



# Bengal Tea & Fabrics Limited

CIN No. L51909WB1983PLC036542  
 Century Towers, 45, Shakespeare Sarani, 4th Floor, Kolkata - 700 017  
 Telefax : 91-33 2283 6416/6417, e-mail : mail@bengaltea.com  
 Website : www.bengaltea.com



## FORM A

Sr. No.	Particulars	
1.	Name of the Company	Bengal Tea & Fabrics Limited
2	Annual Financial Statements for the year ended	31 <sup>st</sup> March, 2015
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Whether appeared for first time...../repetitive...../since how long period..... Note: Audit Report of the Company has been unqualified from last 10 years

Adarsh Kanoria  
 Managing Director  
 (DIN No. 00027290)



For Jain & Co.  
 Chartered Accountants  
 Firm Registration No. 302023E  
 M.K.Jain  
 Partner  
 Membership No. 055048

Atul Doshi  
 Chief Financial Officer

Abhijit Datta  
 Chairman - Audit Committee  
 (DIN No. 00790029)



**Annual  
Report  
2014 - 15**



**Bengal Tea & Fabrics Ltd.**

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### CORPORATE INFORMATION

<b>BOARD OF DIRECTORS</b>	<b>Mr. Golam Momen</b> <i>Chairman &amp; Independent Director</i>	<b>Mr. Samveg A. Lalbhai</b> <i>Non-Executive Director</i>
	<b>Mr. Adarsh Kanoria</b> <i>Managing Director</i>	<b>Mrs. Shubha Kanoria</b> <i>Non-Executive Director</i>
	<b>Mr. Kailash Prasad Khandelwal</b> <i>Whole-time Director</i>	<b>Mr. Navin Nayar</b> <i>Non-Executive Director</i>
	<b>Mr. Dhirendra Kumar</b> <i>Independent Director</i>	<b>Mr. Ashutosh Bhagat</b> <i>Non-Executive Director</i>
	<b>Mr. Abhijit Datta</b> <i>Independent Director</i>	
<b>CHIEF FINANCIAL OFFICER</b>	<b>Mr. Atul Doshi</b>	
<b>COMPANY SECRETARY</b>	<b>Mrs. Sunita Shah</b>	
<b>AUDITORS</b>	<b>M/s. Jain &amp; Co., Chartered Accountants</b>	
<b>BRANCH AUDITORS</b>	<b>M/s. Sorab S. Engineer &amp; Co., Chartered Accountants</b>	
<b>COST AUDITORS</b>	<b>M/s. N. D. Birla &amp; Co., Cost Accountants</b> <b>M/s. D. Radhakrishnan &amp; Co., Cost Accountants</b>	
<b>INTERNAL AUDITORS</b>	<b>M/s. Madan Lal Sharma &amp; Co., Chartered Accountants</b> <b>M/s. Kishorpuria Lakhotia &amp; Co., Chartered Accountants</b>	
<b>SECRETARIAL AUDITOR</b>	<b>M/s. H. M. Chororia &amp; Co., Practising Company Secretaries</b>	
<b>BANKERS</b>	State Bank of India Punjab National Bank Bank of India IDBI Bank	
<b>TEA DIVISION</b>	<b>Ananda Tea Estate</b> P.O. Pathalipam 787 056 Dist. North Lakhimpur (Assam)	
<b>TEXTILE DIVISION</b>	<b>Asarwa Mills</b> Asarwa Road, Ahmedabad 380 016 (Gujarat)	
<b>REGISTERED OFFICE</b>	Century Towers, 4th Floor 45, Shakespeare Sarani, Kolkata 700 017 Telefax Nos. : 91 33 2283-6416/17 E-mail : investor@bengaltea.com / mail@bengaltea.com Website : www.bengaltea.com	
<b>REGISTRAR &amp; SHARE TRANSFER AGENT</b>	<b>C. B. Management Services (P) Ltd.</b> P-22, Bondel Road, Kolkata 700 019 Telephone : 91 33 4011 6716/17/23/28, Fax : 4011-6739 E-mail : rta@cbmsl.com	

## **BENGAL TEA & FABRICS LTD.**



CIN : L51909WB1983PLC036542

Century Towers, 45 Shakespeare Sarani, 4th Floor, Kolkata 700 017

Telefax : 91-33 2283 6416/17; E-mail : mail@bengaltea.com; Website : www.bengaltea.com

### **NOTICE TO THE MEMBERS**

NOTICE is hereby given that the 32nd Annual General Meeting (AGM) of the Members of Bengal Tea & Fabrics Limited will be held at "Kalakunj", 48, Shakespeare Sarani, Kolkata 700 017 on Saturday, the 8th day of August, 2015 at 10.30 A.M. to transact the following business :

#### **ORDINARY BUSINESS**

##### **1. Adoption of Financial Statements, Reports of the Board of Directors and Auditors**

To receive, consider and adopt the Financial Statements of the Company for the financial year ended 31st March, 2015 and the Reports of the Board of Directors' and Auditors' thereon.

##### **2. Declaration of Dividend**

To declare a Dividend of ₹0.50 p per equity share (being 5% on Face Value of ₹10 per share) for the financial year ended 31st March, 2015.

##### **3. Re-appointment of Director retiring by rotation**

To appoint a Director in place of Mr. Samveg A. Lalbhai (DIN: 00009278) who retires by rotation in terms of Section 152 (6) of Companies Act, 2013 and being eligible, offers himself for re-appointment.

##### **4. Appointment of Auditors**

To ratify the appointment of Auditors of the Company to hold office, from the conclusion of the 32nd AGM until the conclusion of the 34th AGM and to fix their remuneration and to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 139, 142 and all other applicable provisions of Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and the resolution passed by the members at the AGM held on 9th August, 2014, the appointment of M/s Jain & Co., Chartered Accountants, (Firm Regn. No. 302023E), as Statutory Auditors of the Company, to hold office from the conclusion of the 32nd AGM of the Company till the conclusion of the 34th AGM be and is hereby ratified at a remuneration of ₹ 85,000/- p.a. plus out of pocket expenses and taxes, if any."

#### **SPECIAL BUSINESS**

##### **5. Appointment of Branch Auditors**

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 Section 139, 142 and all other applicable provisions of Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and resolution passed by the members at the AGM held on 9th August, 2014, the appointment of M/s Sorab S. Engineer & Co., Chartered Accountants, ( Firm Regn. No. 110417W), as Branch Auditors of the Company, to conduct the audit of the Textile Division, to hold office from the 32nd Annual General Meeting of the Company till the conclusion of the 36th Annual General Meeting be and is hereby ratified on a remuneration of ₹ 1,75,000/- p.a. plus out of pocket expenses and taxes, if any.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

##### **6. Fixation of Remuneration of Cost Auditors of the Textile Division**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:



## NOTICE (Contd.)

**"RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s N. D. Birla & Co., (Firm Regn. No. 000028) appointed by Board of Directors of the Company as the Cost Auditors for the Textile Division of the Company, to conduct the audit of the cost records of the Textile Division of the Company for the financial year ending 31st March, 2016, be paid the remuneration of ₹ 40,000/- p.a. plus out of pocket expenses and taxes, if any."

### 7. Fixation of Remuneration of Cost Auditors of the Tea Division

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 Section 148 and all other applicable provisions of Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. D. Radhakrishnan & Co., (Firm Regn. No. 000018) appointed by Board of Directors of the Company as the Cost Auditors of the Tea Division of the Company, to conduct the audit of the cost records of the Tea Division of the Company for the financial year ending 31st March, 2016, be paid the remuneration of ₹ 25,000/- p.a. plus out of pocket expenses and taxes, if any."

*Registered Office :*

Century Towers, 4th Floor  
45, Shakespeare Sarani, Kolkata 700 017  
Dated : 8th May, 2015

By Order of the Board

SUNITA SHAH  
*Company Secretary*

### NOTES :

1. **A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of the member and the proxy need not be a member of the Company. Proxies, in order to be effective, must be received by the Company not less than 48 hours before the commencement of the meeting.** A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company.
2. The Register of Members and Share Transfer Books of the Company shall remain closed from Saturday, 1st day of August, 2015 to Saturday, 8th day of August, 2015 (both days inclusive) for the purpose of payment of dividend for the financial year ended 31st March, 2015.
3. The Notice of the 32nd AGM and Annual Report for the year ended 2014-15 is being sent to all the Members, whose names appear in the Register of Members/list of Beneficial Owners as received from National Securities Depository Limited (NSDL) / Central Depository Services (India) Limited (CDSL) on Tuesday, 30th June, 2015. Any person who acquires shares and became Member after despatch of Notice and Annual Report can obtain the same by downloading it from the Company's Website [www.bengalteal.com](http://www.bengalteal.com) or may request for a copy of the same by writing to the Company at [investor@bengalteal.com](mailto:investor@bengalteal.com) or the Company's RTA at [rta@cbmsl.com](mailto:rta@cbmsl.com).
4. Members are requested to bring their copy of Annual Report to the AGM. Members holding shares in dematerialized form are requested to bring their supporting evidence in respect of their Client ID & DP ID Nos. for easier identification of the attendance at the meeting.
5. The Register of Directors and Key Managerial Personnel and their shareholding as 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 as maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members at the AGM.
7. Members desirous of getting any information on the accounts or operations of the Company are requested to forward their queries to the Company at least seven working days prior to the meeting so that the required information may be readily available at the meeting.
8. Subject to the provisions of the Companies Act, 2013, dividend as recommended by the Board of Directors, if declared at the meeting, will be paid within a period of 30 days from the declaration to those Members whose names appear on the Register of Members as on close of business hours on Friday, 31st July, 2015.



