial remuneration.
ix.)	comparison of the each remuneration of the Key Managerial Personnel against the performance of the company;	Same as mentioned in point no. vi
x.)	the key parameters for any variable component of remuneration availed by the directors	There is no such variable component in the remuneration of the Director.
xi.)	the ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year; and	N.A
xii.)	affirmation that the remuneration is as per the remuneration policy of the company.	The remuneration paid during the financial ended 31 <sup>st</sup> March, 2017 is as per the remuneration policy of the Company.

## DIRECTORS' REPORT .....

### ANNEXURE-3

#### Form No. MR-3

#### SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017

[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members  
**Bateli Tea Co. Limited**  
130, Cotton Street  
Kolkata- 700 007

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Bateli Tea Co. Limited** (hereinafter referred as 'the Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31 March 2017 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March 2017, according to the provisions of:

- (i) The Companies Act, 1956, as applicable, and Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999, and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings - **Not applicable to the Company during the Audit Period;**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

## DIRECTORS' REPORT .....

- (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, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (SEBI (ICDR) Regulations, 2009)- **Not applicable to the Company during the Audit Period;**
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28 October 2014 - **Not applicable to the Company during the Audit Period;**
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008- **Not applicable to the Company during the Audit Period;**
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - **Not applicable to the Company during the Audit Period;** and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - **Not applicable to the Company during the Audit Period.**
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 (hereinafter referred as Listing Regulations)

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

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

I have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company.

I further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws applicable specifically to the Company:

- (a) Tea Act, 1953;
- (b) The Tea Waste (Control) Order, 1959;
- (c) The Tea Warehouse (Licensing) Order, 1989;
- (d) The Tea (Marketing) Control Order, 1984; and
- (e) Tea (Distribution and Export) Control Order, 2005.

## DIRECTORS' REPORT .....

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except to the extent as mentioned herein below:

- 1. The equity shares of the Company were under suspension during the audit period due to non-compliance with listing agreement /Listing Regulations, as applicable from time to time;*

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 were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all 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.
- All decisions at Board Meetings and Committee Meetings are carried out with requisite majority as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

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.

**For M Shahnawaz & Associates**  
**Practicing Company Secretary**

**CS Md. Shahnawaz**  
(Proprietor)  
ACS No. 21427  
C P No: 15076

Kolkata, May 19, 2017

**Note:** This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

## **DIRECTORS' REPORT .....**

### **'ANNEXURE A'**

To,  
The Members  
**Bateli Tea Co. Limited**  
130, Cotton Street  
Kolkata- 700 007

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on our 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 our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we 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. Our 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.

**For M Shahnawaz & Associates**  
**Practicing Company Secretary**

**CS Md. Shahnawaz**  
(Proprietor)  
ACS No. 21427  
C P No: 15076

Kolkata, May 19, 2017

## DIRECTORS' REPORT .....

### ANNEXURE- 4

#### **DISCLOSURE OF THE PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO AS REQUIRED UNDER SECTION 134(3)(m) OF THE COMPANIES ACT, 2013 ERAD WITH RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014**

##### **A) CONSERVATION OF ENERGY:**

i)	the steps taken or impact on conservation of energy;	The Company has taken various steps for minimization of energy consumption by putting continuous efforts towards optimization of operating and processing activities, up-gradation of plant equipment etc.
ii)	the steps taken by the company for utilising alternate sources of energy	The Company has wind power plants, the power generated from it is supplied to Dalmia Laminators Limited.
iii)	the capital investment on energy conservation equipments;	NIL

##### **B) TECHNOLOGY ABSORPTION:**

<b><i>From B: Disclosure of particulars with respect to Technology absorption</i></b>	
<b>Technology, absorption, adaptation and innovation:-</b>	
Efforts made towards technology absorption	NIL
The benefits derived like product improvement, cost reduction, product development or import substitution	NIL
In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- (a) the details of technology imported; (b) the year of import; (c) whether the technology been fully absorbed; (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and	NIL
<b>Research &amp; Development (R &amp; D) -</b>	
the expenditure incurred on Research and Development	NIL

##### **C) FOREIGN EXCHANGE EARNING AND OUTGO:**

(Rs. In lakh)

Particulars	FY 2017	FY 2016
Foreign Exchange earnings	NIL	NIL
Foreign Exchange outgo	NIL	NIL

# DIRECTORS' REPORT .....

## ANNEXURE- 5

### **REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES/ INITIATIVES**

#### **[Pursuant to Section 135 of the Act and Rules made there under]**

- 1) A brief outline of the Company's CSR policy, including overview of the projects or programmes proposed to be undertaken and reference to the web-link to the CSR Policy and projects or programmes.

The Board has framed a Corporate Social Responsibility Policy of the Company. Your company's CSR strategy ensures compliance with ethical standards in business practices, minimizing environmental impacts and waste, addressing the challenges of improved access to education, health, sports, drinking water, sanitation and livelihood opportunities, and helping underprivileged communities become resilient and self-reliant.

- 2) The composition of the CSR Committee
  - Mr. Vijay Dalmia - Chairman (Executive Director)
  - Mr. R.P. Jain - Member (Independent Director)
  - Mr. P. K. Kayan - Member (Independent Director)
- 3) Average Net Profit of the Company for last 3 financial years: Rs. 489.90 lacs
- 4) Prescribed CSR expenditure (2% of amount) :Rs. 9.80 lacs
- 5) Details of CSR activities/projects undertaken during the year:
  - a) Total amount spent for the financial year: Rs.10, 00, 000/-
  - b) Amount un-spent, if any: NIL
  - c) Manner in which the amount spent during financial year is detailed below:

1	2	3	4	5	6	7	8
Sr. No.	CSR project/ activity identified	Sector in which the Project is covered	Projects/ Programmes 1.Local area/ others- 2.Specify the state /district (Name of the District/s, State/s where project/ programme	Amount outlay (budget) project/ programme wise	Amount spent on the project/ programme Sub-heads: 1.Direct expenditure on project/ programme, 2.Overheads:	Cumulative spend upto the reporting period	Amount spent: Direct/ through implementing agency*
01	Education &Health.	Literacy, Health and overall development of the region where the factory operates.	For the upliftment of the poor and the destitute.	Rs.10.00 lacs	Rs.10.00 lacs	Rs.10.00 lacs	Rs.10.00 lacs through Dhapa Devi Dalmia Charitable Trust.

We hereby confirm that the implementation and monitoring of CSR Policy, is in compliance with the CSR objectives and Policy of the Company.

For **Bateli Tea Co. Limited**

May 19, 2017  
Kolkata

**Girdhar Gopal Dalmia**  
Managing Director  
DIN: 00583976

**Manish Dalmia**  
Director  
DIN - 00264752



## DIRECTORS' REPORT .....

### ANNEXURE- 6

Form No. MGT-9

#### EXTRACT OF ANNUAL RETURN

As on the Financial Year ended on March 31, 2017

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

#### I. REGISTRATION AND OTHER DETAILS:

i.	CIN	L40100WB1919PLC003227
ii.	Registration Date	24/05/1919
iii.	Name of the Company	Bateli Tea Company Limited
iv.	Category / Sub-Category of the Company	Company limited by shares / Non Government Company
v.	Address of the Registered Office and contact details	130, Cotton Street, Kolkata – 700007
vi.	Whether listed company	Yes
vii.	Name, Address and contact details of Registrar & Transfer Agents (RTA), if any	ABS Consultant Pvt. Ltd. 99, Stephen House, 6th Floor, 4, B. B. D. Bagh (East), Kolkata - 700 001 Phone No. – 033-2230-1043

#### 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:

Sl. No.	Name and Description of main products /services	NIC Code of the Product / Service	% to total turnover of the company
1	Growing, Manufacturing and processing of Black Tea	01271, 1079, 10791	98.76%

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sl. No.	Name and address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
NIL					

## DIRECTORS' REPORT .....

### 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				No. of Shares held at the end of the year				% 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	44,364	300	44,664	20.85%	50,204	400	50,604	23.62%	2.77%
(b) Central Govt	-	-	-	-	-	-	-	-	-
(c) State Govt (s)	-	-	-	-	-	-	-	-	-
(d) Bodies Corp.	77,746	-	77,746	36.29%	77,746	-	77,746	36.29%	0.00%
(e) Banks / FI	-	-	-	-	-	-	-	-	-
(f) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (1):-</b>	1,22,110	300	1,22,410	57.14%	1,27,950	400	1,28,350	59.91%	2.77%
(2) <b>Foreign</b>									
(a) NRIs –	-	-	-	-	-	-	-	-	-
(b) Other – Individuals	-	-	-	-	-	-	-	-	-
(c) Bodies Corp.	-	-	-	-	-	-	-	-	-
(d) Banks / FI	-	-	-	-	-	-	-	-	-
(e) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (2):- Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	1,22,110	300	1,22,410	57.14%	1,27,950	400	1,28,350	59.91%	2.77%

## DIRECTORS' REPORT .....

<b>B. Public Shareholding</b>									
(a) Mutual Funds	-	-	-	-	-	-	-	-	-
(b) Banks / FI	-	-	-	-	-	-	-	-	-
(c) Central Govt	-	-	-	-	-	-	-	-	-
(d) State Govt(s)	-	-	-	-	-	-	-	-	-
(e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f) Insurance Companies	-	-	-	-	-	-	-	-	-
(g) FIIs	-	-	-	-	-	-	-	-	-
(h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	-	-	-	-	-	-	-	-	-
<b>2. Non-Institutions</b>									
(a) Bodies Corp.	55,864	400	56,264	26.26%	55,864	400	56,264	26.26%	0.00%
(i) Indian	-	-	-	-	-	-	-	-	-
(ii) Overseas	-	-	-	-	-	-	-	-	-
(b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	9,331	26,224	35,555	16.59%	9,331	20,284	29,615	13.82%	-2.77%
(ii) Individual Shareholders holding nominal share capital in excess of Rs. 1 lakh	-	-	-	-	-	-	-	-	-

## DIRECTORS' REPORT .....

(c) Others (specify)	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL (B)(2):</b>	65,195	26,624	91,819	42.86%	65,195	20,684	85,879	40.09%	-2.77%
<b>Sub-total (B)(2):- Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	65,195	26,624	91,819	42.86%	65,195	20,684	85,879	40.09%	-2.77%
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
<b>Grand Total(A+B+C)</b>	1,87,305	26,924	2,14,229	100%	1,93,145	21,084	214,229	100%	0.00%

### (ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the Year			% change In share holding 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	Vijay Dalmia	400	0.19%	Nil	6340	2.96%	Nil	2.77%
2	Bhagwati Devi Dalmia	782	0.37%	Nil	782	0.37%	Nil	0.00%
3	Nirmala Dalmia	850	0.40%	Nil	850	0.40%	Nil	0.00%
4	Girdhar Gopal Dalmia	9,756	4.55%	Nil	9,756	4.55%	Nil	0.00%
5	Manish Dalmia	10,036	4.68%	Nil	10,036	4.68%	Nil	0.00%
6	Motilal Girdhar Gopal	11,085	5.17%	Nil	11,085	5.17%	Nil	0.00%
7	Girdhar Gopal Manish Kumar	11,755	5.49%	Nil	11,755	5.49%	Nil	0.00%
8	Manish Co. Pvt. Ltd.	77,746	36.29%	Nil	77,746	36.29%	Nil	0.00%
	Total	1,22,410	57.14%	Nil	1,28,350	59.91%	Nil	2.77%

## DIRECTORS' REPORT .....

### (iii) Change in Promoters' Shareholding:

Sl. No.	Name Of Shareholders	Shareholding at the beginning of the year		Date	Reason	Reason Increase/Decrease In		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company			No of share	% of total shares of the company	No. of shares	% of total shares of the company
1.	Vijay Dalmia	400	0.19	29.06.2016	Purchase	5940	2.77	6340	2.96%

### (iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Name Of Shareholders	Shareholding at the beginning of the year		Date	Reason	Reason Increase/Decrease In		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Dalmia Laminators Limited	55704	26.00	-	-	-	-	55704	26.00
2	M. L. Saraff ADM Estate S. D. Saraff DC	6090	2.84	-	-	-	-	6090	2.84
3	Rukmani Devi	3400	1.59	-	-	-	-	3400	1.59
4	Mohan Lal Saraff	3300	1.54	-	-	-	-	3300	1.54
5	Govind Ram Saraff	2661	1.24	-	-	-	-	2661	1.24
6	Suresh Kumar Saraff	2000	0.93	-	-	-	-	2000	0.93
7	Benarasi Lal Dalmia	1200	0.56	-	-	-	-	1200	0.56
8	Prabhat Chandra Sonowal	900	0.42	-	-	-	-	900	0.42
9	Savitri Devi Saraff	700	0.33	-	-	-	-	700	0.33
10	Madhav Lal B Bhansali	600	0.28	-	-	-	-	600	0.28
11	Sanjay Kumar Saraff	5940	2.77	29.06.2016	Sale	5940	2.77	0.00	0.00

## DIRECTORS' REPORT .....

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

Sl. No.	Name of Shareholder For Each of the Directors and KMP	Shareholding at the beginning of the year		Date	Reason	Reason Increase/Decrease in		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Girdhar Gopal Dalmia	9756	4.55%	-	-	-	-	9756	4.55%
2	Vijay Dalmia	400	0.19%	29.06.2016	Purchase	5940	2.77	6340	2.96%
3	Manish Dalmia	10036	4.68%	-	-	-	-	10036	4.68%
4	Bhagwati Devi Dalmia	782	0.37%	-	-	-	-	782	0.37%
5	P.K. Kayan	-	-	-	-	-	-	-	-
6	R. P. Jain	-	-	-	-	-	-	-	-
7.	M.E.H. Ansari	-	-	-	-	-	-	-	-

### V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Rs. In Lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtness at the beginning of the financial year				
i) Principal Amount	2,594.39	50.00	-	2,644.39
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	0.02	-	0.02
<b>Total (i+ii+iii)</b>	<b>2,594.39</b>	<b>50.02</b>	<b>-</b>	<b>2644.41</b>
Change in Indebtedness during the financial year				
Additions	11,128.64	3220.35	-	14348.99
Reduction	(11066.24)	(2531.02)	-	(13597.26)
Net Change	62.40	689.32	-	751.72
Indebtedness at the end of the financial year			-	
i) Principal Amount	2656.79	739.34	-	3396.13
ii) Interest due but not paid	0.00	0.00	-	0.00
iii) Interest accrued but not due	0.00	0.35	-	0.35
<b>Total (i+ii+iii)</b>	<b>2656.79</b>	<b>739.69</b>	<b>-</b>	<b>3396.48</b>

## DIRECTORS' REPORT .....

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

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

(Rs. In akhs)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount (Rs. in Lakhs)
		G. G. Dalmia MD	Vijay Dalmia WTD	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	20.00	20.00	40.00
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-
5.	Others, please specify	-	-	-
	<b>Total (A)</b>	<b>20.00</b>	<b>20.00</b>	<b>40.00</b>
	<b>Ceiling as per the Act</b>	As per Section 198 of the Companies Act, 2013		<b>53.60</b>

#### B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Mr. R.P. Jain	Mr. P.K. Kayan	Mr. Manish Dalmia	Mrs. B.D. Damia	Total Amount (Rs. in Lakhs)
1.	Independent Directors					
	• Fee for attending board / committee meetings	-	-	-	-	-
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	<b>Total (1)</b>	-	-	-	-	-
2.	Other Non-Executive Directors					
	• Fee for attending board /committee meetings	-	-	-	-	-
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	<b>Total (2)</b>	-	-	-	-	-
	<b>Total (B)=(1+2)</b>	-	-	-	-	-
	<b>Total Managerial Remuneration</b>	-	-	-	-	-
	<b>Overall Ceiling as per the Act</b>	-	-	-	-	-

Note - No remuneration either by way of salary, commission or sitting fees has been paid to any of the Independent Directors and Non-Executive Directors of the Company during the year under review.