## NOTICE (Contd.)

9. Members are requested to intimate immediately change of Address, if any, to the Company.
10. **Members still possessing the share certificates issued prior to 25th July, 1998 are requested to surrender the said share certificates for the reduced shareholdings as only the new share certificates are eligible for demat.**
11. Members holding shares in the physical form and desirous of making/changing nomination in respect of their shareholding in the Company, as permitted under Section 72 of the Companies Act, 2013 and Rules made there under are requested to submit the prescribed Form No. SH-13 and SH-14, as applicable for this purpose to the Company's Registrars and Share Transfer Agent, C. B. Management Services (P) Ltd, who will provide the Form on request.
12. **Members are hereby informed that Securities and Exchange Board of India (SEBI) in terms of Circular No.CIR/MRD/DP/10/2013 dated 21st March, 2013 has made it mandatory for all Listed Companies to make cash payments through electronic modes to the investors. It is further directed that in case electronic payment is rejected or returned, the Company shall mandatorily print the bank account details of the investor on payment instrument. Members are requested to provide their updated Bank Account Particulars to enable the Company to electronically credit dividend directly in their respective bank accounts.**  
**Members holding shares in demat mode are requested to send correct bank details (including MICR No., IFSC Code, Account Type etc.) to their respective Depository Participant. Members holding shares in physical form are requested to send such bank details along with a cancelled cheque to our Registrars M/s C. B. Management Services (P) Ltd.**
13. Members are also requested to inform their correct email address, if any, to the Depositories (if shares held in demat form) and to our Registrars by visiting Website namely "[www.cbmsl.com/green.php](http://www.cbmsl.com/green.php)" (if shares held in physical form) in compliance of Green Initiative as per Circular no. 17/2011 dated 21.04.2011 and 18/2011 dated 29.04.2011 issued by Ministry of Corporate Affairs to facilitate the Company to send notice/documents through e-mail.
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 / C. B. Management Services (P) Ltd (RTA).
15. The Shareholders, who are still holding shares in physical form are requested to take immediate action to demat their shares to avail easy liquidity since trading of shares of the Company are under compulsory Demat mode as per the regulation of SEBI and also to prevent any loss of physical Share Certificate.
16. The Shareholders who have not encashed their Dividend Warrants are requested to send their Warrants for revalidation otherwise the amount will be transferred to the Central Government Account i.e. IEPF on expiry of 7 years from the date of transfer of dividend amount to unclaimed dividend account.
17. The brief profile of the Director seeking re-appointment including relevant particulars relating to him are furnished as annexure to the Notice, as required under Clause 49 of the Listing Agreement.
18. Corporate members intending to send their authorized representative(s) to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
19. A copy of the documents referred to in the Notice and accompanying Explanatory Statement will be open for inspection to the Members at the Registered Office of the Company on any working day, between 11 a.m. and 1.00 p.m. except Sundays and Public Holidays from the date hereof upto the date of the AGM, without any fee.
20. Voting through electronic means
  - I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by Companies (Management and Administration) Rules, 2015, the Company is pleased to provide its members a facility to exercise their right to vote using an electronic voting system from a place other than the venue of the AGM ("remote e-voting") at the 32nd Annual General Meeting (AGM) and the business may be transacted through remote e-voting services provided by Central Depository Services (India) Limited (CDSL). It is hereby clarified that it is not mandatory for a member to vote using the remote e-voting facility and a member may avail of the facility at his/her/its discretion. The instructions for remote e-voting are as under:

**NOTICE (Contd.)**

- (i) Log on to the remote e-voting website [www.evotingindia.com](http://www.evotingindia.com) during the voting period.
- (ii) Click on "Shareholders" tab.
- (iii) 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
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) 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.
- (vi) However, if you are a first time user, please follow the steps given below :

**For Members holding shares in Demat Form and Physical Form**

PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.

\*Members who have not updated their PAN with the Company/Depository Participant are requested to enter in the PAN field the first two letters of their name and 8 digit (including zeros) sequence number (SQ) communicated to you. 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.

# Please enter any one of the details of DOB or Dividend Bank Details in order to login. In case both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then reach directly 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 remote 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.
- (ix) For Members holding shares in physical form, the details can be used only for remote e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for the relevant <BENGAL TEA & FABRICS LIMITED> on which you choose to vote.
- (xi) 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.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) 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.



## **NOTICE (Contd.)**

- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code, click on Forgot Password & enter the details as prompted by the system.
- (xvii) Note for Institutional Shareholders
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
  - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they have to create a Compliance user by using the admin login & password. The Compliance User would be able to link the account(s) which they wish to vote on.
  - The list of accounts 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.
  - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
- (xviii) The voting period begins on Wednesday, 5th August, 2015 <9.00a.m.> and ends on Friday, 7th August, 2015 <5.00p.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 1st August, 2015, may cast their votes electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter.
- (xix) Any person who acquired shares and became Member after dispatch of Notice of 32nd AGM and holds shares as of the cut-off date of 1st August, 2015 may obtain the login ID and password for remote e-voting by sending a request to the Company's RTA at [rta@cbmsl.com](mailto:rta@cbmsl.com)
- (xx) A facility for voting through Ballot Paper is made available at the Annual General Meeting venue and the Members attending the meeting who have not cast their vote by remote e-voting can exercise their right during the meeting on 8th August, 2015 between 10.30 A.M. till the conclusion of the meeting.
- (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).
- II. The voting rights of the shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date of 1st August, 2015.
- III. Mr. H.M. Choraria, (CP No. 1499, Membership No. FCS 2398) of M/s H. M. Choraria & Co. Practising Company Secretaries of 14/2, Old China Bazar Street, 4th Floor, Room No. 401, Kolkata 700 001 has been appointed as Scrutinizer to scrutinize the remote e-voting and voting process to be carried out at the AGM in a fair and transparent manner.
- IV. The scrutinizer shall within a period of not exceeding three working days from the conclusion of the meeting unblock the votes cast through remote e-voting, after counting the votes cast at the meeting in the presence of at least two witnesses not in employment of the Company and make a consolidated scrutinizer's report of the votes cast in favour or against, if any, and forward to the Chairman of the AGM.
- V. The Results on resolutions shall be declared after the AGM of the Company and the resolutions will be deemed to be passed on the AGM date subject to receipt of the requisite numbers of votes in favour of the Resolutions.
- VI. The Consolidated Results declared along with the Scrutinizer's report (s) shall be placed on the Company's website [www.bengalte.com](http://www.bengalte.com) and on the website of CDSL within three days of passing of the resolutions at the AGM of the Company. The results will also be communicated to BSE Limited where the shares of the Company are listed.



## **NOTICE (Contd.)**

**21. Explanatory Statements pursuant to Section 102(1) of the Companies Act, 2013 in respect of Item Nos. 5-7 of the Notice are as under:**

**In respect of Item No. 5**

In pursuance of Section 143 read with Section 139 (2) (b) of the Companies Act, 2013, the Shareholders of the Company, at their 31st Annual General Meeting held on 9th August, 2014 had appointed M/s Sorab S. Engineer & Co., Chartered Accountants (Firm Regn. No. 110417W), as the Branch Auditors' for Textile Division of the Company, in consultation with the Statutory Auditors of the Company for 5 years.

In terms of Section 177 (4) of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Audit Committee have recommended the ratification of appointment of M/s. Sorab S. Engineer & Co., Chartered Accountants, as Branch Auditors from the conclusion of the 32nd Annual General Meeting of the Company till the conclusion of the 36th Annual General Meeting on a remuneration of ₹ 1,75,000/- p.a. plus out of pocket expenses and taxes, if any.

Your Directors recommend the appointment of M/s Sorab S. Engineer & Co., Chartered Accountants, (Firm Regn No. 110417W), as Branch Auditors of the Textile Division of the Company, to conduct the audit of the Textile Division.

None of the Directors, Key Managerial Personnel or their relatives are interested or concerned, financial or otherwise, in the resolution set out at Item No. 5.

**In respect of Item No. 6**

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s N. D. Birla & Co., (Firm Regn. No. 000028), as the Cost Auditors for the Textile Division of the Company to conduct the audit of the cost records of the Textile Division of the Company for the financial year ending 31st March, 2016.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration of ₹ 40,000/- p.a. plus out of pocket expenses and taxes, if any, payable to the Cost Auditors has to be ratified by the shareholders of the Company. Accordingly, consent of the members is sought for passing an Ordinary Resolution for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2016.

Your Directors recommend the resolution to be passed as Ordinary Resolution for approval of the shareholders.

None of the Directors, Key Managerial Personnel or their relatives are interested or concerned, financial or otherwise, in the resolution set out at Item No. 6.

**In respect of Item No. 7**

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s. D. Radhakrishnan & Co., (Firm Regn. No. 000018), as the Cost Auditors of the Tea Division of the Company to conduct the audit of the cost records of the Tea Division of the Company for the financial year ending 31st March, 2016.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration of ₹ 25,000/- p.a. plus out of pocket expenses and taxes, if any, payable to the Cost Auditors has to be ratified by the shareholders of the Company. Accordingly, consent of the members is sought for passing an Ordinary Resolution for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2016.

Your Directors recommend the resolution to be passed as Ordinary Resolution for approval of the shareholders.

None of the Directors, Key Managerial Personnel or their relatives are interested or concerned, financial or otherwise, in the resolution set out at Item No. 7.

*Registered Office :*  
Century Towers, 4th Floor  
45, Shakespeare Sarani, Kolkata 700 017  
Dated : 8th May, 2015

By Order of the Board  
**SUNITA SHAH**  
*Company Secretary*

**ANNEXURE TO NOTICE****Brief Profile of Mr. Samveg A. Lalbhai, Non Executive Director seeking re-appointment**

**Mr. Samveg A. Lalbhai**, Non executive Director of the Company, aged about 53 years retires at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. He has about 33 years of vast experience in the business of Textiles and is an eminent personality of Textile Industry. Mr. Lalbhai is associated with a number of Chambers/Organisations, including Indian Cotton Mills Federation, Gujarat Chamber of Commerce & Industries, Ahmedabad Textile Mills Association, Ahmedabad Textile Industries and Research Association etc. A brief resume, experience and functional expertise and membership on various Board and Committee of Mr. Samveg A. Lalbhai proposed to be re-appointed at Serial No. 3 of the Notice convening the 32nd Annual General Meeting, as per Clause 49 of the Listing Agreement are furnished below :

Date of Birth	04.06.1961
Date of first appointment	06.05.2004
Qualification	Graduate in Commerce from Gujarat University
Experience in specific functional areas	33 years of vast experience in the business of Textiles and an eminent personality of Textile Industry
Directorship in other companies apart from this Company	<ol style="list-style-type: none"><li>1. Atul Ltd.</li><li>2. The Anup Engineering Ltd.</li><li>3. Arvind Overseas (M) Ltd.</li><li>4. Arvind Farms Pvt. Ltd.</li><li>5. Saumya Farms &amp; Organic Prod. Pvt. Ltd.</li><li>6. Sneh Farms Pvt. Ltd.</li><li>7. National Design Business Incubator</li><li>8. Arvind Worldwide Inc. USA</li><li>9. Arvind Worldwide (M) Inc.</li></ol>
Chairman/Member of the Committee in which he is a Director apart from this Company	Nil
Shares of the Company held by him Equity : a) Own b) Beneficiary basis	Nil Nil



## DIRECTORS' REPORT

*Dear Members,*

The Directors of the Company present their 32nd Annual Report and Company's Audited Accounts for the year ended 31st March, 2015.

### FINANCIAL SUMMARY/HIGHLIGHTS

The financial results for the year ended 31st March, 2015 and the corresponding figures for the last year are as under:

(Amount in ₹ Lacs)

	2014-2015 2015	2013-2014 3848
Profit before Interest, Depreciation and Tax	754	781
Less : Finance Cost	<u>1018</u>	<u>1772</u>
Depreciation & Amortization Expense	243	1192
<b>Profit after Interest &amp; Depreciation</b>	<b>53</b>	1973
Less : Tax Expense for Current Year (Net of MAT Credit Entitlement)	(4)	1875
Deferred Tax Provision/(Written Back)	194	102
<b>Profit after Tax</b>	<b>2216</b>	520
Add : Balance Brought Forward from Last Account	44	622
Less : Adjustment in Retained Earnings due to Depreciation as per New Companies Act, 2013	-	1253
Less : Transferred to General Reserve	-	1274
Less : Proposed Dividend & Tax thereon	54	100
Credit balance carried to Balance Sheet	<u>2312</u>	<u>211</u>
		<u>2216</u>

### RESERVES & SURPLUS

The Balance in Reserves & Surplus stands at ₹ 13335 Lacs (Previous year ₹ 5757 Lacs). The Company has transferred ₹ NIL to General Reserve.

### DIVIDEND

Your Directors are pleased to recommend a payment of Dividend of ₹ 0.50 Per Equity Share of on face value of ₹ 10/- each (Previous year ₹ 2.00 per Equity Share) for the year ended 31st March, 2015 amounting to ₹ 54 lacs (inclusive of tax of ₹ 9 lacs) subject to the approval of members at the ensuing Annual General Meeting.

### OPERATIONS

#### TEA DIVISION

During the year under review, your Company achieved a production of 20.59 lac kgs of Black Tea as compared to 21.97 lac kgs in the previous year. Although the production of own green tea leaves was lower by 14%, the Company was able to procure more outsourced leaves resulting in arresting the fall in total production to 6.30%.

The average sale price for CTC tea in auction centres was higher as compared to previous year and accordingly the average realisation of your tea estate was also higher by about ₹ 6/- per kg due to production of quality tea which was in good demand in the market and fetched attractive prices. There has been an all round increase in wages, power and fuel and other input costs.

The current season has seen a mixed weather condition as a result of which the crop intake is similar to that of last year. However of late there has been improvement in weather condition which has started resulting in good crop. Further, following the Industry wide agreement with union effective from 1st January, 2015 there has been steep increase in wage cost.

Tea market is expected to remain subdued due to good crop in India and lower exports. Good quality CTC tea being in short supply will continue to attract premium and considering the above scenario, the performance of tea division is expected to be satisfactory.

#### TEXTILE DIVISION

#### PERFORMANCE AND REVIEW OF OPERATION:

During the year under review, the Textile Division has incurred loss before tax of ₹ 680 lakhs against profit before tax of ₹ 737 lakhs in the previous year. Global slowdown and recession, particularly, in the textile industry has adversely affected the performance of the Textile Division. In the year 2014-15, there was a bumper production of cotton globally and in India



## DIRECTORS' REPORT (Contd.)

also. The cotton prices were lower than the previous year, but the benefit of fall in cotton prices had to be passed on to the customers. The Division has achieved a turnover of ₹ 17320 Lacs against ₹ 20417 lacs in the previous year. The fall in demand and reduction in selling prices have contributed to decrease in the turnover.

### **MODERNISATION AND PROSPECTS**

As a part of continual modernization program the Textile Division, during the year under review, has modernized its Spinning Department by installing 4800 spindles with auto doffing system by replacing the old spindles. Back Process machines like speed frames, draw frames, combers, cards etc and auto conner machine have also been installed in the spinning department by replacing old machines. The Division has also installed quality control equipment AFIS PRO2 with latest technology which is used to test key parameters of processes of spinning process. This modernization would help the Division in achieving higher productivity, rationalization of workers, saving in power, improvement in quality etc. It is expected that Indian economy would grow faster in coming years and world economy is also expected to revive. The Division is expecting better performance in coming years.

### **RECENT DEVELOPMENTS & FUTURE PLANS**

#### **Company's Land at Dholka, Ahmedabad**

The property at Dholka is planned to be developed into smaller industrial plots and accordingly the same has now been recognized as stock in trade in the financial statements.

#### **Company's Land at Kolkata**

The Company is exploring the possibility of developing its property at Kolkata measuring 28.5 Cottahs and necessary preliminary work has been started.

### **MATERIAL CHANGES OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR UNDER REVIEW AND THE DATE OF THE REPORT**

There have been no material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Management Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange, is set out in the annexure forming part of the Annual Report marked as **Annexure - "A"**.

### **CORPORATE GOVERNANCE REPORT**

The Report on Corporate Governance in accordance with Clause 49 of the Listing Agreement with the Stock Exchange, approved by the Board together with a Certificate from Statutory Auditors M/s Jain & Co., Chartered Accountants regarding compliance with the conditions of Corporate Governance are set out in the annexure forming part of the Annual Report marked as **Annexure - "B"**.

Your Company has taken adequate steps for strict compliance with Corporate Governance guidelines, as amended from time to time.

### **EXTRACT OF THE ANNUAL RETURN**

Extract of the Annual Return in Form No. MGT-9 is attached pursuant to Section 134(3) of the Companies Act, 2013 as **Annexure - "C"**.

### **BOARD MEETINGS**

During the year under review, 6 meetings of the Board of Directorsn were held on 10th May, 2014, 21st June, 2014, 9th August, 2014, 8th November, 2014, 7th February, 2015 and 28th March, 2015.

Apart from meeting of the Board of Directors different committees met several times during the financial year ended 31st March, 2015.

### **DIRECTORS' RESPONSIBILITY STATEMENT PURSUANT TO SECTION 134(3)(c) OF THE COMPANIES ACT, 2013**

The Directors hereby confirm that –

- in the preparation of the annual accounts for the Financial Year ended 31st March, 2015, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- they had selected such accounting policies and applied them consistently and made judgements 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 of the Company for that period;



## DIRECTORS' REPORT (Contd.)

- c) they had 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) they had prepared the annual accounts on a going concern basis;
- e) they had laid down internal financial control to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### INDEPENDENT DIRECTORS

Independent Directors namely, Mr. Golam Momen (DIN : 00402662), Mr. Dharendra Kumar (DIN : 00153773) and Mr. Abhijit Datta (DIN : 00790029) have given declaration confirming that they comply with the requirements of Section 149(6) of the Companies Act, 2013.

### DIRECTORS

Mr. Samveg A. Lalbhai, (DIN : 00009278) was re-designated as Non-executive Director from Independent Director with effect from 10th May, 2014. Mr. Samveg A. Lalbhai retires by rotation at the ensuing Annual General Meeting and being eligible, offer himself, for re-appointment in compliance with the provisions of the Companies Act, 2013.

Brief resume of Mr. Samveg A. Lalbhai, nature of his expertise in specific functional areas and details of his directorship and membership/chairmanship of Board/Committees, as stipulated under Clause 49 of the Listing Agreement, has been provided in Annexure to the Notice of the 32nd AGM of the Company.

Mrs. Shubha Kanoria, (DIN : 00036489), Mr. Ashutosh Bhagat (DIN : 00059842) and Mr. Navin Nayar (DIN : 00136057) were appointed as Additional Directors on 10th May, 2014 and regularized as Non-Executive Directors liable to retire by rotation at the 31st Annual General Meeting of the Company held on 9th August 2014.

Mr. Golam Momen (DIN : 00402662) was appointed as the Chairman of the Company at the Board meeting held on 9th August, 2014.

### KEY MANAGERIAL PERSONNEL

The following persons are the Key Managerial Personnels (KMP) of the Company in compliance with the provisions of Section 203 of the Companies Act, 2013:

- a) Mr. Adarsh Kanoria, (DIN : 00027290), Managing Director
- b) Mr. Atul Doshi, Chief Financial Officer
- c) Mrs. Sunita Shah, Company Secretary

Mr. Dhanpat Singh Pagaria, former Chief Financial Officer had resigned from the services of the Company w.e.f. 7th February, 2015 and Mr. Atul Doshi was appointed as the Chief Financial Officer of the Company w.e.f. 9th February, 2015. Mrs. Sunita Shah, Company Secretary of the Company had resigned from the services of the Company w.e.f. 25th February, 2015 and was re-appointed as the Company Secretary and Compliance Officer of the Company w.e.f. 28th March, 2015. Remuneration and other details of the KMP for the year ended 31st March, 2015 are mentioned in the Extracts of the Annual Return attached as Annexure 'C' and forms a part of this Report of the Directors.

### THE POLICY ON DIRECTORS' APPOINTMENT, REMUNERATION ETC.

Pursuant to Section 178(3) of the Companies Act, 2013, Nomination and Remuneration Committee formulated the criteria for determining qualification, positive attributes and independence of a director. The Committee has also recommended to the Board a policy relating to the remuneration for directors, key managerial personnel and other employees.