## DIRECTORS' REPORT .....

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount (Rs. in Lakhs)
		CEO	CFO	CS	
	Particulars of Remuneration		Mr. Vijay Dalmia	Mr. M.E.H. Ansari	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961  (b) Value of perquisites u/s 17(2) Income-tax Act, 1961  (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-  -  -	20.00  -  -	0.52*  -  -	20.52  -  -
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	-	20.00	0.52	20.52

\*for the period from January 1, 2017 to March 31, 2017

### VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

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)
COMPANY					
Penalty					
Punishment					
Compounding					
DIRECTORS					
Penalty					
Punishment					
Compounding					
OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

For Bateli Tea Co. Limited

May 19, 2017  
Kolkata

**Girdhar Gopal Dalmia**  
Managing Director  
DIN - 00583976

**Manish Dalmia**  
Director  
DIN - 00264752





# REPORT ON CORPORATE GOVERNANCE

## PHILOSOPHY ON CODE OF GOVERNANCE

The Company firmly believes that good corporate governance practices ensure efficient conduct of the affairs of the Company while upholding the core values of transparency, integrity, honesty and accountability and help the Company in its goal to maximize value for all its stakeholders. It is a system by which business corporations are directed and controlled.

Our Company's principles of Corporate Governance are based on the philosophy of empowerment and responsibility. It feels the Managements must be empowered to drive the organization forward in the best interest of all the stakeholders. This empowerment, however, also thrusts upon it the responsibility to stay within the framework of accountability and transparency so that its actions are sustainable over a long time and benefit the larger society.

The Corporate Governance principles and processes make it possible for the Company to remain steadfast in its path of ethical corporate behavior and citizenship. The principles are also manifest in its high standards of ethical behavior, both internally and externally. Our Company complies with the principles of Corporate Governance as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

This chapter of the Annual Report together with information given under the chapters entitled Management Discussion and Analysis and Additional Shareholders' Information constitute the compliance report of the Company on Corporate Governance during F.Y. 2017.

## Board of Directors

### Composition of the Board

As on March 31, 2017, the Board of Director of Bateli Tea Company Limited (BTCL) had 6 (six) Directors, comprising (i) 2 (two) Executive Directors, (ii) 2 (two) Non-Executive Non-Independent Directors, including a woman director, and (ii) 2 (two) Independent Directors as defined under the Companies Act, 2013 and Listing Regulations. The Chairman of the Board is an Independent Director.

The Directors have expertise in the fields of strategy, management, finance, operations, science, technology, human resource development and economics. The Board provides leadership, strategic guidance, objective and independent view to the Company's management while discharging its fiduciary duties, thereby ensuring that the management adheres to high standards of ethics, transparency and disclosure.

Each Director informs the Company on an annual basis about the Board and Board Committee positions he/she occupies in other companies including Chairmanships and notifies changes during the term of their directorship in the Company. **Table 1** gives the composition of BTCL's Board, their positions, relationship with other Directors, date of joining the Board, other Directorships and memberships of Committees held by each of them.

Name	Position	Relationship with other Directors	Date of Joining	Directorships u/s. 165 of the Companies Act, 2013		Committee membership <sup>(2)</sup>	Chairmanship in Committees <sup>(2)</sup>
				Public	Private		
Girdhar Gopal Dalmia	Managing Director	Son of Mrs. Bhagwati Devi Dalmia. Father of Mr. Manish Dalmia & Mr. Vijay Dalmia	June 29, 1983	4	3	-	-
Vijay Dalmia	Whole-Time Director and CFO	Son of Mr. Girdhar Gopal Dalmia	September 30, 2009	4	1	4	1
Manish Dalmia	Director	Son of Mr. Girdhar Gopal Dalmia	August 13, 1997	5	2	4	1
P. K. Kayan <sup>(3)</sup>	Independent Director	None	September 30, 2014	3	10	5	3
R. P. Jain <sup>(3)</sup>	Independent Director	None	September 30, 2014	3	4	3	3
Bhagwati Devi Dalmia	Director	Mother of Mr. Girdhar Gopal Dalmia	September 30, 2014	2	1	-	-

<sup>(1)</sup> Other Directorships are those which are not covered under Section 165 of the Companies Act, 2013.

<sup>(2)</sup> Membership / Chairmanship in Audit and Shareholders' Grievance Committees of all public limited companies, whether listed or not, including BTCL's are considered. Foreign companies, private limited companies and companies under Section 8 of the Companies Act, 2013 have been excluded.

<sup>(3)</sup> None of the Independent Directors serves as an Independent Director in more than seven listed companies.

### Term of Board Membership

The Board, on the recommendations of the Nomination and Remuneration Committee, considers the appointment and re-appointment of Directors.

Section 149 of the Companies Act, 2013, provides that an Independent Director can be appointed for a term of up to five consecutive years on the Board of a Company and shall be eligible for re-appointment on passing of a special resolution by the shareholders of the Company. The Independent Directors shall not retire by rotation.

Accordingly, all the Independent Directors of the Company were appointed as Independent Directors under Section 149 of the Companies Act, 2013, for a term ranging from 5 years at the 95<sup>th</sup> Annual General Meeting.

As per the provisions of the Companies Act, 2013, one-third of the Board members other than Independent Directors, who are subject to retire by rotation, retire every year; and approval of shareholders is sought for the re-appointment of such retiring members, if eligible.

Executive Directors are appointed by shareholders for a maximum period of five years at a time, and are eligible for re-appointment upon completion of the term.

Mr. Manish Dalmia, Director of the Company, retires by rotation at the forthcoming Annual General Meeting, and being eligible, seeks re-appointment.

### **Selection and Appointment of New Director**

Induction of any new member on the Board of Directors is the responsibility of the Nomination and Remuneration Committee. Taking into account the existing composition and organization of the Board, and the requirement of new skill sets, if any, the Nomination and Remuneration Committee reviews potential candidates in terms of their expertise, skills, attributes, personal and professional backgrounds, gender and their ability to attend meetings. The potential Board member for the office of Independent Director is also assessed on the basis of independence criteria defined in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of Listing Regulations. The Committee then places the details of such candidates that meet these criteria to the Board of Directors for their consideration. If the Board approves, the person is appointed as an Additional Director, subject to the approval of shareholders in the Company's Annual General Meeting.

### **Board Evaluation**

The Board has carried out an annual evaluation of its own performance, as well as the working of its Committees. The Nomination and Remuneration Committee laid down the criteria for such performance evaluation. The evaluation process was carried out internally in FY2017. The contribution and impact of individual members was evaluated on parameters such as level of engagement, independence of judgment, conflicts resolution and their contribution in enhancing the Board's overall effectiveness.

The Performance of the Chairman and Managing Director has evaluated on key aspects of their role which includes, inter-alia, effective leadership to the Board and adequate guidance to the each level of Management. Based on prescribed criteria as laid down, the performance of the Board, various Committees viz. Audit Committee, Stakeholders' Relationship Committee and Nomination and Remuneration Committee and Individual Director were evaluated at satisfaction level. During the year under review, the Independent Directors of your Company reviewed the performance of Non- Independent Directors and Chairperson of your Company, taking into account the views of Executive Directors and Non-Executive Directors. The Board as a whole is a balanced unit where diverse views are expressed and dialogued when required. All the directors are participative, interactive and communicative. The Chairman has abundant knowledge, experience, skills and understanding of the Board's functioning, processes. The information flow between your Company's Management and the Board is timely & sufficient.

The performance of CSR committee has not been evaluated during F.Y. 2016-17 as it was constituted on February 14, 2017.

## Letter of Appointment

The Independent Directors on the Board of the Company, upon appointment, are given a formal appointment letter inter alia containing the term of appointment, roles, function, duties & responsibilities, code of conduct, disclosures, confidentiality, etc. The terms and conditions of the appointment of Independent Directors are available on the Company's website.

## Directors' Share Holding in the Company

Table 2 gives details of shares held by the Directors as on March 31, 2017.

<b>Table2: Shares held by the Directors as on March 31, 2017</b>	
<b>Name</b>	<b>No. of shares held</b>
Girdhar Gopal Dalmia	9,756
Manish Dalmia	10,036
Vijay Dalmia	6,340
P. K. Kayan	-
R.P. Jain	-
Bhagwati Devi Dalmia	782

## Meetings of the Board

The Company plans and prepares the schedule of the Board and Board Committee meetings in advance to assist the Directors in scheduling their program. The schedule of meetings and agenda for meeting is finalized in consultation with the Directors. The agenda of the meeting is pre-circulated with presentations, detailed notes, supporting documents and executive summary.

As per the provisions of the Companies Act, 2013 read with Regulation 17(2) of the Listing Regulations and Secretarial Standard 1, the Board of Directors must meet at least four times a year, with a maximum time gap of one hundred and twenty (120) days between two Board meetings.

The Board met Twelve (12) times during the FY 2017 and the gap between two meetings did not exceed one hundred and twenty (120) days. The dates on which the Board Meetings were held are as follows:

April 8, 2016, May 30, 2016, June 29, 2016, July 20, 2016, August 13, 2016, September 12, 2016, October 7, 2016, November 14, 2016, December 14, 2016, January 18, 2017, February 14, 2017 and February 28, 2017.

Details of Directors and their attendance in Board Meetings and Annual General Meeting are given in Table 3.

<b>Table 3: Directors' attendance at Board meetings and AGM held during FY2017</b>			
<b>Name</b>	<b>Meetings held in Director's tenure</b>	<b>Number of Board meetings attended</b>	<b>Attendance in last AGM on September 30 2016</b>
Girdhar Gopal Dalmia	12	5	Present
Manish Dalmia	12	11	Absent
Vijay Dalmia	12	10	Present
P. K. Kayan	12	3	Present
R. P. Jain	12	8	Present
Bhagwati Devi Dalmia	12	3	Absent

The Board and its Committee meetings at BTCL's typically comprise of one-day session. In the course of these meetings, the business unit heads and Key Managerial Personnel make presentations to the Board. The Board is updated on the discussions at the Committee meetings and their recommendations through the Chairman of the respective Committees.

### **Information given to the Board**

The Company provides the following information, inter alia, to the Board and Board-level Committees, either as part of the agenda papers in advance of the meetings or by way of presentations and discussion material during the meetings:

- Annual operating plans and budgets and any updates.
- Capital budgets and any updates.
- Quarterly results for the listed entity and its operating divisions or business segments.
- Minutes of meetings of audit committee and other committees of the board of directors.
- The information on recruitment and remuneration of senior officers just below the level of board of directors, including appointment or removal of Chief Financial Officer and the Company Secretary.
- Show cause, demand, prosecution notices and penalty notices, which are materially important.
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- Any material default in financial obligations to and by the listed entity, or substantial non-payment for goods sold by the listed entity.
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order which, may have passed strictures on the conduct of the listed entity or taken an adverse view regarding another enterprise that may have negative implications on the listed entity.
- Details of any joint venture or collaboration agreement.
- Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property.
- Significant labour problems and their proposed solutions. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.
- Sale of investments, subsidiaries, assets which are material in nature and not in normal course of business.
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
- Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.

### **Post meeting follow-up mechanism**

The important decisions taken at the Board /Board Committees' meetings are communicated to the concerned departments/divisions promptly. An action taken/status report on the decisions of the previous meeting(s) is placed at the next meeting of the Board/Board Committees for information and further action(s), if any.

## Meetings of Independent Directors in Executive Session

During FY 2017, the Independent Directors met two times on May 30, 2016 and February 14, 2017 in executive sessions without the presence of management. In addition to these two, the Company is ready to facilitate such sessions as and when required by the Independent Directors. An Independent Director, with or without other Independent Directors, takes the lead to provide structured feedback to the Board about the key elements that emerge out of these executive sessions.

## Director's Remuneration

The Company has a policy for the remuneration of Directors, Key Managerial Personnel (KMPs), Senior Management Personnel (SMPs) and other employees. The remuneration of the Directors is based on the Company's size, presence, its economic and financial position, compensation paid by peer companies, the qualification of the appointee(s), their experience, past performance and other relevant factors. The policy forms the part of the corporate governance report as 'Annexure – A'.

The Executive Directors of the Company, Mr. Girdhar Gopal Dalmia, Managing Director is appointed by shareholders' resolution for a period of five years and Mr. Vijay Dalmia, Whole Time Director and CFO are appointed by shareholders' resolution for a period of three years. No severance fees is payable to the Executive Directors. All components of remuneration to the Executive Directors are fixed and are in line with the Company's policies.

No sitting fee is paid to Non-Executive Non-Independent Directors and Independent Directors for attending meetings of the Board and its Committees.

The remuneration paid or payable to the Directors for their services rendered during FY 2017 is given in Table 4.

Table4: Remuneration paid or payable to the Directors during FY2017				(Rs. in lacs)
Name of Directors	Sitting fees <sup>(1)</sup>	Salaries	Perquisites	Total
Girdhar Gopal Dalmia	-	20.00	-	20.00
Manish Dalmia	-	20.00	-	20.00
Vijay Dalmia	-	-	-	-
R. P. Jain	-	-	-	-
P. K. Kayan	-	-	-	-
Bhagwati Devi Dalmia	-	-	-	-

### Notes:

(1) No Sitting Fee is paid to the Directors

The criteria for making payments to the Executive Directors are:

- Salary, as recommended by the Nomination and Remuneration Committee and approved by the Board and the shareholders. Perquisites and retirement benefits are also paid in accordance with the Company's compensation policies, as applicable to all employees.
- Remuneration paid to the Executive Directors is determined keeping in view the industry benchmarks.

## **Independent Directors**

The Independent Directors of the Company head the following governance and/or Board Committee functions:

- Mr. R. P. Jain: Finance, corporate strategy and acts as a Lead Independent Director.
- Mr. P. K. Kayan: Governance overview.

## **Familiarization Program of Independent Director**

To familiarize a new Independent Director with the Company, its policies and procedures, a familiarization kit containing informative documents about the Company like past five years Annual Reports, Memorandum and Articles of Association, Company's Code of Conduct, presentation on financial and operational highlights etc. are provided to him/her. The new Independent Director meets individually with each Board members KMPs and senior management personnel. Visits to plant location(s) are also organized for the new Director to understand the Company's product and operations.

Periodic presentations are made by senior management on business and performance updates of the Company, business risk and its mitigation strategy. The Company has uploaded its Familiarization Programme for Independent Directors on the website of the Company at [www.mldalmiagroup.com](http://www.mldalmiagroup.com).

## **Risk Management**

The Company has an enterprise-wide risk management (ERM) system in place. An internal Risk Management Committee oversees and reviews the risk management framework, assessment of risks, and management and minimization procedures. The Committee reports its findings and observations to the Board. A section on risk management practices of the Company under the ERM framework forms a part of the chapter on Management Discussion and Analysis in this annual report.

## **Compliance Reviews**

BTCL's has a dedicated team under an identified Compliance Officer for overseeing compliance activities, including monitoring, and a defined framework to review the compliances with all laws applicable to the Company. The compliance status is periodically updated to the senior management team including the Managing Director and the CFO through forums and review meetings.