The Board of Directors in its meeting held on 10th May, 2014 had approved the policy recommended by the Nomination and Remuneration Committee. The details of the Policy is given in the Corporate Governance Report.

### BOARD EVALUATION

Clause 49 of the Listing Agreement mandates that the Board shall monitor and review the Board frame-work. The Companies Act, 2013 states that formal evaluation needs to done by the Board of its own performance and that of its Committees and individual directors. Schedule IV of the Companies Act, 2013 states that the performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.

The evaluation of all the directors and the Board as a whole was conducted based on the criteria and framework adopted by the Board. The evaluation process has been explained in the Corporate Governance Report section in this Annual Report. The Board approved the evaluation results as collated by the nomination and remuneration committee.



## DIRECTORS' REPORT (Contd.)

### DEPOSITS

During the year 2014 - 2015, your Company did not accept/renew any deposits and as such, no amount of principal or interest was outstanding as on 31st March, 2015.

### AUDITORS AND AUDITORS' REPORT

M/s. Jain & Co., (Firm Regn. No. 302023E) Chartered Accountants, were appointed as Statutory Auditors of the Company, to hold office for a period of 3 years from the conclusion of the 31st Annual General Meeting till the conclusion of the 34th Annual General Meeting of the Company. In terms of the first proviso to Section 139(1) of the Companies Act, 2013 the matter relating to appointment of M/s. Jain & Co., Statutory Auditors of the Company has been placed for ratification by members.

The Company has received letter from the Auditors to the effect that their re-appointment, is within the prescribed limits under the Companies Act, 2013 and that they are not disqualified. The Board recommends the ratification of appointment. The Notes on Financial Statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments. There is no qualification, adverse remarks or disclaimer made by the Statutory Auditors.

### SECRETARIAL AUDIT REPORT

A report made by Mr. H.M. Choraria, (CP No. 1499, Membership No. FCS 2398) of M/s H. M. Choraria & Co., Practising Company Secretaries of 14/2, Old China Bazar Street, 4th Floor, Room No. 401, Kolkata 700 001, pursuant to Section 204(1) of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as **Annexure - "D"**. The report is free of any qualification, adverse remarks or disclaimer.

### LOANS, GUARANTEES OR INVESTMENTS

The Company has not taken any loans or provided any guarantees under Section 186(1) of the Companies Act, 2013. However the details of Investments under Section 186(1) of the Companies Act, 2013 have been provided at Note No. 13 of the Financial Statements for the year ended 31st March, 2015.

### RELATED PARTY TRANSACTIONS

During the year there was no material related party transaction with promoters, the Directors or the management, their subsidiaries or relatives etc. that may have a potential conflict with the interests of the Company. The Company has formulated a policy on Related Party Transactions as required under Clause 49 of the Listing Agreement. The link of the policy is [http://bengaltea.com/pdf/BTFL RELATED PARTY TRANSACTION POLICY\\_8.11.2014.pdf](http://bengaltea.com/pdf/BTFL RELATED PARTY TRANSACTION POLICY_8.11.2014.pdf). Particulars of contracts or arrangement with related parties referred in sub-section (1) of Section 188 of the Companies Act, 2013 is attached to this report in the form prescribed under Rule 8 of the Companies (Accounts) Rules, 2014 in Form AOC-2 marked as **Annexure - "E"**.

### COST AUDIT

#### PARTICULARS OF COST AUDITORS APPOINTED FOR THE FINANCIAL YEAR 2014-15

The Company has appointed the following Cost Auditors for Tea & Textile Division for the year ended 31st March, 2015:

Details of Cost Auditor	Unit Audited
<b>Name:</b> N.D. Birla & Co. <b>Address:</b> A-3, Nirant Society, Opposite Town Hall, Near Karnavati Hospital, Ellisbridge, Ahmedabad, Gujarat- 380006 <b>Registration No. allotted by ICWAI :</b> 000028	Textile Division- Bengal Tea & Fabrics Ltd Asarwa Mills - Ahmedabad
<b>Name:</b> D. Radhakrishnan & Co. <b>Address:</b> 11A Dover Lane, Flat B1/34 Kolkata- 700029 <b>Registration No. allotted by ICWAI :</b> 000018	Tea Division

### PARTICULARS OF EMPLOYEES

The Company had no employee who are in receipt of more than ₹ 60 lacs per annum during the year ended 31st March, 2015 or of more than ₹ 5 Lacs per month during any part thereof, so no information under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is required to be given. However the information required pursuant to Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 has been annexed as **Annexure - "F"**.



## DIRECTORS' REPORT (Contd.)

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

The information relating to conservation of energy, technology absorption and foreign exchange earnings and outgo, as per Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8 (3) of Companies (Accounts) Rules, 2014, is set out in the annexure forming part of the Annual Report marked as **Annexure - "G"**.

### RISK MANAGEMENT POLICY

As per requirement of Section 134(3)(n) of the Companies Act, 2013 and revised Clause 49 of the Listing Agreement the Board of Directors in its meeting held on 10th May, 2014 has approved the Risk Management Policy. As of now the Directors do not envisage any element of risk which may threaten the existence of the Company.

### CORPORATE SOCIAL RESPONSIBILITY (CSR)

Pursuant to Section 135 of the Companies Act, 2013, the Company vide its Board Meeting dated 21st June, 2014 has formed a CSR Committee and formulated a CSR Policy vide Board Meeting dated 9th August, 2014. The details of the same have been annexed in the prescribed format as **Annexure - "H"**.

### TRANSFER OF AMOUNTS TO THE INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to the provisions of Section 124 of the Companies Act, 2013, the declared dividends which remain unpaid or unclaimed for a period of seven years have been duly transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government under Section 125 of the said Act.

Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 9th August, 2014 (date of last Annual General Meeting) on the Company's website ([www.bengaltea.com](http://www.bengaltea.com)) and also on the Ministry of Corporate Affairs' website.

### NAME OF COMPANIES WHICH HAVE CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR

AKV Textiles Limited (CIN : U17291WB2013PLC198315)

### DISCLOSURE UNDER THE SEXUAL HARRASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place Internal Complaints Committee for the Registered Office, Tea Division and Textile Division. The following is the summary of Sexual Harassment complaints received and disposed off during the year 2014-15.

No. of Complaints received : NIL

No. of Complaints Disposed off : NIL

### ACKNOWLEDGEMENT

The Directors place on record their sincere appreciation for the assistance and co-operation extended by Banks, its employees, its investors and all other associates and look forward to continue fruitful association with all business partners of the Company.

Kolkata  
Dated : 8th May, 2015

K P KHANDELWAL  
*Whole-time Director*  
DIN : 00914834

For and on behalf of the Board  
ADARSH KANORIA  
*Managing Director*  
DIN : 00027290



## MANAGEMENT DISCUSSION & ANALYSIS REPORT

**ANNEXURE - "A"**

(Forming part of Directors' Report for the financial year ended 31st March, 2015)

### TEXTILE DIVISION

**Industry Structure and Developments :** India's textile sector is one of the mainstays of the national economy. The Textile Industry contributes around 14% to the manufacturing output, 4% to the GDP, and about 11% to the country's merchandise exports. The sector is one of the largest employment provider in the country. The Central Government has extended the Technology Upgradation Fund Scheme (TUFS) for the Twelfth Five Year Plan. The Planning Commission has approved an allocation of ₹ 120 billion under the Scheme for the Twelfth Five Year Plan. The Government of Gujarat has also revised the Gujarat Textile Policy w.e.f. 25th June, 2013 providing further boost to the textile industry in the State. India offers higher skills, lower cost, modern technology, global acceptance and a highly creative pool of design talent. A supportive policy regime and the absolute commitment of private enterprises add strength to Indian prospects.

**Opportunities and Threats :** In view of raising population, sustained increase in per capita income and disposable surplus, favourable demographic profile and rapidly changing life style, India is poised for healthy growth. These positive factors indicate healthy growth of Indian textile industry. The Indian textile industry is set for strong growth, buoyed by both strong domestic consumption as well as overseas demand. The Government of India as well as the State Governments are providing tremendous support to the textile industry.

Non-availability of skilled labour, non-availability of raw materials at stable prices, impact of global economic slowdown and currency fluctuation on India's consumption may pose a threat to the textile industry in India.

#### Product-wise Performance :

**Cloth:** Production has increased mainly because of increase in the production of knitted fabric. Sales volume has also increased mainly due to more selling of knitted fabric and sales of grey (unprocessed) cloth. Average realization has decreased mainly due to change in product mix i.e. selling of grey cloth and knitted fabric. Selling prices of finished goods has also decreased due to low off take in the market.

**Yarn:** Production of saleable yarn has decreased due to more captive consumption of yarn for manufacturing of knitted fabrics and woven cloth. Sales volume has decreased mainly due to lower production. Average realization is lower due to sluggish demand in the market.

	Cloth			Yarn		
	Production (Lac Mtrs.)	Sales (Lac Mtrs.)	Average Realisation ₹ Per Mtr.)	Production (Lac Kgs.)	Sales (Lac Kgs.)	Average Realisation ₹ Per Kg.)
2014-15	131.03	130.22	63.69	38.56	38.88	198.05
2013-14	84.37	84.89	97.53	48.92	47.97	221.08
Change	55.30%	53.40%	(34.70%)	(21.18%)	(18.95%)	(10.42%)

**Outlook :** The Division is hopeful that the demand for cotton textiles in the long run should remain strong in India and abroad. The Division is taking all efforts to improve the quality and productivity to remain competitive. Both Central and State Governments are supportive to boost the growth of textile industry in India. In view of this, the Division expects better performance in the coming years.

**Risks and Concerns :** The cotton prices are subject to climatic variations and market volatility. Changes in Government policies also have impact on raw materials and finished products prices. High labour and energy costs, non-availability of skilled labour, fluctuation in exchange rates are causes of concern.

### TEA DIVISION

**Industry Structure & Developments :** India is the largest Black Tea producer in the world producing approximately 1185 million kgs during the calendar year 2014. Despite strong consumption growth and low inventory, the market remained sluggish during the year particularly for low/medium quality tea.

**Opportunities & Threats :** The continuous promotional efforts and better marketing and brand building initiatives taken jointly by the Government/Tea Board including TRUSTEA program are likely to benefit the industry in the long term.

The unsymmetrical weather conditions and shortage of labour are the main threats to the industry.



## MANAGEMENT DISCUSSION & ANALYSIS REPORT (Contd.)

**Product-wise Performance :** During the year under review, the production of Black Tea was lower as compared to previous year. Strong demand for quality tea persisted and the average realization of the tea sold by the Company was about 3% higher as compared to the previous year. The gist of performance of the division during the financial year 2014-2015 is as under:

Black Tea			
	Production (Lac Kgs.)	Sales (Lac Kgs.)	Average Realisation (₹ Per Kg.)
2014-15	20.59	21.00	200.28
2013-14	21.97	21.11	194.03
Change (%)	(6.28%)	(0.52%)	3.22%

**Outlook :** The current season has started with mixed weather conditions. Shortage of quality tea and increased consumption thereof will have positive impact on the demand.

**Risks & Concerns :** Besides climatic conditions, global production, the strategy of bought leaf factories and shortage of labour during peak season also affect the fate of the Tea Industry.

**Discussion on financial performance with respect to operational performance :** The Company's steady progress in making quality teas is attracting premium prices over medium and low quality teas, resulting into achieving satisfactory profitability.

**Internal Control Systems and their Adequacy :** The Company has laid down guidelines procedures and policies for better management control, which are periodically tested and supplemented by an extensive internal audit program. Significant findings are placed before the Audit Committee of the Board and the corrective measures are recommended for implementation. In the opinion of the management, the existing internal checks & controls are effective and adequate.

**Information regarding Human Resources/Industrial Relations :** The relationships at both the Divisions were cordial with the employees throughout the year. The total numbers of manpower employed by the Textile and Tea Divisions as on 31st March, 2015 were 633 and 1351 respectively.

**Cautionary Statement :** *The forward-looking statements and the views expressed in the Management Discussion and Analysis Report are based on certain assumptions. The actual results, performances or achievements may differ materially from those stated therein. The Company would not be held liable, in any manner, if the future turns out to be quite different, even materially.*

Kolkata  
Dated : 8th May, 2015

K P KHANDELWAL  
*Whole-time Director*  
DIN : 00914834

For and on behalf of the Board  
ADARSH KANORIA  
*Managing Director*  
DIN : 00027290



## REPORT ON CORPORATE GOVERNANCE

(Forming part of Directors' Report for the financial year ended 31st March, 2015)

## ANNEXURE - "B"

### 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company adopts the principle of governance so that it covers all aspects of dealing and reporting in transparent and fair manner.

We believe Corporate Governance is not just a destination, but a journey to constantly improve sustainable value creation. It is an upward-moving target that we collectively strive towards achieving.

The Company has adopted the amendments as ushered by the Securities and Exchange Board of India (SEBI) from time to time and steps have been taken to implement the same.

### 2. BOARD OF DIRECTORS

#### Composition, Attendance & Information of other Directorships/Committee Memberships

The Board of Directors comprises of nine members (consisting of three independent non-executive directors) having experience in business, finance etc. The composition of the Board of Directors and their attendance during the financial year 2014-2015 is as under:

Name of the Directors	Category of Director	No. of other Directorships <sup>1</sup>	No. of other Board Committee(s) <sup>2</sup> in which he is		Attendance at last AGM held on 09.08.2014	Attendance at Board Meetings
			Member	Chairman		
Mr. Adarsh Kanoria <sup>5</sup>	Promoter-Executive	8	—	—	Yes	6
Mr. Kailash Prasad Khandelwal	Executive	1	—	—	Yes	6
Mr. Golam Momen <sup>6</sup> - Chairman	Independent-Non-Executive	13	4	—	Yes	6
Mr. Dhirendra Kumar	Independent-Non-Executive	10	1	—	Yes	6
Mr. Abhijit Datta	Independent-Non-Executive	4	—	2	No	3
Mr. Samveg A. Lalbhai <sup>3</sup>	Non-Executive	9	—	—	Yes	1
Mr. Ashutosh Bhagat <sup>4</sup>	Non-Executive	10	—	—	Yes	4
Mrs. Shubha Kanoria <sup>4,5</sup>	Non-Executive	3	—	—	Yes	5
Mr. Navin Nayar <sup>4</sup>	Non-Executive	8	—	2	Yes	5

1. Also includes Directorships other than Public Limited Companies.

2. Audit Committee & Stakeholders Relationship Committees are only considered.

3. Mr. Samveg A. Lalbhai was re-designated as Non Executive director with effect from 10th May, 2014.

4. Mr. Ashutosh Bhagat, Mrs. Shubha Kanoria and Mr. Navin Nayar were appointed by the Board on 10th May, 2014.

5. Mr. Adarsh Kanoria and Mrs. Shubha Kanoria are relatives.

6. Mr. Golam Momen was appointed as the Chairman of the Company at Board Meeting held on 9th August, 2014.

#### Meetings of the Board

During the Financial Year 2014-2015, the Board of Directors met 6 (six) times on the following dates : 10th May, 2014, 21st June, 2014, 9th August, 2014, 8th November, 2014, 7th February, 2015 and 28th March, 2015.

#### Information about the Directors seeking appointment/re-appointment

**Mr. Samveg A. Lalbhai**, a Graduate in Commerce from Gujarat University, aged about 53 years retires at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. A brief resume, experience and functional expertise and membership on various Board and Committees of Mr. Samveg A. Lalbhai as required under the Corporate Governance Code under Clause 49 of the Listing Agreement have been given as an Annexure to the Notice dated 8th May, 2015 convening the 32nd Annual General Meeting.



## REPORT ON CORPORATE GOVERNANCE (Contd.)

### 3. AUDIT COMMITTEE

The Audit Committee comprises of 4 (four) non-executive Directors of whom the Chairman and 2 (Two) members are Independent Directors. The committee has been meeting at regular intervals. The Chairman and the members of the Audit Committee have in-depth knowledge in the areas of Finance and Accounts.

#### Terms of Reference

The role and power of the Audit Committee includes :

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
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 auditors' 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. Qualifications in the draft audit report, if any.
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 to the monitoring agency monitoring the utilisation of proceeds of a public or rights issue and making appropriate recommendations to the Board to take steps in this matter;
7. Review and monitor the auditor's independence and performance and effectiveness of audit process;
8. Approval or any subsequent modification(s) of transactions of the Company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, 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 Vigil mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) 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.
21. To investigate any activity within its terms of reference.
22. To seek information from any employee.
23. To obtain outside legal or other professional advice.
24. To secure attendance of outsiders with relevant expertise, if it considers necessary.



## REPORT ON CORPORATE GOVERNANCE (Contd.)

### Composition, Meetings & Attendance

Name of the Members	Category of Directors	No. of Meetings attended	Dates on which Meetings held
Mr. Abhijit Datta - Chairman	Independent & Non-Executive	3	10.05.2014 21.06.2014 09.08.2014 08.11.2014 07.02.2015 28.03.2015
Mr. Golam Momen	Independent & Non-Executive	6	
Mr. Dharendra Kumar	Independent & Non-Executive	6	
Mr. Samveg A. Lalbhai*	Non-Executive	1	
Mr. Navin Nayar**	Non-Executive	3	

\* Mr. Samveg A. Lalbhai stepped down from membership of Audit Committee vide Board Meeting dated 9th August, 2014.

\*\* Mr. Navin Nayar became the member of Audit Committee vide Board Meeting dated 9th August, 2014.

The Company Secretary acts as the Secretary to the Committee. The Managing Director, Whole time Director, Chief Financial Officer, Statutory Auditors and Internal Auditors are invited for the meetings.

### 4. NOMINATION AND REMUNERATION COMMITTEE

The Company had a Remuneration Committee prior to 1st April, 2014 which was renamed as the Nomination and Remuneration Committee vide Board Meeting dated 10th May, 2014.

### Composition, Meeting & Attendance

Name of the Members	Category of Director	No. of Meetings attended	Date on which Meeting held
Mr. Dharendra Kumar – Chairman	Independent & Non-Executive	3	The meeting of Remuneration Committee was held on 30.04.2015, 07.02.2015 and 28.03.2015
Mr. Golam Momen	Independent & Non-Executive	3	
Mr. Abhijit Datta	Independent & Non-Executive	2	
Mr. Samveg A. Lalbhai	Non-Executive	—	

### Remuneration to Directors paid during the financial year 2014-2015 and other disclosures :

Name of the Directors	Salary (₹)	Benefits (₹)	Contribution to PF Gratuity, and other funds (₹)	Commission Paid (₹)	Meeting Fees (₹)	Service Contract/ Tenure	Notice Period	Number of Shares held
Mr. Adarsh Kanoria	39,00,000	8,81,384	6,55,500	—	—	01-01-2014 to 31-12-2016	3 Months*	5,36,137
Mr. Kailash Prasad Khandelwal	16,65,000	4,24,788	6,32,492	—	—	01-01-2014 to 31-12-2016	3 Months*	—
Mr. Golam Momen	—	—	—	—	2,40,000	NA	NA	750
Mr. Abhijit Datta	—	—	—	—	1,20,000	NA	NA	—
Mr. Dharendra Kumar	—	—	—	—	2,40,000	NA	NA	—
Mr. Samveg A. Lalbhai	—	—	—	—	30,000	NA	NA	—
Mr. Ashutosh Bhagat**	—	—	—	—	80,000	NA	NA	—
Mrs. Shubha Kanoria**	—	—	—	—	1,00,000	NA	NA	4,49,216
Mr. Navin Nayar**	—	—	—	—	1,30,000	NA	NA	—

\* Subject to discretion of Board to agree to shorter notice.

\*\* Mr. Ashutosh Bhagat, Mrs. Shubha Kanoria and Mr. Navin Nayar were appointed by the Board on 10th May, 2014.