## **Code of Business Conduct and Ethics**

As per the Listing Regulations and the Companies Act, 2013, the Company adopted a Code of Business Conduct and Ethics which applies to all its Directors and employees, and affiliates. It is the responsibility of all Directors and employees to familiarize themselves with this Code and comply with its standards.

The Board and the Senior Management affirm compliance with the Code of Business Conduct and Ethics annually. A certificate of the Managing Director of the Company to this effect is enclosed.

## **Related Party Transactions**

The details of Related Party Transactions are discussed in detail in Note No. 27 to the Financial



Statements. All Related Party Transactions during the year, in the ordinary course of business or otherwise, were placed before the Audit Committee and subsequently before the Board.

All related party transactions were on arm's length basis.

### **Subsidiary Companies**

The Company does not have any subsidiary of the Company.

### **Disclosure on Accounting Treatment**

In the preparation of financial statements for FY 2017, there is no treatment of any transaction different from that prescribed in the Accounting Standards notified by the Government of India under the Companies Act, 2013.

### **Committees of the Board**

The Board Committees focus on specific areas and make informed decisions within the authority delegated. Each such Committee is guided by its Charter, which defines the composition, scope and powers. The Committees also make specific recommendations to the Board on various matters whenever required. All observations, recommendations and decisions of the Committees are placed before the Board for information, consideration, approval or action, as the case may be.

The Company has four Board-level Committees, namely:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders' Relationship Committee
- Corporate Social Responsibility Committee

### **Audit Committee**

The management is responsible for the Company's internal controls and the financial reporting process while the statutory auditors are responsible for performing independent audits of the Company's financial statements in accordance with generally accepted auditing practices and for issuing reports based on such audits.

The Board of Directors has entrusted the Audit Committee with the responsibility to supervise these processes and thus ensure accurate and timely disclosures that maintain the transparency, integrity and quality of financial control and reporting.

#### **The role of the audit committee shall include the following:**

- (1) oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (2) recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
- (3) approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- (4) reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:

- (a) matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - (b) changes, if any, in accounting policies and practices and reasons for the same;
  - (c) major accounting entries involving estimates based on the exercise of judgment by management;
  - (d) significant adjustments made in the financial statements arising out of audit findings;
  - (e) compliance with listing and other legal requirements relating to financial statements;
  - (f) disclosure of any related party transactions;
  - (g) modified opinion(s) in the draft audit report;
- (5) reviewing, with the management, the quarterly financial statements before submission to the board for approval;
  - (6) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
  - (7) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
  - (8) approval or any subsequent modification of transactions of the listed entity with related parties; (9) scrutiny of inter-corporate loans and investments;
  - (10) valuation of undertakings or assets of the listed entity, wherever it is necessary;
  - (11) evaluation of internal financial controls and risk management systems;
  - (12) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
  - (13) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
  - (14) discussion with internal auditors of any significant findings and follow up there on;
  - (15) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
  - (16) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
  - (17) to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
  - (18) to review the functioning of the whistle blower mechanism;
  - (19) approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
  - (20) Carrying out any other function as is mentioned in the terms of reference of the audit committee.

B. The audit committee shall mandatorily reviews the following information:

- (1) management discussion and analysis of financial condition and results of operations;
- (2) statement of significant related party transactions (as defined by the audit committee), submitted by management;
- (3) management letters / letters of internal control weaknesses issued by the statutory auditors;
- (4) internal audit reports relating to internal control weaknesses; and
- (5) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
- (6) statement of deviations:
  - (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
  - (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

The Audit Committee comprises of two Independent Directors and one Non-Executive Non-Independent Director. All members of the Audit Committee are financially literate and bring in expertise in the fields of finance, economics, human resource development, strategy and management.

The Audit Committee met four times during FY 2017 on May 30, 2016, August 13, 2016, November 14, 2016 and February 14, 2017. It also meets the key members of finance team and internal audit team along with the Managing Director and the CFO to discuss matters relating to audit, compliance and accounting. During the year, the Committee also meets Statutory Auditors without the presence of the management whenever required.

The Company is in compliance with the provisions of the Regulation 18 of Listing Regulations, as amended, on the time gap between any two Audit Committee Meetings. Table 5 gives the composition and attendance record of the Audit Committee.

<b>Table 5: Audit Committee Membership and attendance during FY2017</b>			
Committee members	Position	Meetings held	Meetings attended
Mr. R. P. Jain	Chairman	4	4
Mr. P. K. Kayan	Member	4	4
Mr. Manish Dalmia	Member	4	4

The Managing Director, CFO and the Internal Auditor are permanent invitees to all Audit Committee meetings. The Statutory Auditors of the Company are present in the Audit Committee meetings during the year. The Company Secretary officiates as the secretary of the Committee.

Discussion with CFO, the internal audit, compliance teams, the external auditors and other key finance personnel from the Company.

The internal and Statutory Auditors of the Company discuss their audit findings and updates with the Audit Committee and submit their views directly to the Committee. Separate discussions are held with the internal auditors to focus on compliance issues and to conduct

detailed reviews of the processes and internal controls in the Company.

### **Nomination and Remuneration Committee**

The Nomination and Remuneration Committee entirely comprises of Non- Executive Directors.

The primary functions of the Committee are to:

- Examine the structure, composition and functioning of the Board, and recommend changes, as necessary, to improve the Board's effectiveness.
- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- Regularly examine ways to strengthen the Company's organizational health, by improving the hiring, retention, motivation, development, deployment and behavior of management and other employees.

In this context, the Committee reviews and recommends all forms of compensation to be granted to Directors, executive officers and senior management employees of the Company.

The head of Human Resources (HR) makes periodic presentations to the Committee on organization structure, leadership, performance appraisals, increments, performance bonus recommendations and other HR matters.

The Nomination and Remuneration Committee met five times during the year: on May 30, 2016, August 13, 2016, November 14, 2016, December 14, 2016 and February 14, 2017. The Managing Director and CFO are permanent invitee to all Nomination and Remuneration Committee meetings.

Table 6 gives the composition and attendance record of the Nomination and Remuneration Committee.

<b>Table 6: Nomination &amp; Remuneration Committee membership and attendance during FY2017</b>			
Committee members	Position	Meetings held	Meetings attended
Mr. R. P. Jain	Chairman	5	5
Mr. P. K. Kayan	Member	5	5
Mr. Manish Dalmia	Member	5	5

### **Stakeholders' Relationship Committee**

The Stakeholders' Relationship Committee is empowered to perform the functions of the Board relating to handling of shareholders' queries and grievances. It primarily focuses on:

- Review the process and mechanism of redressal of investor grievance and suggest measures of improving the system of redressal of investor grievances.

- Review and resolve the pending investors complaints, if any, relating to transfer of shares, non-receipt of share certificate(s), non-receipt of interest dividend warrants, non-receipt of annual report and any other grievance/complaints with Company or any officer of the Company arising out in discharge of his duties.
- Oversee the performance of the Registrar & Share Transfer Agent and also review and take note of complaints directly received and resolve them.
- Review of corporate actions related to security holders.

The Stakeholders' Relationship Committee consists of three Directors, including two Independent Directors. The Chairman of the Committee is an Independent Director.

The Stakeholders' Relationship Committee was not applicable to the Company during the year under review. However, the same is applicable for the current period.

The Company Secretary officiates as the secretary of the Committee and is also designated as Compliance Officer in terms of the Listing Regulations. An analysis of investor queries and complaints received during the year and disposed is given in this annual report in the chapter on Additional Shareholders' Information.

### **Corporate Social Responsibility Committee**

The Committee consists of three Directors, including one Executive Director was formed on February 14, 2017. The Chairman of the Committee is an Executive Director. The CSR Committee is empowered to perform the functions of the Board relating to handling the social initiatives.

Its primary functions are to:

- Formulate, review and recommend to the Board, a CSR policy indicating the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013.
- Recommend the amount of expenditure to be incurred on the initiatives as per the CSR policy.
- Provide guidance on various CSR initiatives undertaken by the Company and monitoring their progress.
- Monitor implementation and adherence to the CSR Policy of the Company from time to time.

The CSR Committee formulated and recommended the CSR policy to the Board, during the year.

Table 7 gives the composition of the Committee.

<b>Table 7 : Corporate Social Responsibility Committee membership attendance during FY2017</b>	
<b>Committee members</b>	<b>Position</b>
Mr. Vijay Dalmia	Chairman
Mr. R. P. Jain	Member
Mr. P. K. Kayan	Member

### **Management**

The management of the Company develops and implements policies, procedures and practices that attempt to translate the Company's core purpose and mission into reality. The management also identifies, measures, monitors and minimizes risk factors in the business and ensures safe, sound and efficient operation. These are internally supervised and monitored

through the Managing Director & Whole-time Director and CFO.

Listed below are some of the key issues that were considered by the management during the year under review:

- Company's long term strategy, growth initiatives and priorities.
- Overall Company performance, including those of various business units.
- Decision on major corporate policies.
- Discussion and sign-off on annual plans, budgets, investments and other major initiatives.
- Discussion on business alliances proposals and organizational design.

### **Management Discussion and Analysis**

This chapter of the annual report constitutes the Company's Management Discussion and Analysis.

### **Management Disclosures**

Senior Management of the Company (Senior Manager level and above, as well as certain identified key employees) make annual disclosures to the Board relating to all material financial and commercial transactions in which they may have personal interest, if any, and which may have a potential conflict with the interest of the Company. Transactions with key managerial personnel are listed in the financial section which forms the part of this annual report under Related Party Transactions.

### **Prohibition of Insider Trading**

The Company has a policy prohibiting Insider Trading in conformity with applicable regulations of the SEBI in India. Necessary procedures have been laid down for Directors, officers and designated employees for trading in the securities of the Company. The policy and procedures are periodically communicated to the employees who are considered as insiders of the Company. Trading window closure / blackouts / quiet periods, when the Directors and employees are not permitted to trade in the securities of the Company, are intimated to all Directors and employees, in advance, whenever required.

### **Internal Control Systems**

The Company has both external and internal audit systems in place. Auditors have access to all records and information of the Company. The Board recognizes the work of the auditors as an independent check on the information received from the management on the operations and performance of the Company. The Board and the management periodically review the findings and recommendations of the statutory and internal auditors and takes necessary actions whenever required.

### **Internal Controls**

The Company maintains a system of internal controls designed to provide reasonable assurance regarding:

- Effectiveness and efficiency of operations.
- Adequacy of safeguards for assets.
- Reliability of financial controls.
- Compliance with applicable laws and regulations.

The integrity and reliability of the internal control systems are achieved through clear policies and procedures, process automation, careful selection, training and development of employees and an organization structure that segregates responsibilities. Internal Audit at BTCL's is an independent and objective assurance function, responsible for evaluating and improving the effectiveness of risk management, control and governance processes. The internal audit department prepares annual audit plans based on risk assessment, and conducts extensive reviews covering financial, operational and compliance controls and risk mitigation. Areas requiring specialized knowledge are reviewed in partnership with external experts. Suggested improvement in processes are identified during reviews, and communicated to the management on an on-going basis.

The Audit Committee of the Board monitors the performance of internal audit department on a periodic basis through review of audit plans, audit findings and speed of issue resolution through follow-ups. Each year, there are at least four meetings held, where the Audit Committee reviews internal audit findings, in addition to special meetings and teleconferences.

### **Managing Director and CFO Certification**

A certificate of the Managing Director as well as the Chief Financial Officer of the Company on financial statements and applicable internal controls as stipulated under Regulation 17(8) of the Listing Regulations is enclosed below.

### **Statutory Audits**

For FY 2017 M/s. S. K. Ghosh & Co, Chartered Accountants, has audited the financial statements prepared under the Indian GAAP.

While auditing the operations of the Company, the external auditors recorded their observations and findings with the management. These were then discussed by the management and the auditors at the Audit Committee meetings. Remedial measures suggested by the auditors and the Audit Committee have been either implemented or taken up for implementation by the management.

### **Auditors' Fees**

During FY 2017, the Company paid Rs. 1.50 Lacs to M/s. S. K. Ghosh & Co, the Statutory Auditors as audit fees.

### **Means of Communication**

1. **Quarterly and annual results:** Quarterly and annual results of the Company are published in widely circulated national newspapers and the local vernacular daily. These are also made available on corporate website: [www.mldalmiagroup.com](http://www.mldalmiagroup.com)
2. **Website:** The primary source of information regarding the operations of the Company is the corporate website: [www.mldalmiagroup.com](http://www.mldalmiagroup.com). All official news releases are posted on this website. It contains a separate dedicated section called 'Investors', where the relevant information for shareholders is available. The webcast of the proceedings of the Annual General Meeting is also made available on the website.
3. **Annual report:** The Company's annual report containing, inter alia, the Directors' Report, Corporate Governance Report, Management's Discussion and Analysis (MD&A) Report, Audited Annual Accounts, Auditors' Report and other important information is circulated to members and others so entitled. The annual report is also available on the website in a user-friendly and downloadable form.
4. **Register to receive electronic communications:** The Company has provided an option to the shareholders to register their email id either by writing to the Company or to the Registrar and Share Transfer Agent to receive electronic communications.



## **Certification on Corporate Governance**

**To**

**The Members of Bateli Tea Co. Limited**

We have examined the relevant records of Bateli Tea Co. Limited ("the Company") for the purpose of certifying compliance of conditions of Corporate Governance as stipulated in Regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) for the period from April 1, 2016 to March 31, 2017. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of certification.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to 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 opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company was exempted from the compliance of conditions of Corporate Governance as stipulated in Regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Listing Regulations during the period from 1 April 2016 to 31 March 2017.

We further state that this certificate 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.

M Shahnawaz & Associates

Practicing Company Secretary

Md. Shahnawaz

Proprietor

Membership No.: 21427

CP No.: 15076

Kolkata, May 19, 2017



## **Compliance with Code of Conduct for Directors and Senior Management**

{Declaration as per Regulation 34(3) Listing Regulations}

I hereby confirm that all the members of the Board and senior management personnel have affirmed that they have complied with the Company's Code of Conduct for Directors and Senior Management for the FY 2017.

**For Bateli Tea Company Limited**

**Girdhar Gopal Dalmia**

Managing Director

DIN : 00583976

Kolkata

May 19, 2017

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## **Managing Director (MD) and Chief Financial Officer (CFO) Certification**

{Pursuant to Regulation 17(8) of the Listing Regulations}

We, Girdhar Gopal Dalmia, Managing Director and Vijay Dalmia, Chief Financial Officer, of Bateli Tea Company Limited, to the best of our knowledge and belief, hereby certify that during the financial year ended March 31, 2017:

- a) We have reviewed the financial statements and the cash flow statement for the year ended March 31, 2017 and that to the best of our knowledge and belief:
  - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements 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) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee:
  - (i) Significant changes in internal control during the year;
  - (ii) Significant changes in 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 that there are no.

**For Bateli Tea Co. Limited**

**Girdhar Gopal Dalmia**

Managing Director

DIN - 00583976

**Vijay Dalmia**

Wholtime Director & CFO

DIN - 00583896

Kolkata

May 19, 2017

## MANAGEMENT DISCUSSION & ANALYSIS

### Indian Economy overview

India has emerged as the fastest growing major economy in the world as per the Central Statistics Organisation (CSO) and International Monetary Fund (IMF). The Government of India has forecasted that the Indian economy will grow by 7.1 per cent in FY 2016-17. As per the Economic Survey 2016-17, the Indian economy should grow between 6.75 and 7.5 per cent in FY 2017-18. The improvement in India's economic fundamentals has accelerated in the year 2015 with the combined impact of strong government reforms, Reserve Bank of India's (RBI) inflation focus supported by benign global commodity prices.