## REPORT ON CORPORATE GOVERNANCE (Contd.)

### Nomination and Remuneration Policy

The Nomination and Remuneration (NR) Committee has adopted a Policy which, inter alia, deals with the manner of selection of Board of Directors, KMP's and Senior Management Personnels and their remuneration. The Nomination and Remuneration policy of the Company is as follows:

#### Scope or Terms of Reference

The Nomination and Remuneration (NR) Committee has inter alia, the following responsibilities:

1. The NR Committee should evaluate the performance of employees and identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every Director's performance.
2. The 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 Personnels and other Senior Management Personnels. Other than evaluation of every director's performance, the performance of key managerial personnel and other Senior Management Personnels is to be appraised by the Nomination and Remuneration Committee.

#### Policy for Selection and Appointment of Directors

**Criteria for selection of Non Executive Directors** - The Non Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of manufacturing, marketing, finance, taxation, law, governance and general management.

In case of appointment of **Independent Directors**, the NR Committee shall satisfy itself with regard to the Independent nature of the Directors vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively.

The NR Committee shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013. The NR Committee shall consider the following attributes / criteria, whilst recommending to the Board the candidature for appointment as Director :

- i. Qualification, expertise and experience of the Directors in their respective fields;
- ii. Personal, Professional or business standing;
- iii. Diversity of the Board.

In case of re-appointment of Non Executive Directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level.

#### Remuneration Criteria

Remuneration paid to Directors and the policy followed by the Company determining remuneration and increment given to Key Managerial Personnel and others are given hereunder :

- a) Remuneration paid to Non-Executive Directors:

The Non-Executive Directors are paid remuneration as detailed below:

1. Sitting fees of ₹ 20,000/- for Board Meeting and ₹ 10,000/- for other Committee Meetings.
2. Reimbursement of expenses for attending the Meetings of Board or Committee.
3. Commission on profits, if any, subject to the limits specified in the Companies Act, 2013 and subject to necessary approvals.

- b) Remuneration paid to Managing Director & Whole-time Director:

The Managing Director & Whole time Director are appointed for a period of three years. Salary is determined by the Board with yearly increment for a period of three years subject to approval of the NR Committee, Board and the Shareholders of the Company at the General Meeting. At the end of three years, their re-appointment is considered by the NR Committee, Board and the Shareholders of the Company at the General Meeting.

- c) Remuneration for Key Managerial Personnel and other managerial staff is given hereunder :

- i) Revision of Salary structure happens yearly. The process is based on the outcome of individual performance rating for the completed financial year.
- ii) The Salary structure is based on the total cost to the Company.



## REPORT ON CORPORATE GOVERNANCE (Contd.)

### Evaluation mechanism of Directors

As per the requirement of Companies Act, 2013 and Clause 49 of the Listing Agreement, the Independent Directors have evaluated the performance of the other directors and the Board as a whole and the Board has evaluated the performance of the Independent Directors and all Board level Committees. The same was found to be satisfactory.

### Board Evaluation

As per the requirement of Companies Act, 2013 and Clause 49 of the Listing Agreement, the Independent Directors have carried out a performance review of the Board as a whole on the following parameters:

- The size and composition (executive, non executive, independent members and their background in terms of knowledge, skills and experience) of the Board is appropriate.
- The Board conducts itself in such a manner that it is seen to be sensitive to the interest of all stakeholders (including minority shareholders) and it has adequate mechanism to communicate with them.
- The Board is active in addressing matters of strategic concerns in its review of the Board agenda with the executive management.
- The Board makes well-informed high quality decisions on the basis of full information and clear insight into Company's business.
- The Board is effective in establishing a corporate environment that promotes timely and effective disclosure, fiscal accountability, high ethical standards and compliance with applicable laws and regulations.
- The Board meets frequently enough and for sufficient duration to enhance its effectiveness.
- The Boards meeting time is appropriately allocated between management presentation and Board discussion.
- The Board has a good understanding of the Company's key drivers of performance and associated risks, threats and opportunities.
- The Board devotes considerable amount of time in developing the business strategy and annual business plan.
- The Board has clearly defined the mandates of its various Committees and effectively oversees their functioning.
- The Board is effective in formulating and monitoring various financial and non financial policies and plans.
- The Board is effective in developing a corporate governance structure that allows and encourages the Board to fulfill its responsibilities.
- The Board pays considerable attention to the quality of financial reporting process and internal financial controls and effectively oversees them.
- The Board regularly follows up on its decisions to ensure that action is taken on its all decisions.
- The Board gives effective advice and assistance for achieving the Company's mission and vision.

After deliberation, the Committee of Independent Directors expressed its overall satisfaction.

### Familiarisation programme for Independent Directors

The Company has formulated a module to familiarise the independent directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc., through various programmes in compliance of Securities & Exchange Board of India Circular dated 15th September, 2014 on amendments to Clause 49(II) (B) (7) of the Listing Agreement. The details of the same was placed before the Board and noted by them. The weblink for the same is [http://bengaltea.com/pdf/BTFL\\_Familiarisation%20Programme-7.02.2015.pdf](http://bengaltea.com/pdf/BTFL_Familiarisation%20Programme-7.02.2015.pdf)

### 5. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee is being headed by Mr. Golam Momen, an Independent Non-Executive Director of the Company and 2 (two) members who are independent Directors and 1 (one) Member who is an Executive Director. Mrs. Sunita Shah, Company Secretary, is the Compliance Officer of the Company. This Committee considers and resolves the grievances of security holders of the Company. The Company received no complaints during the financial year 2014-2015 apart from routine matters which were resolved /replied to the satisfaction of the shareholders and the Regulatory authorities within due time. No compliant was pending as on 31st March, 2015.



## REPORT ON CORPORATE GOVERNANCE (Contd.)

### Composition of the Committee

Name of the Members	Category of Director
Mr. Golam Momen-Chairman	Independent & Non-Executive
Mr. Dhirendra Kumar	Independent & Non-Executive
Mr. Abhijit Datta	Independent & Non-Executive
Mr. Adarsh Kanoria	Executive

### 6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

In accordance with Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 effective from 1st April, 2014 the Company was required to constitute a Corporate Social Responsibility (CSR) Committee of the Board. The composition of the CSR Committee is as follows:

Name of the Members	Category of Director	No. of Meetings attended
Mr. Adarsh Kanoria - Chairman	Executive	2
Mr. Dhirendra Kumar	Independent & Non-Executive	2
Mr. Golam Momen	Independent & Non-Executive	2

The Committee met 2 times in the financial year 2014-15. The CSR Policy of the Company was adopted by the Board vide Board Meeting dated 9th August, 2014. The details of which have been given as Annexure - "G" to the Directors Report.

### 7. INDEPENDENT DIRECTORS MEETING

During the year under review, the Independent Directors of the company met on 7th February, 2015 inter alia, to:

- (a) Evaluate and review the performance of non-independent directors and the Board as a whole;
- (b) Evaluate and assess the quality, quantity and timeliness of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the independent directors of the Company were present at the meeting.

### 8. GENERAL BODY MEETINGS

The details of last three Annual General Meetings (AGMs) are as under:

	Date of Meeting	Venue	Time
29th AGM	11.08.2012	Kalakunj, 48, Shakespeare Sarani, Kolkata 700 017	10.30 A.M.
30th AGM	03.08.2013	Kalakunj, 48, Shakespeare Sarani, Kolkata 700 017	10.30 A.M.
31st AGM	09.08.2014	Kalakunj, 48, Shakespeare Sarani, Kolkata 700 017	10.30 A.M.

No Special Resolution was proposed in 29th AGM and 30th AGM. Special Resolutions were passed in the 31st AGM.

During the financial year 2014-15, the Company has passed the following Special Resolution by Postal Ballot :

Sr. No.	Date of Declaration of Postal Ballot Results	Description	Votes in favour of the resolution		Votes against the resolution	
			No. of votes	% to total votes	No. of votes	% to total votes
1.	14.08.2014	Special Resolution under Section 180(1) (a) of the Companies Act, 2013 to sale, lease or otherwise dispose of or for creation of charge/mortgage/hypothecation on assets of the Company upto an amount not exceeding ₹ 125 Crores	6615596	99.95	3496	0.05



## REPORT ON CORPORATE GOVERNANCE (Contd.)

### 9. DISCLOSURES

During the year under review, the Company had not entered into any materially significant transaction with any related party that have potential conflict with the interests of the Company at large. The transactions with related parties, in normal course of business, have been disclosed separately in the Notes on Accounts.

No penalties, strictures have been imposed by any Stock Exchange, SEBI and/or any other statutory authority, on any matter related to capital markets, during last three years.

#### Vigil Mechanism

The Company has formed a Vigil Mechanism as per the Provisions of the Companies Act, 2013 vide Board Meeting dated 10th May, 2014 the details of which are available on the Company Website: [www.bengaltea.com](http://www.bengaltea.com).

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. To maintain these standards, the Company encourages its employees who have concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment. A Vigil (Whistle Blower) mechanism provides a channel to the employees and Directors to report to the management concerns about unethical behaviour, actual or suspected fraud or violation of the Codes of conduct or policy. The mechanism provides for adequate safeguards against victimization of employees and Directors to avail of the mechanism and also provide for direct access to the Managing Director /CFO/ Chairman of the Audit Committee in exceptional cases.

This neither releases employees from their duty of confidentiality in the course of their work nor can it be used as a route for raising malicious or unfounded allegations against people in authority and / or colleagues in general. No personnel has been denied access to the senior management/audit committee.

The details of compliance with mandatory requirements and adoption of the non-mandatory requirements of the Clause 49 of the Listing Agreement, as applicable during the financial year ended 31st March, 2015 are as under:

#### Mandatory requirements

Sl. No.	Particulars of Compliance applicable in respect of following matters	Compliance Status	Remarks, if any
II	Board of Directors	Yes	
III	Audit Committee	Yes	
IV	Nomination and Remuneration Committee	Yes	
V	Subsidiary Companies	Not Applicable	The Company has no Subsidiary
VI	Risk Management	Yes*	
VII	Related Party Transactions	Yes	
VIII	Disclosures	Yes	
IX	CEO / CFO Certification	Yes	
X	Report on Corporate Governance	Yes	
XI	Compliance	Yes	

\*The Company has formulated a Risk Management Policy which was approved vide Board Meeting dated 10th May, 2014 but Risk Management Committee is not applicable as per Circular No.CIR/CFD/ POLICY CELL/2/2014 dated 17th April, 2014.