India's consumer confidence index stood at 136 in the fourth quarter of 2016, topping the global list of countries on the same parameter, as a result of strong consumer sentiment, according to market research agency, Nielsen.

Moody's has affirmed the Government of India's Baa3 rating with a positive outlook stating that the reforms by the government will enable the country perform better compared to its peers over the medium term.

India's gross domestic product (GDP) grew by 7 per cent year-on-year in October-December 2016 quarter, which is the strongest among G-20 countries, as per Organization for Economic Co-operation and Development (OECD) Economic Survey of India, 2017. According to IMF World Economic Outlook Update (January 2017), Indian economy is expected to grow at 7.2 per cent during FY 2016-17 and further accelerate to 7.7 per cent during FY 2017-18.

India has retained its position as the third largest startup base in the world with over 4,750 technology startups, with about 1,400 new start-ups being founded in 2016, according to a report by NASSCOM.

India's labour force is expected to touch 160-170 million by 2020, based on rate of population growth, increased labor force participation, and higher education enrolment, among other factors, according to a study by ASSOCHAM and Thought Arbitrage Research Institute.

### Government Initiatives:

The Government of India announced demonetisation of high denomination bank notes of Rs 1000 and Rs 500, with effect on November 8, 2016, in order to eliminate black money and the growing menace of fake Indian currency notes, thereby creating opportunities for improvement in economic growth.

In the Union Budget 2017-18, the Government has verified that the major push of the budget proposals is on growth stimulation, providing relief to the middle class, providing affordable housing, curbing black money, digitalisation of the economy, enhancing transparency in political funding and simplifying the tax administration in the country.

India's unemployment rate has declined to 4.8 per cent in February 2017 compared to 9.5 per cent in August 2016, as a result of the Government's increased focus towards rural jobs and the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) scheme.

### Economic prospects

According to The World Bank, the Indian economy will likely grow at 7% in 2016-17, followed by further acceleration to 7.6% in 2017-18 and 7.8 per cent in 2018-19. Demonetisation is expected to have a positive impact on the Indian economy, which will help foster a clean and digitised economy in the long run.

India is expected to be the third largest consumer economy as its consumption may triple to US\$ 4 trillion by 2025, owing to shift in consumer behaviour and expenditure pattern, according to a Boston Consulting Group (BCG) Report; and is estimated to surpass USA to become the second largest economy in terms of purchasing power parity (PPP) by the year 2040. India has become the world's fastest growing large economy, and is expected to grow five-fold by 2040, owing to a series of policy measures.

### **Indian Tea Industry**

Indian tea is among the finest in the world owing to strong geographical indications, heavy investments in tea processing units, continuous innovation, augmented product mix and strategic market expansion. The main tea-growing regions are in Northeast India (including Assam) and in north Bengal (Darjeeling district and the Dooars region). Tea is also grown on a large scale in the Nilgiris in south India. India is one of the world's largest consumers of tea, with about three-fourths of the country's total produce consumed locally.

Tea isn't simply tea in India but it is like a staple beverage here and a day without it is impossible and incomplete. Indians prefer their steaming cup of tea because for them it acts as an energy booster and is simply indispensable. This popular beverage has a lot of health benefits too as its antioxidants help to eliminate toxins and free radicals from the blood.

India accounts for 31% of the global production of tea. India has retained its leadership over the tea industry for the last 150 years. The total turnover of this industry is roughly Rs.10, 000 crores. Since 1947, the tea production in India has increased by 250% and the land area used for production has increased by 40%. Even the export sector of India has experienced an increase in the export of this commodity. The total net foreign exchange in India is roughly Rs.1847 crores per annum. The tea industry in India is labor intensive, meaning it depends heavily on human labor instead of machines. This industry provides employment to more than 1.1 million Indian workers and almost half the workforce constitutes of women.

The process of tea production has a series of procedures and processes. The process starts with the plucking of tea leaves in the tea estates by women employees carrying a basket over the head and ends with the production of the ultimate tea. There are mainly two ways of producing tea in India namely the CTC production and Orthodox production. CTC is an acronym for crush, tear and curl. The tea produced by this method is mostly used in tea bags. The orthodox production method consists of five stages, namely withering, rolling, fermentation, drying and finally storing. It is not possible to compare the two varieties because their quality depends on factors such as rainfall, soil, wind and the method of plucking of tea leaves and both possess a unique charm of their own.

Asia Pacific region is the highest tea producer and is forecasted to reach a market value of approximately USD 29 billion by 2020. India is one of the key producers and consumers of tea globally. In 2016, approximately 216.79 million kg of tea was exported from India. It is projected that Indian tea exports will grow to 260 million kg amounting to USD 756 million by 2019-2020.

In the year 2015-2016, India witnessed increase in tea production by 3% year-on-year. While Assam generated 652.95 million kgs of tea, an increase of 7.61% from 2014-2015, West Bengal witnessed 1.68% rise in production year-on-year. On the other hand Tamil Nadu experienced a drop in production by 3.54% year-on-year due to severe drought. Kerala's drop in production by 15.73% was due to erratic weather conditions and labour unrest.

### **Operations**

The Company has only one business segment viz. manufacturing of tea. The Company manufactures CTC tea. The entire products are sold in the various parts of India. The Company owns a fair share of tea market in India.

Our company has manufactured 2,679,001 Kgs. during the year under review.

### **Opportunities & Threats:**

The diverse agro-climatic conditions prevailing in the tea growing areas of India lend themselves to the production of a wide range of teas (CTC, orthodox), green tea and organic teas. There is availability of modernized and upgraded manufacturing facilities.

The biggest opportunity for your Company is the global consumer trend towards health and wellness where tea which is one of the important natural beverages is strongly aligned to this trend. Therefore, it is likely to benefit your Company, now and in the future.

The area under tea is bound to come down, reversing the trend seen in recent years, more so in the hill districts of South India, where there is an increasing demand for real estate. The shortage of workmen is also a sign of the times as the younger generation, having benefited from better education facilities, is migrating to the towns and cities. This may be partially offset by bringing workers from even more backward areas and by mechanisation.

High cost of production, mainly due to low productivity, increasing energy and other input costs, remain the major problems for the Indian Tea Industry

The rise in key input costs in the last decade has grown at a CAGR of over 10% while prices during this period have been growing at a CAGR 6 to 7 % only. Increase in domestic and export prices of Indian teas have not kept pace with increases in cost of inputs and the price of other food articles.

Some of the challenges faced by the Industry other than inadequate and irregular rainfall on which most of the agricultural crops depend on. The tea industry is constantly challenged by numerous other factors such as bad weather conditions or climate changes, wage issues with plantation laborers including migration of laborers to other industries and also the currency fluctuations.

These problems need to be addressed by improved productivity and energy conservation. The Tea Industry both in Assam and West Bengal have discussed with the Trade Unions and implemented productivity linked wages for the tea workers with a view to regain the Industry's competitiveness in the global market. Labour agreement for the State of Assam and West Bengal in India is due to be finalised with effect from 1st January 2018 and 1st April 2017 respectively.

## Future Outlook

Black tea production during 2016 was at record level mainly because of increased production in Kenya and India. However, Sri Lanka suffered crop loss due to unfavourable weather condition. Tea price at Mombasa auction for African tea decreased by 16% as compared to 2015. We have observed complete reversal of these factors during first four months of current calendar year. Tea production in Kenya reported to be lower by 50 million kg in the first three months on account of dry weather condition. Tea prices during this period were higher by 15% as compared to last year. Weather condition in India during the first few months of new season has been normal. Prices in India are likely to improve substantially due to demand in global markets and improved economic activities particularly in rural markets. This may result in reversal of negative operating cycle of the last three years.

## Financial and operational Performance:

### Production Performance:

The Company is engaged in the manufacturing of tea. During the year under review, our Company has recorded a turnover of Rs. 45.73 crores constituting 98.76 % of the total from revenue.

The operational performance of the Company during the period under review was satisfactory. We intend to achieve sustainable and profitable growth through our consistent efforts.

### Operating Results:

Key highlights of financial performance for the Company for the financial year 2015-16 & 2016-17 on standalone basis are tabulated below:

Particulars	FY2017	FY2016
Sales and Other Income	4630.98	4079.84
Earnings before interest, tax, depreciation and amortisation	1019.64	1037.29
Profit before Tax	535.99	504.98
Profit after Tax	515.16	500.89
EPS	240.47	233.81

## Risks and Concern

Risk and its management: Risk accompanies prospects. As a responsible corporate, it is the endeavour of the management to minimise the risks inherent in the business with the view to maximise returns from business situations.

The architecture: At the heart of the Company's risk mitigation strategy is a comprehensive and integrated risk management framework that comprises prudential norms, structured reporting and control. This approach ensures that the risk management discipline is centrally initiated by the senior management but prudently decentralized across the organization, percolating to managers at various organizational levels helping them mitigate risks at the transactional level.

The discipline: The Company has clearly identified and segregated its risks into separate

components, namely potential, operational, financial, strategic and growth execution. All the identified risks are inter-linked with the Annual Business Plans of the Company, so as to facilitate Company-wide reviews.

The review: A Risk Management Committee of the Board of Directors, comprising Board Members, has been constituted to review periodically updates on identified risks, implementation of mitigation plans and adequacy thereof, identification of new risk areas etc.

The Board of Directors also reviews the Risk identification process and mitigation plans regularly. Further, the Company has engaged a reputed consultant to revisit / reassess the Risk Management framework of the Company to identify the method / process of identification and mitigation of the risks and to assure their adequacy in the ever-evolving business environment.

Key counter measures: The Company has institutionalized certain risk mitigation procedures outline as under:

- Roles and responsibilities of the various entities in relation to risk management have been clearly laid down. A range of responsibilities, from the strategic to the operational, is specified therein. These role definitions, inter alia, are aimed at ensuring formulation of appropriate risk management policies and procedures, their effective implementation, independent monitoring and reporting by internal audit.
- Appropriate structures are in place to proactively monitor and manage the inherent risks in businesses with proper risk profiling.
- Wherever possible and necessary, appropriate insurance cover is taken for financial risk mitigation. Confirmation of compliance with applicable statutory requirements are obtained from the respective unit/divisions and subjected to an elaborate verification process.
- Quarterly reports on statutory compliances, duly certified, are submitted to the Audit Committee as well as the Board of Directors for review.
- Compliance(s) with exception(s), if any, are duly reported to the Audit Committee and the Board of Directors.
- Status of Demand/Notices on the Company, under various Acts and Rules, as well as status of litigations are reported to the Board of Directors every quarter.

### **Internal Control Systems**

BTCL has both external and internal audit systems in place. Auditors have access to all records and information of the Company. The Board recognizes the work of the auditors as an independent check on the information received from the management on the operations and performance of the Company. The Board and the management periodically review the findings and recommendations of the statutory and internal auditors and takes corrective actions whenever necessary.

The Company maintains a system of internal controls designed to provide reasonable assurance regarding:

- Effectiveness and efficiency of operations.
- Adequacy of safeguards for assets.
- Reliability of financial controls.
- Compliance with applicable laws and regulations.

## **Corporate Social Responsibility (CSR)**

As a part of its CSR activities, our Company undertakes steps for extending benefits to the local communities in and around its plant location. We have always believed in the sustainable development of the society. We have earned the trust of the local community over the years through our community services, on a regular basis, throughout the year.

The Company's CSR strategy ensures compliance with ethical standards in business practices, minimizing environmental impacts and waste, addressing the challenges of improved access to education, health, sports, drinking water, sanitation and livelihood opportunities, and helping underprivileged communities become resilient and self-reliant. The Company's CSR program is focused on the upliftment of the poor and the destitute.

## **Human Resources and Industrial Relations**

Our employees are our core resource and the Company has continuously evolved policies to strengthen its employee value proposition. Your Company was able to attract and retain best talent in the market and the same can be felt in the past growth of MLD Group. The Company is constantly working on providing the best working environment to its Human Resources with a view to inculcate leadership, autonomy and towards this objective; your company spends large efforts on training. Your Company shall always place all necessary emphasis on continuous development of its Human Resources. The belief "great people create great organization" has been at the core of the Company's approach to its people.

As on March 31, 2017, our Company has 81 employees.

## **Cautionary Statement**

*Statements in this Management Discussion and Analysis report detailing the Company's objectives, projections, estimates, expectations or predictions may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and Indian demand supply conditions, raw material prices, finished goods prices, cyclical demand and pricing in the Company's products and their principal markets, changes in Government regulations, tax regimes, economic developments within India and the countries with which the Company conducts business and other factors such as litigation and / or labor negotiations.*



## ADDITIONAL SHAREHOLDER INFORMATION

### 1. General Body Meetings

The last three Annual General Meetings were held as under:

Financial Year	Date	Place	Time
2015-16	September 30, 2016	Registered office, 130, Cotton Street, Kolkata – 700007	2.30 P.M.
2014-2015	September 29, 2015	Registered office, 130, Cotton Street, Kolkata - 700007	2.30 P.M.
2013-2014	September 30, 2014	Registered office, 130, Cotton Street, Kolkata - 700007	2.30 P.M.

Special Resolutions passed at the last three Annual General Meetings:

Financial Year	Resolution Passed
2015-2016	NIL
2014-2015	NIL
2013-2014	Approval of Creation of Charge on the asset of the Company in terms of Section 180(1)(a) of the Companies Act, 2013

### 2. Annual General Meeting (AGM)

**Day, Date & Time:** Thursday, September 21, 2017 at 2.30 P.M.

**Venue:** "Corporate Office of the Company"

'Dalmia House, 392, Block-G, New Alipore, Kolkata – 700053

**Last date for receipt of proxy Forms** Tuesday, September 19, 2017;

**3. Book Closure Date:** September 15, 2017 to September 21, 2017 (Both days inclusive)

**4. Dividend payment date:** N.A.

**5. Financial Calendar:** Indicative calendar of events for the financial year 2017-18

#### **Financial year of the Company: April 1, 2017 to March 31, 2018**

Financial Reporting for the quarter ending June 30, 2017 - By 14<sup>th</sup> day of September, 2017

Financial Reporting for the quarter ending September 30, 2017 - By 14<sup>th</sup> day of November, 2017

Financial Reporting for the quarter ending December 31, 2017 - By 14<sup>th</sup> day of February, 2017

Financial Reporting for the quarter ending March 31, 2017 - By 30<sup>th</sup> day of May, 2018

Annual General Meeting for the year ending March 31, 2017 - By September 30, 2017

**6. Listing of the Equity Shares** Calcutta Stock Exchange Limited (CSE)  
**on Stock Exchange:**

**7. Stock Code** 014071

**8. The International Security Identification Number (ISIN) for CDSL:** INE216E01016



## 9. Market Price data

There was no trading in the shares of the Company on any of the Stock Exchange where the shares of the company are listed during FY2017, hence, no market price data are available.

## 10. Performance in comparison to board based indices

There was no trading in the shares of the Company on any of the Stock Exchanges where the shares of the company are listed during FY2017, hence, performance comparison of the stock to board based indices is not available.

## 11. Shareholding Pattern as on March 31, 2017:

Category	No. of Shares	% of holding
Promoter & Promoter Group	1,28,350	59.91%
Financial Institutions/Banks	-	-
Foreign Institutional Investors	-	-
Public	85,879	40.09%
Non-Resident Individuals	-	-
Clearing Members	-	-
Hindu Undivided Family (HUF)	-	-
<b>Total</b>	<b>2,14,229</b>	<b>100%</b>

## 12. Distribution of shareholding as on March 31, 2017

Range	No. of Shareholders	% of Total Shareholders	No. of Shares	% of Total Shares
Upto – 500	60	75.95	9124	4.26
501 – 1000	6	7.59	4432	2.07
1001 – 2000	2	2.53	3200	1.49
2001 – 3000	1	1.27	2661	1.24
3001 – 4000	2	2.53	6700	3.13
4001 – 5000	Nil	Nil	Nil	Nil
5001 – 10000	3	3.80	21786	10.17
10001 & Above	5	6.33	166326	77.64
<b>Total</b>	<b>79</b>	<b>100</b>	<b>214229</b>	<b>100</b>

## 13. Registrar and Share Transfer Agent

M/s. ABS Consultant Pvt. Ltd. of 'Stephen House' Room No. 99, 6th Floor, 4, B.B.D. Bag (East), Kolkata – 700001, is the Registrar and Share Transfer Agent of the Company, both for Physical & Demat Segments. Accordingly, all communications on matters relating to Share Transfers, Dividend etc. may be sent directly to them. Compliant, if any, on these matters may also be sent to the Compliance Officer of the Company.

## 14. Share Transfer System

The share transfers/transmission/splits and/or issue of duplicate share certificates are processed on behalf of the Company by the Registrar and Transfer Agents, M/s ABS Consultant Pvt. Ltd. and is then placed before the Company Secretary who has been

delegated by Stakeholders Relationship Committee to approve transfers. The Company Secretary addresses all the requests fortnightly.

**15. Outstanding ADR's & GDR's, Warrants or any other convertible instruments, conversion date and likely impact on equity shares**

During the year under review, the Company has not issued any ADR's & GDR's, Warrants or any other convertible instruments. The Company has at present no outstanding ADR's/GDR's/Warrants to be converted that has an impact on the equity shares of the Company.

**16. Commodity Price Risk or Foreign Exchange Risk**

The Company is exposed to the risk of price fluctuation of raw materials as well as finished goods. The Company proactively manages these risks through forward booking Inventory management and proactive vendor development practices. The Company's reputation for quality, products differentiation and service, coupled with existence of powerful brand image with robust marketing network mitigates the impact of price risk on finished goods.

**17. Other Disclosures**

**Disclosures on materially significant related party transaction**

The statements containing the transactions with related parties were submitted periodically to the Audit Committee. The details of Related Party Transactions are discussed in detail in Note No. 27 of Notes to the Financial Statements.

**Details of non-compliance(s) by the Company**

No penalties have been imposed or strictures have been issued by SEBI, Stock Exchanges or any Statutory Authorities on matters relating to Capital Markets during the last three years against the non compliance relating to the matter aforesaid.

**Whistle Blower Policy/ Vigil Mechanism**

The Board of Directors of the Company has adopted Whistle Blower Policy. The management of the Company, through the policy envisages encouraging the employees of the Company to report to the higher authorities any unethical, improper, illegal or questionable acts, deeds & things which the management or any superior may indulge in. This policy has been circulated to employees of the Company. However, no employee has been denied access to the Audit Committee.

**Disclosure of Accounting Treatment**

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") as applicable. These financial statements have been prepared on an accrual basis and under the historical cost conventions.

**1. Name, Designation & Address of Company Secretary & Compliance Officer for Complaints & Correspondence**

**M.E.H. Ansari**

Company Secretary & Compliance Officer

Bateli Tea Company Limited

“Dalmia House”,

392, Block – G, New Alipore, Kolkata – 700053

Phone: 91 33 4017 6900

Email Id: ezaz@mldgroup.in

**Registered Office:**

Bateli Tea Company Limited

130, Cotton Street, Kolkata – 700012

Phone: 91 33 4017 6900

Email Id: kolkata@mldgroup.in

**Corporate Office:**

Bateli Tea Company Limited

“Dalmia House”

392, Block – G, New Alipore,

Kolkata – 700053

Phone: 91 33 4017 6900

Email Id: kolkata@mldgroup.in

**Plant Locations:**

**Manufacturing Plants**

Bateli Tea Estate,

P.O. Mazbat, District – Udalguri, Assam

**Wind Power Project**

SF No.493/1A (P) of Kurukkalpatti Village,

Sankarankovil Taluk,

Tirunelveli District, Tamil Nadu

**Disclosures with respect to demat suspense account/ unclaimed suspense account**

Sl No.	Particulars	Applicability
1	Aggregate number of shareholders and the outstanding shares in the suspense account lying the beginning of the year	Nil
2	Number of shareholders who approached the company for transfer of shares from suspense account during the year	Nil
3	Number of shareholders to whom shares were transferred from suspense account during the year	Nil
4	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	Nil
5	That the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares	Nil

## **Annexure – A**

### **Remuneration Policy for Board Members, Key Managerial Personnel & Senior Management Personnel of Dalmia Laminators Limited**

#### **1. Preamble**

- 1.1 Sub-section (3) of Section 178 of the Companies Act, 2013 ("the Act") states that the Nomination and Remuneration Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
- 1.2 Section 178 of the Companies Act, 2013 has been made effective from April 1, 2014 by the Central Government vide notification no. S.O. 902(E) issued on March 26, 2014. Therefore this Remuneration Policy ("the Policy") is being framed and formulated in adherence with the provisions of the Act and Rules made thereunder, as amended from time to time.
- 1.3 The Policy provides a framework for remuneration to the members of the Board of Directors ("Board"), Key Managerial Personnel ("KMP") and the Senior Management Personnel ("SMP") of the Company (collectively referred to as "Executives").  
  
The expression "senior management" means personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.
- 1.4 The existing Remuneration Committee of the Board of Directors is being re-named as Nomination and Remuneration Committee ("the Committee") so as to adhere to with the provisions of Section 178(1) of the Act. Members of the Committee shall be appointed by the Board and shall comprise of three or more non-executive directors out of which not less than one-half shall be independent directors.
- 1.5 The Policy will be reviewed every year by the Nomination and Remuneration Committee.

#### **2. Aims & Objectives**

- 2.1 The aims and objectives of the Policy may be summarized as follows:
  - 2.1.1 The Policy shall set criteria for determining qualifications, positive attributes and independence of a director and remuneration of the Executives.
  - 2.1.2 The Policy aims to enable the company to attract, retain and motivate highly qualified members for the Board and other executive level to run the Company successfully.
  - 2.1.3 The Policy seeks to enable the company to provide a well-balanced and performance-related compensation package, taking into account shareholder interests, industry standards and relevant Indian corporate regulations.
  - 2.1.4 The Policy will ensure that the interests of Board members & executives are aligned with the business strategy, objectives, values and long-term interests of the company and will be consistent with the "pay-for-performance" principle.

- 2.1.5 The Policy will ensure that remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

### **3. Principles of remuneration**

- 3.1 Support for Strategic Objectives: Remuneration and reward frameworks and decisions shall be developed in a manner that is consistent with, supports and reinforces the achievement of the Company's vision and strategy.
- 3.2 Transparency: The process of remuneration mechanism shall be transparent, conducted in good faith and in accordance with appropriate levels of confidentiality.
- 3.4 Internal equity: The Company shall remunerate the Executives in terms of their roles within the organisation. Positions shall be formally evaluated to determine their relative weight in relation to other positions within the Company.
- 3.5 External equity: The Company strives to pay an equitable remuneration, capable of attracting and retaining high quality personnel. Therefore the Company will remain logically mindful of the ongoing need to attract and retain high quality people, and the influence of external remuneration pressures. Reference to external market norms will be made using appropriate market sources, including relevant and comparative survey data, as determined to have meaning to the Company's remuneration practices at that time.
- 3.6 Flexibility: Remuneration and reward offerings shall be sufficiently flexible to meet both the needs of individuals and those of the Company whilst complying with relevant tax and other relevant laws.
- 3.7 Performance-Driven Remuneration: The Company shall entrench a culture of performance driven remuneration through the implementation of the Performance Incentive System.
- 3.8 Affordability and Sustainability: The Company shall ensure that remuneration is affordable on a sustainable basis.

### **4. Nomination and Remuneration Committee**

- 4.1 The Committee shall be responsible for:
- 4.1.1 Formulating framework and/or policy for remuneration, terms of employment and any changes, including service contracts, remuneration, policy for and scope of pension arrangements, etc for Executives and reviewing it on a periodic basis;
- 4.1.2 Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the Executives.
- 4.1.3 Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down in this policy, recommend to the Board their appointment and removal and carry out evaluation of every director's performance.

- 4.1.4 Formulating terms for cessation of employment and ensure that any payments made are fair to the individual and the company, that failure is not rewarded and that the duty to mitigate loss is fully recognised;
- 4.2 The Committee shall:
  - 4.2.1 review the ongoing appropriateness and relevance of the Policy;
  - 4.2.2 ensure that all provisions regarding disclosure of remuneration, including pensions, leave encashment, gratuity, etc. are fulfilled;
  - 4.2.3 obtain reliable, up-to-date information about remuneration in other companies;
  - 4.2.4 ensure that no director or executive is involved in any decisions as to their own remuneration.
- 4.3 Without prejudice to the generality of the terms of reference as set out above, the Committee shall:
  - 4.3.1 operate the Company's share option schemes (if any) or other incentives schemes (if any) as they apply to. It shall recommend to the Board the total aggregate amount of any grants to the Executives including individual limit and make amendments to the terms of such schemes, as the case may be;
  - 4.3.2 liaise with the trustee / custodian of any employee share scheme which is created by the Company for the benefit of employees or Directors.
  - 4.3.3 review the terms of Executives service contracts from time to time.

## **5 Procedure for selection and appointment of the Board Members**

- 5.1 Board membership criteria:
  - 5.1.2 The Committee, along with the Board, shall review on an annual basis, appropriate skills, characteristics and experience required of a Board Member, KMP and SMP for the better management of the Company. The objective is to have a Board with diverse background and experience in profession, government, academics, technology and in areas that are relevant for the Company's operations
  - 5.1.3 In evaluating the suitability of individual Board members, the Committee shall take into account many factors, including general understanding of the Company's business dynamics, global business and social perspective, educational and professional background and personal achievements. Directors must possess experience at policy-making and operational levels in large organizations with significant international activities that will indicate their ability to make meaningful contributions to the Board's discussion and decision-making in the array of complex issues facing the Company.
  - 5.1.4 Director should possess the highest personal and professional ethics, integrity and values. They should be able to balance the legitimate interest and concerns of all the Company's stakeholders in arriving at decisions, and carrying out the affairs of the Company in a true, fair and transparent manner.

- 5.1.5 In addition, Directors must be willing to devote sufficient time and energy in carrying out their duties and responsibilities effectively. They must have the aptitude to critically evaluate management's working as part of a team in an environment of collegiality and trust.
- 5.1.6 The Committee shall evaluate each individual with the objective of having a group that best enables the success of the Company's business.
- 5.2 Selection of Board Members/ extending invitation to a potential director to join the Board:
  - 5.2.1 One of the roles of the Committee is to periodically identify competency gaps in the Board, evaluate potential candidates as per the criteria laid above, ascertain their availability and make suitable recommendations to the Board. The objective is to ensure that the Company's Board is appropriate at all points of time to be able to take decisions commensurate with the size and scale of operations of the Company. The Committee also identifies suitable candidates in the event of a vacancy being created on the Board on account of retirement, resignation or demise of an existing Board member. Based on the recommendations of the Committee, the Board evaluates the candidate(s) and decides on the selection of the appropriate member.
  - 5.2.2 The Board then shall make an invitation (verbal / written) to the new member to join the Board as a Director. On acceptance of the same, the new Director may be appointed by the Board.

## **6 Procedure for selection and nomination of KMPs and SMPs.**

- 6.1 The Committee shall actively liaise with the Human Resource (HR) departments of the Company to study the requirement for management personnel, and produce a written document thereon;
- 6.2 The Committee may conduct a wide-ranging search for candidates for the positions of KMP and SMP within the Company, within enterprises controlled by the Company or within enterprises in which the Company holds equity, and on the human resources market;
- 6.3 The professional, academic qualifications, professional titles, detailed work experience and all concurrently held positions of the initial candidates shall be compiled as a written document;
- 6.4 A meeting of the Committee shall be convened, and the qualifications, experience, skills and other capability of the initial candidates shall be examined on the basis of the recommendation for appointment of KMP and SMP shall be made to the Board of Directors of the Company;
- 6.5 Before the selection of KMP or SMP, the recommendations of the Committee together with the relevant information about the appropriate candidate(s) shall be submitted to the Board of Directors;

- 6.6 The Committee shall carry out other follow-up tasks based on the decisions of and feedback from the Board of Directors.

## **7 Compensation Structure**

### **7.1 Remuneration to Non- Executive Directors:**

The Non-executive Directors of the company are paid remuneration by way of sitting fees only for attending the meetings of the Board of Directors and its Committees. The sitting fees paid to the Non-executive Directors for attending meetings of Board of Directors and Audit Committee of Board of Directors may be such amount as may be approved by the Board from time to time, subject to a maximum of Rs. 15,000/- per board meeting and Rs.5,000/- per committee meeting. Beside the sitting fees they may also entitled to reimbursement of expenses. The Non-executive Directors of the Company shall not be paid any other remuneration or commission.

The sitting fees of the Non-executive Directors for attending meetings of Board of Directors and the Committees thereof may be modified from time to time only with the approval of the Board in due compliance of the provisions of Companies Act, 2013.

### **7.2 Remuneration to Executive Directors, Key Managerial Personnel(s) (KMPs) & Senior Management Personnel (s) (SMPs):**

The Company has a credible and transparent framework in determining and accounting for the remuneration of the Managing Director / Whole Time Directors (MD/WTDs), Key Managerial Personnel(s) (KMPs) and Senior Management Personnel(s) (SMPs). Their remuneration shall be governed by the external competitive environment, track record, potential, individual performance and performance of the company as well as industry standards. The remuneration determined for MD/WTDs, KMPs and SMPs as recommended by the Committee shall be approved by the Board of Directors at a meeting. In case of MD/ WTDs which shall be subject to the approval of members at the next general meeting of the Company and by the Central Government in case such appointment is at variance to the conditions specified in Schedule V of the Companies Act, 2013. As a policy, the Executive Directors are neither paid sitting fee nor any commission.

## **8 Role of Independent Directors**

- 8.1 The Committee shall, in consultation with the Independent Directors of the Company, prepare and submit this Policy to the Board for its approval.
- 8.2 The Independent Directors shall have power and authority to determine appropriate levels of remuneration of executive directors, key managerial personnel and senior management and have a prime role in appointing and where necessary recommend removal of executive directors, key managerial personnel and senior management.
- 8.3 The Independent Directors shall submit its recommendations/ proposals/ decisions to the Committee which the Committee shall consult and place before to the Board of Directors.



## **9 Approval and publication**

- 9.1 This Policy as framed by the Committee shall be recommended to the Board of Directors for its approval.
- 9.2 The Policy shall form part of Director's report to be issued by the Board of Directors in terms of Companies Act, 2013

## **10 Supplementary provisions**

- 10.1 This Policy shall formally be implemented from the date on which they are adopted pursuant to a resolution of the Board of Directors.
- 10.2 Any matters not provided for in this Policy shall be handled in accordance with relevant laws and regulations and the Company's Articles of Association. If this Policy conflict with any laws or regulations subsequently promulgated by the State, Union or with the Company's Articles of Association as amended pursuant to lawful procedure, the relevant laws and regulations and the Company's Articles of Association shall prevail, and this Policy shall be amended in a timely manner and submitted to the Board of Directors for their review and adoption.
- 10.3 The right to interpret this Policy vests in the Board of Directors of the Company.
- 10.4 The policy may be amended by the Committee as and when required subject to the approval of the Board.