#### Non-Mandatory requirements adopted by the Company

1. The Internal Auditor reported to the Audit Committee about the Audit Observations made by them and necessary steps were taken by the Management to rectify the same.
2. The Financial Statements are free from any Audit Qualifications.

### 10. MEANS OF COMMUNICATION

The quarterly results of the Company are generally published in "Business Standard", and "Arthik Lipi" and displayed on the website of the Company namely [www.bengaltea.com](http://www.bengaltea.com). During the year under review, the official news had also been displayed on the website but no presentation was made to institutional investors or analysts.



## REPORT ON CORPORATE GOVERNANCE (Contd.)

### 11. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A "Management Discussion and Analysis Report" has been included as a part of the Directors' Report to the shareholders for the year ended 31st March, 2015.

### 12. GENERAL SHAREHOLDER INFORMATION

<b>Annual General Meeting</b>	:	Date : Saturday, 8th August, 2015
		Time : 10.30 A.M.
		Venue : Kalakunj, 48, Shakespeare Sarani, Kolkata 700 017
<b>Financial Year</b>	:	1st April, 2014 to 31st March, 2015
<b>Date of Book Closure</b>	:	1st August, 2015 to 8th August, 2015 (Both days inclusive)
<b>Dividend Payment Date</b>	:	Within 30 days of approval at the AGM, if approved at AGM.

#### Listing on Stock Exchanges & Stock Code

**BSE Limited**, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001 (Stock Code – 532230)

The Company has paid the listing fees for the financial year 2015-2016.

#### Market Price Data and Number of Shares traded at BSE Ltd during the Financial Year 2014-2015

	April	May	June	July	August	September	October	November	December	January	February	March
High	45.00	45.50	55.00	57.40	53.00	62.85	61.95	62.50	52.90	51.00	50.00	44.50
Low	37.00	35.00	39.05	45.60	43.20	42.60	48.55	43.00	40.00	37.00	36.00	37.50
Volume	360231	192596	390091	164795	69727	313087	133068	248104	129784	56329	43780	42408

#### Performance in comparison to broad based indices

	31.03.2015	31.03.2014	Change (%)
Share Prices of BTFL (₹)	41.35	39.75	(+) 4.03%
V/s BSE Sensex	27,957.49	22,386.27	(+) 24.89%

**Registrar & Share Transfer Agents** : C. B. Management Services (P) Ltd, P-22, Bondel Road, Kolkata 700 019  
Tel No.: 033-4011-6700/16/17/23/28 ; Fax No. 033-4011-6739  
E-mail : rta@cbmsl.com

**Share Transfer System** : The Transfer of Shares is effected by the Registrars after necessary approval.  
The process of Share Transfer generally takes 2 weeks.

#### Distribution of Shareholding as on 31st March, 2015

Sl. No.	Category of Shareholders (No. of Shares Held)	No. of Shareholders	Percentage of Shareholders	No. of Shares Held	Percentage of Holding
1	Upto 50	10358	77.77	4,86,122	5.40
2	51-100	1251	9.39	1,17,937	1.31
3	101-500	1246	9.36	3,33,735	3.71
4	501-1000	234	1.76	1,92,614	2.14
5	1001-2000	105	0.79	1,55,221	1.72
6	2001-3000	35	0.26	86,597	0.96
7	3001-4000	11	0.08	39,285	0.43
8	4001-5000	13	0.10	60,366	0.67
9	5001-10000	28	0.21	1,93,573	2.15
10	10001 & Above	38	0.28	73,40,535	81.51
	<b>Total</b>	<b>13319</b>	<b>100.00</b>	<b>90,05,985</b>	<b>100.00</b>



## REPORT ON CORPORATE GOVERNANCE (Contd.)

### Shareholding Pattern as on 31st March, 2015

Sl. No.	Category	Number of Shares held	Percentage of Shareholding(%)
1	Promoters	66,08,712	73.38
2	Institutional Investors (Financial Institutions, Insurance Companies, Banks, Mutual Funds etc)	59,926	0.66
3	Body Corporates (other than above)	1,84,897	2.05
4	Resident Public	21,18,627	23.53
5	NRIs' / Foreign Nationals	9,967	0.11
6	The Official Trustee of West Bengal	11,520	0.13
7	Clearing Members	12,336	0.14
<b>Total</b>		<b>90,05,985</b>	<b>100.00</b>

**Dematerialisation & Liquidity of Shares :** The equity shares of the Company are under the list of "compulsorily delivery in dematerialised form by all investors" and the ISIN allotted by NSDL and CDSL is INE665D01016. About 93.48% of the total equity shares have been dematerialised upto 31st March, 2015. The shares are regularly traded at BSE Ltd.

**Outstanding GDR/ADR/Warrants or any Convertible Instruments**

: Nil

**Plant Locations**

: Ananda Tea Estate, North Lakhimpur, Assam 787 056  
Asarwa Mills, Asarwa Road, Ahmedabad 380 016

**Address for Correspondence**

: Share-related queries/correspondences

Registrar & Share Transfer Agents – Address as above  
OR

The Company Secretary,

**Bengal Tea & Fabrics Limited**

Century Towers, 4th Floor, 45, Shakespeare Sarani, Kolkata 700 017

Telefax Nos.: 2283-6416/17, E-mail : investor@bengalte.com

Website: [www.bengalte.com](http://www.bengalte.com)

For and on behalf of the Board

K P KHANDELWAL

*Whole time Director*

(DIN : 00914834)

ADARSH KANORIA

*Managing Director*

(DIN : 00027290)

Kolkata

Dated : 8th May, 2015

### DECLARATION

I hereby declare that all Board Members and Senior Management Personnels have affirmed compliance with the Code of Conduct of the Company.

For Bengal Tea & Fabrics Ltd.

ADARSH KANORIA

*Managing Director*

(DIN : 00027290)

Kolkata

Dated : 8th May, 2015



## REPORT ON CORPORATE GOVERNANCE (Contd.)

### CERTIFICATE ON CORPORATE GOVERNANCE

#### TO THE MEMBERS OF BENGAL TEA & FABRICS LIMITED

We have examined the compliance of conditions of Corporate Governance by BENGAL TEA & FABRICS LIMITED ("the Company") for the year ended on 31st March, 2015, as stipulated in Clause 49 of the Listing Agreement of the Company with the stock exchanges.

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 explanation given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We have been explained that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For JAIN & CO.

*Chartered Accountants*

Registration No. 302023E

CA M. K. JAIN

*Partner*

Membership No. 055048

P-21/22, Radhabazar Street  
Kolkata 700 001  
Dated : 8th day of May, 2015



ANNEXURE - "C"

**Form No. MGT-9****EXTRACT OF ANNUAL RETURN****as on the Financial Year ended on 31st March, 2015**

**[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	:	L51909WB1983PLC036542
ii)	Registration Date	:	16.07.1983
iii)	Name of the Company	:	Bengal Tea & Fabrics Limited
iv)	Category /Sub-Category of the Company	:	Public Company / Limited by shares
v)	Address of the Registered Office and Contact details	:	Century Towers, 4th Floor, 45, Shakespeare Sarani, Kolkata-700 017 Phone : 033-2283 6416 / Fax No.033-2283 6417 E-Mail : mail@bengaltea.com
vi)	Whether listed Company	:	Yes
vii)	Name Address and Contact details of Registrar and Tranfer Agent, if any	:	C. B. Management Services (P) Ltd, P-22, Bondel Road, Kolkata - 700 019 Tel : 91 33 4011 6716 / 17/23/ 28 Fax : 91 33 4011 6739; Email : rta@cbmsl.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover of the Company :-

Sl. No.	Name and Description of main products/services	NIC Code of the Product/service	(%) to total turnover of the Company
1	Black Tea	0902 / 4020	18.86
2	Cloth Cotton Fabrics	5208 / 1230	31.42
3	Synthetic Yarn	5509 / 5300	34.53

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sl. No.	Name and Address of the Company	CIN/ GLN	Holding/Subsidiary/ Associates	% of shares held	Applicable Section
NOT APPLICABLE					



### Form No. MGT-9 (*Contd.*)

#### 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 in the beginning of the year (As on 01-04-2014)				No. of Shares held at the end of the year (As on 31-03-2015)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/HUF	1547842	—	1547842	17.19	1547842	—	1547842	17.19	—
b) Central Govt.	—	—	—	—	—	—	—	—	—
c) State Govt.(s)	—	—	—	—	—	—	—	—	—
d) Body Corporate	5060870	—	5060870	56.19	5060870	—	5060870	56.19	—
e) Banks / FI	—	—	—	—	—	—	—	—	—
f) Any Other	—	—	—	—	—	—	—	—	—
<b>Sub-total (A) (1)</b>	<b>6608712</b>	—	<b>6608712</b>	<b>73.38</b>	<b>6608712</b>	—	<b>6608712</b>	<b>73.38</b>	—
(2) Foreign									
a) NRIs — Individuals	—	—	—	—	—	—	—	—	—
b) Other – Individuals	—	—	—	—	—	—	—	—	—
c) Bodies Corporate	—	—	—	—	—	—	—	—	—
d) Banks / FI	—	—	—	—	—	—	—	—	—
e) Any Other	—	—	—	—	—	—	—	—	—
<b>Sub-total (A) (2)</b>	—	—	—	—	—	—	—	—	—
<b>Total shareholding of Promoter (A)</b> <b>= (A)(1)+(A)(2)</b>	<b>6608712</b>	—	<b>6608712</b>	<b>73.38</b>	<b>6608712</b>	—	<b>6608712</b>	<b>73.38</b>	—
<b>B. Public Shareholding</b>									
(1) Institutions									
a) Mutual Funds	—	4627	4627	0.05	—	4627	4627	0.05	—
b) Banks / FI	—	—	—	—	—	—	—	—	—
c) Central Govt.	—	11520	11520	0.13	—	11520	11520	0.13	—
d) State Govt.	—	—	—	—	—	—	—	—	—
e) Venture Capital Funds	—	—	—	—	—	—	—	—	—
f) Insurance Companies	78934	—	78934	0.88	55299	—	55299	0.61	(0.26)
g) FIIs	—	—	—	—	—	—	—	—	—
h) Foreign Venture Capital	—	—	—	—	—	—	—	—	—
i) Others (Specify)	—	—	—	—	—	—	—	—	—
<b>Sub-total (B)(1)</b>	<b>78934</b>	<b>16147</b>	<b>95081</b>	<b>1.06</b>	<b>55299</b>	<b>16147</b>	<b>71446</b>	<b>0.79</b>	<b>(0.26)</b>