# Independent Auditors' Report

## To the Members of Bateli Tea Company Limited

### Report on the Standalone Financial Statements

We have audited the accompanying Standalone financial statements of **Bateli Tea Company Limited**, which comprise the Standalone Balance Sheet as at March 31, 2017, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### 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 and presentation of these standalone financial statement that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

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

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act, and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards & pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statement, whether due to fraud or error. In making those risk assessments the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statement that give a true and fair view, in order to design audit procedures

that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

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

### **Opinion**

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

- a) In the case of the Standalone Balance Sheet, of the state of affairs of the Company as at March 31, 2017;
- b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) In the case of Cash Flow Statement of the Cash Flow for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

1. 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 on the basis of such checks of the books & records of the company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure A statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. 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 Standalone 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 31st March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 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' and
- g. With respect to the other matter to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge & believe and according to the information and explanations given to us.
  - i) The Company has no pending litigations to be disclosed or effect of which is to be taken on its financial position in its standalone financial statement.
  - ii) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses; and
  - iii) Company does not have any amount which were required to be transferred to the Investor Education and Protection Fund.
  - iv) The Company has provided requisite disclosure in the Standalone Financial Statements as to holding as well as dealings in Specified Bank Notes during the period from 8<sup>th</sup> November 2016 to 30<sup>th</sup> December 2016, on the basis of information available with the Company. Based on audit procedures, we report that disclosures are in accordance with the books of accounts maintained by the company as produced to us. (Refer Note No-32)

**For S. K. Ghosh & Company**  
**Chartered Accountants**  
**FR No: 301017E**

**10, Old Post Office Street,**  
**Kolkata-700001**  
**Dated : 19<sup>th</sup> May 2017**

**SUBHAYU GHOSH**  
**Partner**  
**M. No. 057555**

## ANNEXURE-A TO THE AUDITORS' REPORT

The Annexure to our Independent Auditor's Report of even date to the members of **Bateli Tea Company Limited** on the Standalone Financial Statements for the year ended March 31, 2017, we report that:

- i) a) The Company is maintaining proper records to show full particulars, including quantitative details and situation of its Fixed Assets.
- b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, the periodicity of physical verification is reasonable having regard to the size of Company and the nature of its assets.
- 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) During the year, the stock of Finished Goods, Raw Materials, and stores & spares lying at the factory of the company have been physically verified by the management. In respect of inventory lying with third parties, those have been subsequently confirmed by them. The discrepancies noticed on physical verification of inventory as compared to books records were not material.
- iii) During the year, the company has not granted any loans, Secured or Unsecured to Companies, Firm or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').
- 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 in respect of loans, investments, guarantees and security.
- v) In our opinion and according to the information and explanations given to us, the company has not accepted any deposit from the public during the year, within the meaning of section 73 to 76 of the Act, and the rules framed there under to the extent notified.
- vi) The Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act, for any of the product dealt in by the Company.
- vii) a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the

books of account in respect of undisputed statutory dues including provident fund, employees state insurance, income tax, sales tax, service tax, duty of customs, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

- b) According to the information and explanations given to us, there are no material dues of duty of customs and cess which have not been deposited with the appropriate authorities on account of any dispute.
- viii) According to the records of the Company examined by us, the Company has not defaulted in repayment of dues to any Bank or Financial Institution. The Company does not have any borrowings from the Government or by issue of debentures.
- ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments). According to the information and explanation given to us term loans were applied for the purpose for which they were raised.
- x) During the course of our examinations of the Books and records of the company, carried out in accordance with the generally accepted auditing practices in India and according to the explanations & information given to us, we have neither come across any instance of material fraud by the company or on the company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.
- xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Companies Act.
- xii) As the Company is not a nidhi company and the Nidhi Rules, 2014 are not applicable to it, the provision of clause 3 (xii) of the order are not applicable to the company.
- xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with Sections 177 and 188 of the Act. The details of such transactions has been disclosed in the Standalone financial statements as required by the applicable accounting standards (AS-18) specified u/s 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014.

- 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. Accordingly the provision of clause 3 (xiv) of the order are not applicable to the company.
- xv) The Company has not entered into any non-cash transactions with the directors or persons connected with him. Accordingly, the provision of clause 3 (xv) of the order are not applicable to the company.
- xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank Of India Act 1934. Accordingly, the provision of clause 3 (xvi) of the order are not applicable to the company.

**For S. K. Ghosh & Company**  
**Chartered Accountants**  
**FR No: 301017E**

**10, Old Post Office Street,**  
**Kolkata-700001**  
**Dated : 19<sup>th</sup> May 2017**

**SUBHAYU GHOSH**  
**Partner**  
**M. No. 057555**

## ANNEXURE-B TO THE AUDITORS' REPORT

The Annexure referred to in our Independent Auditor's Report of even date to the members of the company on the Standalone financial statements for the year ended 31<sup>st</sup> March 2017.

### **Report on the Internal Financial Controls under Clause (1) 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 **Bateli Tea Company Limited** as of 31<sup>st</sup> March, 2017 in conjunction with our audit of the Standalone 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 controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143 (10) of the Companies Act, 2013 to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirement 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 the 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, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone financial statements, whether due to fraud or error.

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

### **Meaning of Internal Financial Controls over Financial Reporting**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone financial statements in accordance with the generally accepted accounting principles and that receipts and expenditures of the Company are being made in accordance with authorizations of management and directors of the Company and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Standalone 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 mismanagements 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 controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility

of collusion or improper management override of controls, material mismanagements 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 controls 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 31<sup>st</sup> March, 2017, based on the internal financial controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For S. K. Ghosh & Company**  
**Chartered Accountants**  
**FR No: 301017E**

**10, Old Post Office Street,**  
**Kolkata-700001**  
**Dated : 19<sup>th</sup> May 2017**

**SUBHAYU GHOSH**  
**Partner**  
**M. No. 057555**

**BATELI TEA COMPANY LIMITED**  
130, Cotton Street, Kolkata 700 007

**Balance Sheet As At 31st March, 2017**

Particulars	Note No.	₹ (in lacs)	
		As at 31 March, 2017	As at 31 March, 2016
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	2	21.42	21.42
(b) Reserves and surplus	3	5222.55	4709.71
		<b>5243.97</b>	<b>4731.13</b>
<b>2 Non-current liabilities</b>			
(a) Long-term borrowings	4	1947.53	1748.30
(b) Deferred tax (net)	5	63.68	61.37
(c) Other Long Term Liabilities	6	898.64	916.85
(d) Long-term provisions	7	55.62	34.19
		<b>2965.47</b>	<b>2760.71</b>
<b>3 Current liabilities</b>			
(a) Short-term borrowings	8	1013.80	560.96
(b) Trade payables	9	266.59	354.43
(c) Other current liabilities	10	751.69	672.65
(d) Short-term provisions	11	102.16	65.90
		<b>2134.24</b>	<b>1653.94</b>
<b>TOTAL</b>		<b>10343.68</b>	<b>9145.78</b>
<b>B ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	12	5028.22	3956.31
(ii) Intangible assets		0.02	0.02
(iii) Capital work-in-progress		922.07	822.30
		<b>5950.31</b>	<b>4778.63</b>
(b) Long-term loans and advances	13	128.59	143.74
		<b>128.59</b>	<b>143.74</b>
<b>2 Current assets</b>			
(a) Current Investments	14	1472.69	1423.09
(b) Inventories	15	2166.94	1990.44
(c) Trade receivables	16	96.96	58.63
(d) Cash and cash equivalents	17	56.27	439.48
(e) Short-term loans and advances	18	471.92	311.77
		<b>4264.78</b>	<b>4223.41</b>
<b>TOTAL</b>		<b>10343.68</b>	<b>9145.78</b>

The notes form an integral part of these Standalone Financial Statements

Notes on Standalone Financial Statements

1 to 37

In terms of our report attached.

**For S.K.Ghosh & Company**

Chartered Accountants

Firm registration No: 301017E

**For and on behalf of the Board of Directors**

**Managing Director**

**Director**

**SUBHAYU GHOSH**

**Partner**

M No.057555

**Company Secretary**

**Chief Financial officer**

Place : Kolkata

Date : 19th May 2017

**BATELI TEA COMPANY LIMITED**

130, Cotton Street, Kolkata 700 007

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

Particulars	Note No.	₹ (in lacs)	
		For the year ended 31 March, 2017	For the year ended 31 March, 2016
<b>1 Revenue from operations</b>	19	4573.41	4051.71
<b>2 Other income</b>	20	57.57	28.13
<b>3 Total revenue (1+2)</b>		<b>4630.98</b>	<b>4079.84</b>
<b>4 Expenses</b>			
(a) Cost of materials consumed	21	1333.82	812.78
(b) Purchases of stock-in-trade	21	135.68	44.74
(c) Changes in inventories of finished goods	21	(574.00)	(139.56)
(d) Employee benefits expense	22	1096.31	971.32
(e) Finance costs	23	225.81	269.07
(f) Depreciation and amortisation expense	24	257.84	263.24
(g) Other expenses	25	1619.53	1353.28
<b>Total expenses</b>		<b>4094.99</b>	<b>3574.86</b>
<b>5 Profit / (Loss) before Tax (3 ±4)</b>		<b>535.99</b>	<b>504.98</b>
<b>6 Tax expense:</b>			
(a) Current tax expense		102.96	108.96
(b) Less: MAT credit Entitlement		(84.44)	(65.04)
(c) Add: MAT credit Entitlement Aailed		-	(1.16)
(d) Net current tax expense		18.52	42.76
(e) Deferred tax		2.31	(38.67)
		<b>20.83</b>	<b>4.09</b>
<b>7 Profit / (Loss) from continuing operations (5 ±6)</b>		<b>515.16</b>	<b>500.89</b>
<b>8 Earnings per share :</b>			
(a) Basic	29	240.47	233.81
(b) Diluted	29	240.47	233.81

The notes form an integral part of these Standalone Financial Statements

Notes on Standalone Financial Statements

1 to 37

In terms of our report attached.

**For S.K.Ghosh & Company**

Chartered Accountants

Firm registration No: 301017E

**For and on behalf of the Board of Directors****Managing Director****Director****SUBHAYU GHOSH****Partner**

M No.057555

**Company Secretary****Chief Financial officer**

Place : Kolkata

Date :19th May 2017

## STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017

Particulars	₹ in lacs)	
	For the year ended 31 March, 2017	For the year ended 31 March, 2016
<b>A. Cash flow from operating activities</b>		
Net Profit / (Loss) before extraordinary items and tax	535.99	504.98
<u>Adjustments for:</u>		
Depreciation and amortisation	257.84	263.24
Interest Paid	225.81	269.07
Interest, Dividend & Rent Received	(11.84)	0.05
Profit On Sale Of Investment	(1.10)	-
Liabilities / provisions no longer required written back	- 470.71	0.15 532.52
Operating profit / (loss) before working capital changes	1006.70	1037.49
<u>Changes in working capital:</u>		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Inventories	(176.50)	(452.21)
Trade receivables	(38.33)	(39.35)
Trade Advances & Other Trade Assets	(75.69)	(50.33)
<i>Adjustments for increase / (decrease) in operating liabilities:</i>		
Trade payables and other current liabilities	27.46 (263.06)	(180.27) (722.16)
	743.64	315.33
Net income tax (paid) / refunds	(95.68)	(101.18)
<b>Net cash flow from / (used in) operating activities (A)</b>	647.96	214.15
<b>B. Cash flow from investing activities</b>		
Capital expenditure on fixed assets, including capital advances	(1507.29)	(856.79)
Increase/(Decrease) in Non Current Assets	3.01	111.18
Increase/(Decrease) in Non Current Liability	79.20	916.80
Interest, Dividend & Rent Received	11.84	0.00
Proceeds From Sale Of Investments	1.50	0.00
Purchase Of Investments	(50.00) (1461.74)	0.00
<b>Net cash flow from / (used in) investing activities (B)</b>	(1,461.74)	171.19
<b>C. Cash flow from financing activities</b>		
Increase/(Decrease) in long-term borrowings	199.22	(666.28)
Increase/(Decrease) in short-term borrowings	452.83	266.83
Interest Paid	(221.48)	(269.07)
<b>Net cash flow from / (used in) financing activities (C)</b>	430.57	(668.52)
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>	<b>(383.21)</b>	<b>(283.18)</b>
Cash and cash equivalents at the beginning of the year	439.48	722.68
<b>Cash and cash equivalents at the end of the year</b>	<b>56.27</b>	<b>439.48</b>

The notes form an integral part of these Standalone Financial Statements  
Notes on Standalone Financial Statements  
In terms of our report attached.

1 to 37

**For S.K.Ghosh & Company**  
Chartered Accountants  
Firm registration No: 301017E

**SUBHAYU GHOSH**  
**Partner**  
M No.057555

Place : Kolkata  
Date :19th May 2017

**For and on behalf of the Board of**

**Managing Director**                      **Director**

**Company Secretary**                      **Chief Financial officer**

# **BATELI TEA COMPANY LIMITED**

130, Cotton Street, Kolkata 700 007

## **Notes to Standalone Financial Statements for the year ended 31st March, 2017**

### **Note 1**

#### **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES FOR THE YEAR ENDED 31ST MARCH, 2017**

##### **i) Basis Of Preparation Of Financial Statements**

The Financial statement have been prepared as a going concern under historical cost convention, in accordance with the notified Accounting Standards by companies (Accounting Standards) Rules, 2006(as amended) and the relevant provisions of the Companies Act 2013 as adopted consequently by the company.

##### **ii) Fixed Assets & Depreciation–**

a. Fixed Assets are stated at cost including expenses relating to acquisition and installation. The expenses of New Extension and Replantation under existing cultivable land is treated as development expenditure and capitalized.

b. Depreciation on tangible asset is provided on WDV method over the useful lives of assets as prescribed in Schedule II to the Companies Act 2013. Depreciation for purchased / sold items during the period is proportionately charged. Intangible asset are amortized over their respective individual estimated useful lives on a WDV method, commencing from the date the asset is available to the company for its use.

##### **(iii) Borrowing Cost–**

Borrowing cost is capitalized on qualifying fixed assets till the date of installation of the respective qualifying fixed assets. Other borrowings cost are treated as revenue expenditure.

##### **(iv) Investments - Investments are stated at cost.**

##### **(v) Inventories - Inventories are valued on the following basis: -**

- a) Stock of Stores and spares (including foodstuff & Sales Promotion Items) at cost.
- b) Black tea purchased for resale is valued at Cost.
- c) Tea lying at garden is valued at cost.
- d) Tea lying with consignment agent is valued at Net realizable value.

##### **(vi) Recognition of Income - In respect of sale of Tea, Income is recognized:-**

- a) On Completion of Auction.
- b) On Receipt of the Account Sales from Agents.
- c) On Despatch of Tea in case of Ex-factory Sale.
- d) On raising of Bills in case of Sale from Head Office.

(vii) **Retirements Benefits–**

**i) Defined Benefit Plans -**

a. The Company's liabilities towards gratuity payable to employees is determined and provided on the basis of actuarial valuation as per AS-15, as at Balance Sheet date, carried out by Life Insurance Corporation of India. The actuarial method for measuring the liability is the Projected Unit Credit Method.

b. The Actuarial gains and losses are immediately recognized in the profit and loss Account of the year without resorting to any amortization/deferment.

**2. Provident Fund -**

Company contributes to Provident Fund, which is administered by Government, and such contribution is accounted for on accrual basis.

**3. Leave Benefits –**

En-cashable Leave of the Garden employees is accounted for on cash basis.

Viii. **Bonus** - Bonus has been accounted for on estimate basis.

ix) **Taxes On Income:**

Current Tax is determined at the amount of tax payable in respect of taxable income for the period. Deferred tax is recognized subject to the consideration of prudence in respect of deferred tax assets/liabilities, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. For this purpose, deferred tax assets and liabilities are reckoned on net basis, after inter-se set off, for each component of the timing differences.

x. **Government Grants:**

Grants from the governments are recognized at their fair market value where there is reasonable assurance that the grants will be received and the company will comply with all applicable conditions. Capital grants related to fixed assets are accounted for on receipt basis.

xi. **Contingent Liabilities:**

Contingent liabilities are disclosed in respect of possible obligation that arises from past events but their existence will be confirmed by the occurrence or non- occurrence of one or more uncertain future events not wholly within the control of the Company.

# BATELI TEA COMPANY LIMITED

130, Cotton Street, Kolkata 700 007

## Notes forming part of the financial Statements for the year March 31, 2017

Note 2 Share capital	₹ (in lacs)			
Particulars	As at 31st March 2017		As at 31st March 2016	
	Number of shares	Amount	Number of shares	Amount
Authorised 240000 ( As at 31st March 2016 :240000) Equity shares of Rs. 10/- each .	240000	24.00	240000	24.00
Issued 214229 ( As at 31st March 2016 :214229) Equity shares of Rs. 10/- each.	214229	21.42	214229	21.42
Subscribed and fully paid up 214229 ( As at 31st March 2016 :214229) Equity shares of Rs. 10/- each.	214229	21.42	214229	21.42
<b>Total</b>	<b>214229</b>	<b>21.42</b>	<b>214229</b>	<b>21.42</b>

**(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:**

Particulars	As at 31st March 2017		As at 31st March 2016	
	Number of shares	Amount	Number of shares	Amount
Equity Shares at the Beginning of the year	214229	21.42	214229	21.42
Issued during the year	-	-	-	-
Equity Shares at the end of the year	214229	21.42	214229	21.42

**(ii) Details of shares held by each shareholder holding more than 5% shares:**

Class of shares / Name of shareholder	As at 31st March 2017		As at 31st March 2016	
	Number of shares	% holding in that class of shares	Number of shares held	% holding in that class of shares
<b>Equity shares with voting rights</b>				
Motilal Girdhar Gopal (HUF)	11085	5.17%	11085	5.17%
Girdhar Gopal Manish Kumar (HUF)	11755	5.49%	11755	5.49%
Manish Company Pvt Ltd	77746	36.29%	77746	36.29%
Dalmia Laminators Limited	55704	26.00%	55704	26.00%

**(iii) Terms / rights attached to equity shares**

The company has only one class of Equity Shares having a par value of Rs.10 per share. Each holder of Equity Shares is entitled to one vote per share.



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<b>Note 3 Reserves and Surplus</b>			₹ (In Lacs)
Particulars	As at 31 March, 2017	As at 31 March, 2016	
(a) Capital reserve			
Opening Balance	39.17	39.17	
Add: Adjustment during the year	-	-	
Closing Balance	<b>39.17</b>	<b>39.17</b>	
(b) Securities premium reserve			
Opening Balance	14.28	14.28	
Add: Adjustment during the year	-	-	
Closing Balance	<b>14.28</b>	<b>14.28</b>	
(c) Revaluation reserve			
Opening Balance	2405.27	2405.27	
Add: Adjustment during the year	-	-	
Closing Balance	<b>2405.27</b>	<b>2405.27</b>	
(d) General reserve			
Opening balance	1750.10	1288.74	
Add: Transferred from surplus in Statement of Profit and Loss	500.89	461.36	
Less: Adjustment of Mat Credit Entitlement for Earlier Year	(2.33)	-	
Closing balance	<b>2248.66</b>	<b>1750.10</b>	
(e) Surplus / (Deficit) in Statement of Profit and Loss			
Opening balance	500.89	461.36	
Add: Profit / (Loss) for the year	515.16	500.89	
Transferred to: General reserve	500.89	461.36	
Closing balance	<b>515.16</b>	<b>500.89</b>	
<b>Total</b>	<b>5222.55</b>	<b>4709.71</b>	
<b>Note 4 Long-term borrowings</b>			₹ (In Lacs)
Particulars	As at 31 March, 2017	As at 31 March, 2016	
(a) Term loans ( Secured)			
From banks	1207.84	1698.28	
	<b>1207.84</b>	<b>1698.28</b>	
(b) Unsecured Loan			
From Financial Institution	739.69	50.02	
(Including loan from Group NBFC)			
	<b>739.69</b>	<b>50.02</b>	
<b>Total</b>	<b>1947.53</b>	<b>1748.30</b>	

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(i) Details of terms of repayment for long-term borrowings and security provided in respect of secured long-term borrowings:		₹, n Lacs)			
Particulars	Terms of repayment and security*	As at 31 March, 2017		As at 31 March, 2016	
		Secured	Unsecured	Secured	Unsecured
<b>A. Secured Term Loan:</b>					
1. UCO Bank	Repayable in 28 Quarterly Installments after a moratorium of one year from the date of 1st Disbursement comprising of Rs.11 Lacs. First Pari passu charge on the entire fixed asset of the company both exsiting & future situated at Tea Estate.	79.90		123.90	
2. UCO Bank	Repayable in 20 Quarterly Installments after a moratorium of two year from the date of 1st Disbursement comprising of Rs.10 Lacs. First Pari passu charge on the entire fixed asset of the company both exsiting & future situated at Tea Estate.	109.93		149.89	
3. UCO Bank	Repayable in 20 Quarterly Installments after a moratorium of 20 month commencing from the Quarter ended on June 2017 comprising of Rs 25 Lacs.First Pari passu charge on the entire fixed asset of the company both exsiting & future situated at Tea Estate.	500.00		-	
4. Bank Of India	Repayable in 32 Quarterly Installments from the Quarter ended March 2012 comprising of Rs.25.78 Lacs. Exclusive First charges on the land and other immovable structures & Plant & Machinery of Wind Mill Project, situated at Kurukkalpatti in Dist.Tirunelveli of Tamilnadu.	283.39		390.35	
5. ICICI Bank	Repayable in 24 Quarterly Installments from the Quarter ended on June 2015& June 2016. First Pari passu charge on the entire fixed asset(except those hypothecated to other lenders)of the company situated at Tea Estate.	658.45		1353.20	
		<b>1631.67</b>		<b>2017.34</b>	
Less: Current maturities of long-term debt		435.15		335.15	
	<b>(A)</b>	<b>1196.52</b>		<b>1682.19</b>	
6. ICICI Bank	Repayable on EMI'S. Against Hypothecation of Vehicle	2.91		4.10	
7. BOI	Repayable on EMI'S. Against Hypothecation Vehicle	3.72		5.27	
8. HDFC	Repayable on EMI'S. Against Hypothecation Vehicle	4.69		6.72	
	<b>(B)</b>	<b>11.32</b>		<b>16.09</b>	
	<b>Total - Term loans from Banks {C= (A+B)}</b>	<b>1207.84</b>		<b>1698.27</b>	
<b>B. UnSecured Loan:</b>					
From Financial Institution (Including loan from Group NBFC)			739.69		50.02
	<b>Total - Term loans from other parties</b>	-	<b>739.69</b>	-	<b>50.02</b>

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<b>Note 5 Deferred Tax Liabilities (Net)</b>		<b>₹ (in lacs)</b>
<b>Particulars</b>	<b>As at 31 March , 2017</b>	<b>As at 31 March , 2016</b>
Deferred Tax Liabilities	97.46	84.09
Deferred Tax Assets	33.78	22.72
Net deferred tax (Liability) / Asset	<b>63.68</b>	<b>61.37</b>

<b>Note 6 Other Long Term liabilities</b>		<b>₹ (in lacs)</b>
<b>Particulars</b>	<b>As at 31 March , 2017</b>	<b>As at 31 March , 2016</b>
Payable against purchase of Fixed Asset	29.19	126.60
Advances & Deposits	869.45	790.25
<b>Total</b>	<b>898.64</b>	<b>916.85</b>

<b>Note 7 Long Term Provisions</b>		<b>₹ (in lacs)</b>
<b>Particulars</b>	<b>As at 31 March , 2017</b>	<b>As at 31 March , 2016</b>
<b>Provision for Taxations</b>		
Under Income Tax Act	48.25	15.56
Under Assam Agricultural Income Tax Act	7.37	18.63
<b>Total</b>	<b>55.62</b>	<b>34.19</b>

<b>Note 8 Short-term borrowings</b>		<b>₹ (in lacs)</b>
<b>Particulars</b>	<b>As at 31 March , 2017</b>	<b>As at 31 March , 2016</b>
From banks		
Loans repayable on demand	1013.80	560.96
(First pari pasu charges against Hypothecation of book debts, tea both loose and packed, green leaves lying in the company's Bateli Tea Factory situated at Bateli Tea Estate, Dist. Udalguri, near Tezpur, Assam godown or any other place for present & future season.		
<b>Total</b>	<b>1013.80</b>	<b>560.96</b>

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<b>Note 9 Trade payables</b>	<b>₹ (in lacs)</b>	
<b>Particulars</b>	<b>As at 31 March, 2017</b>	<b>As at 31 March, 2016</b>
For goods and consumables	183.15	299.54
For expenses	83.44	54.89
<b>Total</b>	<b>266.59</b>	<b>354.43</b>

<b>Note 10 Other current liabilities</b>	<b>₹ (in lacs)</b>	
<b>Particulars</b>	<b>As at 31 March, 2017</b>	<b>As at 31 March, 2016</b>
Current maturities of long-term debt	435.15	335.15
Interest accrued and due on borrowings	0.00	5.76
Deposits from consignee	209.90	238.33
Statutory Dues	14.11	10.87
Other Payables	92.53	82.54
<b>Total</b>	<b>751.69</b>	<b>672.65</b>

<b>Note 11 Short-term provisions</b>	<b>₹ (in lacs)</b>	
<b>Particulars</b>	<b>As at 31 March, 2017</b>	<b>As at 31 March, 2016</b>
Provision for bonus	102.16	65.90
<b>Total</b>	<b>102.16</b>	<b>65.90</b>

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Note 12 Fixed assets (in lacs)									
A. Tangible assets	Gross block			Accumulated depreciation and impairment			Net Block		
	Balance as at 1 April, 2016	Additions	Disposals / Adjustments	Balance as at 31 March, 2017	Balance as at 1 April, 2016	Depreciation / amortisation expense for the year	On disposal / adjustments for the year	Balance as at 31 March, 2017	Balance as at 31 March, 2016
(a) Land	2456.98	-		2456.98	1.19	-	-	1.19	2455.79
(b) Buildings	862.13	464.90		1327.03	306.40	48.20	-	354.60	972.43
(c) Plant and Equipment	1308.11	692.55		2000.66	899.72	126.30	-	1026.02	555.72
(d) Furniture and Fixtures	107.65	63.54		171.19	79.20	10.30	-	89.50	408.40
(e) Vehicles	195.51	4.90		200.41	146.04	13.71	-	159.75	28.45
(f) Office equipment	24.67	0.80		25.47	21.35	1.18	-	22.53	49.47
(g) Electrical Equipments	20.89	99.92		120.81	13.27	6.65	-	19.92	3.32
(h) Computer	34.11	3.12		37.23	32.40	0.56	-	32.96	7.62
(i) Wind Power Project									1.71
Land	26.31	-		26.31	-	-	-	-	26.31
Wind Turbine Generator	750.18	-		750.18	453.03	36.04	-	489.07	297.15
Renewable Energy Device	308.89	-		308.89	186.55	14.90	-	201.45	122.34
(j) Live Stock	0.03	-		0.03	-	-	-	-	0.03
<b>Total (A)</b>	<b>6095.46</b>	<b>1329.73</b>	<b>0.00</b>	<b>7425.19</b>	<b>2139.15</b>	<b>257.84</b>	<b>0.00</b>	<b>2396.99</b>	<b>3956.31</b>
<b>CWIP (B)</b>					<b>0.00</b>	<b>0.00</b>	<b>-</b>	<b>0.00</b>	<b>822.30</b>
<b>Total C=(A+B)</b>	<b>6095.46</b>	<b>1329.73</b>	<b>0.00</b>	<b>7425.19</b>	<b>2139.15</b>	<b>257.84</b>	<b>0.00</b>	<b>2396.99</b>	<b>4778.61</b>
<b>Previous year</b>	<b>6054.51</b>	<b>40.95</b>	<b>0.00</b>	<b>6095.46</b>	<b>1875.91</b>	<b>263.24</b>	<b>0.00</b>	<b>2139.15</b>	<b>4310.51</b>

D Intangible assets	Gross block			Accumulated depreciation and impairment			Net Block		
	Balance as at 1 April, 2016	Additions	Disposals / Adjustments	Balance as at 31 March, 2017	Balance as at 1 April, 2016	Depreciation / amortisation expense for the year	On disposal / adjustments for the year	Balance as at 31 March, 2017	Balance as at 31 March, 2016
(a) Brands / trademarks	0.25	-		0.25	0.23	0.00		0.23	0.02
<b>Total</b>	<b>0.25</b>	<b>-</b>	<b>-</b>	<b>0.25</b>	<b>0.23</b>	<b>0.00</b>	<b>-</b>	<b>0.23</b>	<b>0.02</b>
<b>Previous year</b>	<b>0.25</b>	<b>-</b>	<b>-</b>	<b>0.25</b>	<b>0.22</b>	<b>0.01</b>	<b>-</b>	<b>0.22</b>	<b>0.02</b>
<b>GRAND TOTAL (E = C+D)</b>	<b>6095.71</b>	<b>1329.73</b>	<b>0.00</b>	<b>7425.44</b>	<b>2139.37</b>	<b>257.84</b>	<b>0.00</b>	<b>2397.20</b>	<b>4778.63</b>

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<b>Note 13 Long-term loans and advances</b>			₹ (in lacs)
Particulars	As at 31 March, 2017	As at 31 March, 2016	
Capital Advances	105.82	125.46	
Security deposits	11.81	11.87	
Advance income tax (TDS and Income Tax Refundable)	10.11	2.62	
Balances with excise authorities (Unsecured, considered good)	0.85	0.85	
Other loans and advances (unsecured, considered good)		2.94	
<b>Total</b>	<b>128.59</b>	<b>143.74</b>	

<b>Note 14 Current investments</b>					₹ (in lacs)
Particulars	As at 31 March, 2017		As at 31 March, 2016		
	Number	Amount	Number	Amount	
<b>Investments (At cost):</b>					
<b>Investment in Quoted equity instruments</b>					
The Bormahjan Tea Company (1936) Limited	800	0.05	800	0.05	
Roopachera Tea Company Limited	600	0.01	600	0.01	
The Rajabhat Tea Company Limited	100	0.01	100	0.01	
The Pahargoomiah Tea Association Limited	200	0.01	200	0.01	
UCO Bank	1,600	0.19	1,600	0.19	
Dalmia Laminators Ltd	690,000	1,395.00	690,000	1,395.00	
	<b>693,300</b>	<b>1,395.27</b>	<b>693,300</b>	<b>1,395.27</b>	
<b>Investment in UnQuoted equity instruments</b>					
Dalmia Polypack Ltd	93,000	3.72	103,000	4.12	
Dalmia Tea Plantation & Industries Ltd	150,000	62.81	125,000	12.81	
Manish Company Pvt Ltd	9,634	10.89	9,634	10.89	
The Nazira Coal Ltd	2,850	0.00	2,850	0.00	
<b>Total</b>	<b>255,484</b>	<b>77.42</b>	<b>240,484</b>	<b>27.83</b>	

<b>Note 15 Inventories</b>			₹ (in lacs)
Particulars	As at 31 March, 2017	As at 31 March, 2016	
Stock-in-trade	1988.90	1414.90	
Stores and spares	178.04	575.54	
<b>Total</b>	<b>2166.94</b>	<b>1990.44</b>	

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<b>Note 16 Trade receivables</b>	<b>₹ (in lacs)</b>	
<b>Particulars</b>	<b>As at 31 March, 2017</b>	<b>As at 31 March, 2016</b>
Trade receivables -Unsecured, considered good		
Debts due for a period exceeding six months:	55.87	31.25
Other Debtors	41.09	27.38
<b>Total</b>	<b>96.96</b>	<b>58.63</b>

<b>Note 17 Cash and cash equivalents</b>	<b>₹ (in lacs)</b>	
<b>Particulars</b>	<b>As at 31 March, 2017</b>	<b>As at 31 March, 2016</b>
Cash on hand	39.03	16.34
<b>Balances with banks</b>		
In Fixed Deposit (Net)	5.59	12.04
In current accounts	9.79	405.24
In cash credit accounts	1.86	5.86
<b>Total</b>	<b>56.27</b>	<b>439.48</b>

<b>Note 18 Short-term loans and advances</b>	<b>₹ (in lacs)</b>	
<b>Particulars</b>	<b>As at 31 March, 2017</b>	<b>As at 31 March, 2016</b>
Balances with sales tax authorities	1.02	0.05
MAT credit entitlement	329.82	245.37
Trade Advances	41.79	27.48
Other Loans & Advances	72.09	37.50
Deposit with NABARD	27.20	1.37
<b>Total</b>	<b>471.92</b>	<b>311.77</b>

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<b>Note 19 Revenue from operations</b>	<b>₹ (in lacs)</b>	
<b>Particulars</b>	<b>For the year ended 31 March, 2017</b>	<b>For the year ended 31 March, 2016</b>
Sale of products	4573.41	4051.71
<b>Total</b>	<b>4573.41</b>	<b>4051.71</b>
<b>Particulars</b>	<b>For the year ended 31 March, 2017</b>	<b>For the year ended 31 March, 2016</b>
Sale of products comprises:		
Tea	4440.72	3965.40
Wind Power	132.69	86.31
<b>Total</b>	<b>4573.41</b>	<b>4051.71</b>

<b>Note 20 Other income</b>	<b>₹ (in lacs)</b>	
<b>Particulars</b>	<b>For the year ended 31 March, 2017</b>	<b>For the year ended 31 March, 2016</b>
Interest income	11.84	12.60
Liabilities / provisions no longer required written back	3.58	0.15
Subsidy	21.76	10.00
Profit/Loss on Sale of Investment	1.10	0.00
Miscellaneous income	19.29	5.38
<b>Total</b>	<b>57.57</b>	<b>28.13</b>

<b>Note 21 Cost of materials consumed</b>	<b>₹ (in lacs)</b>	
<b>Particulars</b>	<b>For the year ended 31 March, 2017</b>	<b>For the year ended 31 March, 2016</b>
Opening stock	-	-
Add: Purchases	1333.82	812.78
Less: Closing stock	-	-
<b>Total</b>	<b>1333.82</b>	<b>812.78</b>



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## Notes forming part of the financial Statements for the year March 31, 2017

Note 21 Purchase of Stock In Trade	₹ (in lacs)	
Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
Made Tea	135.68	44.74
<b>Total</b>	<b>135.68</b>	<b>44.74</b>

Note 21 Changes in inventories of Finished Goods	₹ (in lacs)	
Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
<u>Inventories at the end of the year:</u>		
Finished goods	1988.90	1414.90
<u>Inventories at the beginning of the year:</u>		
Finished goods	1414.90	1275.34
	<b>1414.90</b>	<b>1275.34</b>
<b>Total</b>	<b>(574.00)</b>	<b>(139.56)</b>

Note 22 Employee benefits expense	₹ (in lacs)	
Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
Salaries and wages	978.06	880.54
Contributions to provident and other funds	73.53	49.03
Staff welfare expenses	44.72	41.75
<b>Total</b>	<b>1096.31</b>	<b>971.32</b>

Note 23 Finance costs	₹ (in lacs)	
Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
Interest expense on Borrowings	221.09	263.70
Interest to Others	4.72	5.37
<b>Total</b>	<b>225.81</b>	<b>269.07</b>

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<b>Note 24 Depreciation and Amortization Expense</b>	<b>₹ (in lacs)</b>	
<b>Particulars</b>	<b>For the year ended 31 March, 2017</b>	<b>For the year ended 31 March, 2016</b>
Depreciation and Amortization Expense	257.84	263.24
<b>Total</b>	<b>257.84</b>	<b>263.24</b>

<b>Note 25 Other expenses</b>	<b>₹ (in lacs)</b>	
<b>Particulars</b>	<b>For the year ended 31 March, 2017</b>	<b>For the year ended 31 March, 2016</b>
Consumption of stores and spare parts	394.52	315.88
Consumption of packing materials	96.79	85.01
Power and fuel	406.14	336.28
Rent	5.60	5.60
Repairs and maintenance - Buildings	41.94	41.00
Repairs and maintenance - Machinery	42.65	43.42
Repairs and maintenance - Others	34.58	32.47
Rates and taxes	45.00	34.27
Vehicle Maintenance & running expense	70.19	41.49
Freight and forwarding	41.71	34.86
Business promotion and selling expenses	280.95	254.82
Payments to auditors	1.50	1.16
Miscellaneous expenses	157.96	127.02
<b>Total</b>	<b>1619.53</b>	<b>1353.28</b>

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Note 26 Segmental Reporting	₹ (in lacs)	
Particulars	For Year Ended March 31, 2017	For Year Ended March 31, 2016
<b>Segment wise Revenue, Results, Assets and Liabilities :</b>		
<b>Segment Revenue</b>		
a) Tea Business	4440.72	3965.40
b) Wind Power Project	132.69	86.31
Total:	<b>4573.41</b>	<b>4051.71</b>
Less:Inter Segment revenue	-	-
Net Sales/Income from Operations	<b>4573.41</b>	<b>4051.71</b>
<b>Segment Results</b>		
Profit before Interest and Tax from each segment:		
a) Tea Business	708.03	771.68
b) Wind Power Project	53.76	2.37
Total:	<b>761.80</b>	<b>774.05</b>
Less: Interest		
a) Tea Business	195.15	216.44
b) Wind Power Project	30.66	52.63
Total:	<b>225.81</b>	<b>269.07</b>
<b>Profit before Tax from each segment:</b>		
a) Tea Business	512.88	555.24
b) Wind Power Project	23.11	(50.26)
Total:	<b>535.99</b>	<b>504.98</b>
<b>Segment Assets</b>		
a) Tea Business	9948.83	8699.98
b) Wind Power Project	394.86	445.80
Total:	<b>10343.68</b>	<b>9145.78</b>
<b>Segment Liabilities</b>		
a) Tea Business	4816.31	4024.31
b) Wind Power Project	283.39	390.35
Total:	<b>10343.68</b>	<b>9145.78</b>

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**27. Names Of Related Parties and Description Of Relationship:**

1. Key Managerial Personnel & relatives	a. Mr. Girdhar Gopal Dalmia b. Mrs. Bhagawati Devi Dalmia c. Mr. Manish Dalmia d. Mr. Vijay Dalmia e. Mrs. Nirmala Dalmia
2. Enterprises over which Key Managerial Personnel and their relatives are able to exercise significant influences	a. Manish Company Pvt Ltd b. Dalmia Laminators Limited c. Dalmia Tea Plantation & Industries Ltd.

**Related Party Disclosure:**

In accordance with Accounting Standard - 18 issued by the ICAI, the disclosures required are given below:

( ₹ in Lacs)

Sr. No.	Nature of Transaction	Enterprises over which Key Managerial Personnel and their relatives are able to exercise significant influences	Key Managerial Personnel /their relatives
1	Interest Paid	68.59	-
2	Salary & Other benefits	-	39.28
3	Rent	-	5.50
4	Sale of Electricity	132.69	-
5	Electricity & Service Charges	-	3.85
6	Sale of Goods/Capital Items	7.83	-
7	Purchase of Investments	50.00	-
8	Sale of Investments	-	1.50
9	Balance as on 31.3.2017		
	Credit Balance	-	3.57
	Debit Balance	6.83	-

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**Notes forming part of the financial Statements for the year  
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**28. Deferred Tax Liability (NET) :**

( ₹ in Lacs)

	Liability/Asset as at 31 <sup>st</sup> March,2016	Current Year Charge / Credit	Liability/Asset as at 31 <sup>st</sup> March,2017
<b>DEFERRED TAX LIABILITY</b>			
a) Timing Difference in Depreciable Assets	84.09	13.37	97.46
(A)			
<b>DEFERRED TAX ASSET</b>			
a) Business Loss	-	-	-
b) Expenditure allowable u/s43B	22.72	11.06	33.78
(B)	22.72	11.06	33.78
<b>DEFERRED TAX LIABILITY/ ASSET (NET) (A-B)</b>	<b>61.37</b>	<b>2.31</b>	<b>63.68</b>

**29. Earnings Per Share**

( ₹ in Lacs)

	Year Ended 31 <sup>st</sup> March, 2017	Year Ended 31 <sup>st</sup> March, 2016
Earnings Per Share has been computed as Under:		
Profit/ (Loss) for the year	515.16	500.89
Weighted average number of equity shares outstanding	2,14,229	2,14,229
Earnings Per Share-Basic(Face Value of Rs 10 per share)	240.47	233.81
Diluted Earnings per share	240.47	233.81

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**Notes forming part of the financial Statements for the year  
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**30. Disclosures pursuant to Accounting Standard-15 "Employee Benefits":**

The Company has recognized Rs Nil (Previous Year Rs. 18.14 Lacs) in the Statement of Profit and Loss for the year ended 31st March, 2017 under Defined Contribution Plans.

( ₹ in Lacs)

Sr. No.	Details of Defined Benefit Plan	2016-17	2015-2016
(i)	Components of Employer Expense		
(a)	Current Service Cost	11.13	10.52
(b)	Interest Cost	18.82	16.44
(c)	Expected Return on Plan Assets	(19.22)	(16.48)
(d)	Actuarial (Gain)/Loss	(13.24)	7.65
	Total expense/(gain) recognized in the P & L account.	(2.51)	18.14
(ii)	Net Asset/(Liability) recognized in Balance Sheet		
(a)	Present Value of Obligation as at the close of the year	249.09	235.30
(b)	Fair Value of Plan Assets as at the close of the year	260.16	225.73
	Asset/(Liability) recognized in the Balance Sheet	11.07	(9.57)
(iii)	Change in Defined Benefit Obligation (DBO) during the year ended		
(a)	Present Value of Obligation as at the beginning of the year	235.30	205.53
(b)	Current Service Cost	11.13	10.52
(c)	Interest Cost	18.82	16.44
(d)	Actuarial (Gain)/Loss	(13.24)	7.65
(e)	Benefits Paid	(2.92)	(4.84)
	Present Value of Obligation as at the close of the year	249.09	235.30
(iv)	Changes in the Fair Value of Plan Assets		
(a)	Present Value of Plan Assets as at the beginning of the year	225.73	182.85
(b)	Expected Return on Plan Assets	19.22	16.48
(c)	Actual Company Contribution	18.13	31.24
(d)	Benefits Paid	(2.92)	(4.84)
	Fair Value of Plan Assets as at the close of the year	260.16	225.73
(v)	Actuarial Assumptions		
(a)	Discount Rate (per annum)	8.00%	8.00%
(b)	Salary Escalation Rate	6.00%	6.00%

**BATELI TEA COMPANY LIMITED**  
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**Notes forming part of the financial Statements for the year  
March 31, 2017**

**31. Payments to Statutory Auditors :**

( ₹ in Lacs)

Particulars	As at 31st March,2017	As at 31st March,2016
a) Statutory Audit	1.04	.80
b) Tax Audit Fees	.46	.34
c) Certification Fees	.97	.01
<b>Total</b>	<b>2.47</b>	<b>1.15</b>

**32. Details of Specified Bank Notes (SBN) held and transacted during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December 2016:**

Particulars	SBNs	Other Denomination	Total
<b>Closing Cash in Hand as on 08/11/2016</b>	10,00,000	10,65,550.85	20,65,550.85
<b>Add: Permitted Receipts</b>	-	1,55,66,903.79**	1,55,66,903.79
<b>Less: Permitted Payments</b>	-	1,42,58,820.22	1,42,58,820.22
<b>Less: Amount Deposited In Banks</b>	10,00,000	-	10,00,000
<b>Closing Cash in Hand as on 30/12/2016</b>	-	23,73,634.42	23,73,634.42

For the purpose of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated November 8,2016.

\*\* Includes amount received from District Magistrate/ Collector for the payment of wages as per directive of the government & RBI guidelines whereby government department have been allowed to draw cash beyond the stipulated limit.

33. Market Value of quoted current investments (Note No 14) is not available.
34. There are no Micro & Small Scale Business Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March, 2017. This information as required to be disclosed under the Micro, Small & Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.
35. During the Year the company has expended Rs 10.00 Lacs (Previous Year NIL) towards Corporate Social Responsibility (CSR).
36. Previous year figures have been regrouped / reclassified to confirm this year presentation.

**BATELI TEA COMPANY LIMITED**  
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**Notes forming part of the financial Statements for the year  
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37. Quantitative information in respect of Tea manufactured:

Previous Year			Current Year	
Quantity Kgs.	Value ( ₹ in Lacs)		Quantity Kgs.	Value ( ₹ in Lacs)
24,332	44.74	i) Total Tea Purchased	89,777.10	135
		ii) Sale by Class of goods		
18,54,655	3,963.24	Black Tea	22,69,097	4,433
18,000	2.16	Tea Waste	52,500	6.96
9,218.70	-	Sampling, Shortage & Free Distribution	16,913	
		iii) Value of Raw Materials, Spare Parts and components consumed (all indigenous)		
47,11,522	-	a) Green Leaf plucked from own Garden. As the production of green leaf (raw materials) was from the Company's integrated process such as nursery, replanting etc. the details regarding its value cannot be ascertained.	49,26,264	
39,49,949	812.78	b) Green Leaf Purchased	70,43,539	1,333
		iv) Opening & Closing Stock of goods:		
6,64,455	1,275.33	a) Opening Stock (including Tea Waste NIL)	7,33,920	1,414
7,33,920	1,414	b) Closing Stock (including Tea Waste of NIL)	11,64,187	1,988

Signatures of the Notes 1 to 37

In terms of our attached Report  
For **S.K GHOSH & COMPANY**  
Chartered Accountants  
FRN : 301017E

(SUBHAYU GHOSH)  
Partner  
**Membership No. : 057555**  
10, Old Post Office Street  
Kolkata, 19th May, 2017

Managing Director

Director

Company Secretary

Chief Financial Officer