### Form No. MGT-9 (*Contd.*)

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) (*Contd.*)

Category of Shareholders	No. of Shares held in the beginning of the year (As on 01-04-2014)				No. of Shares held at the end of the year (As on 31-03-2015)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Non-Institutions									
a) Bodies Corporate									
i) Indian	154226	4689	158915	1.77	181208	3689	184897	2.05	0.29
ii) Overseas	—	—	—	—	—	—	—	—	—
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	1052196	558428	1610624	17.88	1014498	549982	1564480	17.38	(0.50)
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	455850	12850	468700	5.20	541297	12850	554147	6.15	0.95
c) Others (Specify)	—	4320	4320	0.05	—	4320	4320	0.05	—
i) Foreign National	—	—	—	—	—	—	—	—	—
ii) Non-Resident Individual	9897	—	9897	0.11	5647	—	5647	0.06	(0.05)
iii) Clearing Member	49736	—	49736	0.55	12336	—	12336	0.14	(0.42)
<b>Sub-total (B)(2)</b>	<b>1721905</b>	<b>580287</b>	<b>2302192</b>	<b>25.56</b>	<b>1754986</b>	<b>570841</b>	<b>2325827</b>	<b>25.83</b>	<b>0.26</b>
<b>Total Public Shareholding (B) =(B)(1)+(B)(2)</b>	<b>1800839</b>	<b>596434</b>	<b>2397273</b>	<b>26.62</b>	<b>1810285</b>	<b>586988</b>	<b>2397273</b>	<b>26.62</b>	<b>—</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	—	—	—	—	—	—	—	—	—
<b>Grand Total (A+B+C)</b>	<b>8409551</b>	<b>596434</b>	<b>9005985</b>	<b>100.00</b>	<b>8418997</b>	<b>586988</b>	<b>9005985</b>	<b>100.00</b>	<b>—</b>



### Form No. MGT-9 (*Contd.*)

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) (*Contd.*)

##### ii) Shareholding of Promoters :

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01-04-2014)			Shareholding at the end of the year (As on 31-03-2015)			% of 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	Samrat Industrial Resources Limited	2083518	23.13	—	2083518	23.13	—	—
2	Rydak Enterprises & Investment Limited	1806720	20.06	—	1806720	20.06	—	—
3	Eskay Udyog Limited	1170632	13.00	—	1170632	13.00	—	—
4	Adarsh Kanoria	536137	5.95	—	536137	5.95	—	—
5	Shubha Kanoria	449216	4.99	—	449216	4.99	—	—
6	Kushagra Kanoria	292489	3.25	—	292489	3.25	—	—
7	Adarsh Kanoria A/c Varenya Kanoria (Minor)	270000	3.00	—	270000	3.00	—	—
<b>Total</b>		<b>6608712</b>	<b>73.38</b>	—	<b>6608712</b>	<b>73.38</b>	—	—

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

Sl. No.		Shareholding at the beginning of the year (As on 01.04.2014)/ end of the year (31.03.2015)		Cumulative Shareholding during the year (01.04.2014 to 31.03.2015)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	6608712	73.38	—	—
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	—	—	—	—
	At the end of the year	6608712	73.38	6608712	73.38



### Form No. MGT-9 (*Contd.*)

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) (*Contd.*)

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

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative shareholding during the year (01.04.2014 to 31.03.2015)	
		No. of shares at the beginning (01.04.2014)/ end of the year (31.03.2015)	% of total shares of the Company				No. of shares	% of total shares of the Company
1	Santosh Sitaram Goenka	116,192	1.29	April 01, 2014 April 25, 2014 May 09, 2014 May 16, 2014 May 30, 2014 June 30, 2014 August 01, 2014 March 20, 2015 March 31, 2015	(1,000) (445) 1,000 7,142 (128) 891 (145)	Transfer Transfer Transfer Transfer Transfer Transfer Transfer	115,192 114,747 115,747 122,889 122,761 123,652 123,507 123,507	1.28 1.27 1.29 1.36 1.36 1.37 1.37 1.37
		123,507	1.37					
2	Sunita Santosh Goenka	60,012	0.67	April 01, 2014 April 11, 2014 April 25, 2014 May 02, 2014 June 30, 2014 July 04, 2014 March 13, 2015 March 31, 2015	600 (4,655) (6,000) 1,499 (2,761) (500)	Transfer Transfer Transfer Transfer Transfer Transfer	60,612 55,957 49,957 51,456 48,695 48,195 48,195	0.67 0.62 0.55 0.57 0.54 0.54 0.54
		48,195	0.54					
3	Supriya Santosh Goenka	54,955	0.61	April 01, 2014 May 02, 2014 June 20, 2014 July 18, 2014 August 08, 2014 January 02, 2015 March 27, 2015 March 31, 2015	(5,000) (3,987) 500 374 (1,686) 40	Transfer Transfer Transfer Transfer Transfer Transfer	49,955 45,968 46,468 46,842 45,156 45,196 45,196	0.55 0.51 0.52 0.52 0.50 0.50 0.50
		45,196	0.50					
4	R N Rubesh	34,830 34,830	0.39 0.39	April 01, 2014 March 31, 2015	Nil Movement during the year		34,830	0.39
5	Rukmani International Pvt. Ltd.	22,873 22,873	0.25 0.25	April 01, 2014 March 31, 2015	Nil Movement during the year		22,873	0.25
6	The New India Assurance Company Limited	22,666 22,666	0.25 0.25	April 01, 2014 March 31, 2015	Nil Movement during the year		22,666	0.25
7	The Oriental Insurance Company Limited *	22,500 17,633	0.25 0.20	April 01, 2014 August 16, 2014 March 31, 2015	(4,867)	Transfer	17,633 17,633	0.20 0.20



### Form No. MGT-9 (*Contd.*)

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) (*Contd.*)

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

Sl.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative share- holding during the year (01.04.2014 to 31.03.2015)	
		No. of shares at the beginning (01.04.2014)/ end of the year (31.03.2015)	% of total shares of the Company				No. of shares	% of total shares of the Company
8	Ninja Securities Private Limited *	21,750	0.24	April 01, 2014 April 04, 2014 April 11, 2014 April 18, 2014 May 02, 2014 May 09, 2014 May 16, 2014 May 23, 2014 May 30, 2014 June 13, 2014 June 20, 2014 July 11, 2014 July 18, 2014 September 05, 2014 September 30, 2014 October 10, 2014 October 31, 2014 March 31, 2015	85 (1,950) (2,885) (7,000) 250 (3,718) (101) (431) (2,303) (500) (25) (672) (500) (225) (100) (250)	Transfer Transfer Transfer Transfer Transfer Transfer Transfer Transfer Transfer Transfer Transfer Transfer Transfer Transfer Transfer Transfer	21,835 19,885 17,000 10,000 10,250 6,532 6,431 6,000 3,697 3,197 3,172 2,500 2,000 1,775 1,675 1,425 1,425	0.24 0.22 0.19 0.11 0.11 0.07 0.07 0.07 0.04 0.04 0.04 0.03 0.02 0.02 0.02 0.02
9	Rajendra Prasad Agarwal *	20,750 20,750	0.23 0.23	April 01, 2014 March 31, 2015			20,750	0.23
10	Abhilasha Bansal *	19,581	0.22	April 01, 2014 May 30, 2014 June 13, 2014 June 30, 2014 October 03, 2014 March 31, 2015	(375) (2,000) (2,000) 748	Transfer Transfer Transfer Transfer	19,206 17,206 15,206 15,954 15,954	0.21 0.19 0.17 0.18 0.18
11	Kishor Shah #	—	—	April 01, 2014 December 19, 2014 December 31, 2014 January 16, 2015 January 24, 2015 January 30, 2015 February 13, 2015 February 20, 2015 February 27, 2015 March 06, 2015 March 31, 2015	4,600 (437) 2,348 3,900 3,265 2,265 2,000 4,290 1,316	Transfer Transfer Transfer Transfer Transfer Transfer Transfer Transfer	4,600 4,163 6,511 10,411 13,676 15,941 17,941 22,231 23,547 23,547	0.05 0.05 0.07 0.12 0.15 0.18 0.20 0.25 0.26 0.26
		23,547	0.26					



### Form No. MGT-9 (*Contd.*)

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) (*Contd.*)

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

Sl.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative share- holding during the year (01.04.2014 to 31.03.2015)	
		No. of shares at the beginning (01.04.2014)/ end of the year (31.03.2015)	% of total shares of the Company				No. of shares	% of total shares of the Company
12	Sunglow Capital Services Ltd. #	—  62,264	—  0.69	April 01, 2014 October 31, 2014 December 05, 2014 January 09, 2015 January 16, 2015 March 31, 2015	3,000 47,914 500 10,850	Transfer Transfer Transfer Transfer	3,000 50,914 51,414 62,264 62,264	0.03 0.57 0.57 0.69 0.69
13	Pramila Shah #	—  22,021	—  0.24	April 01, 2014 December 31, 2014 February 06, 2015 March 13, 2015 March 20, 2015 March 27, 2015 March 31, 2015	5,720 1,000 4,601 3,350 7,350	Transfer Transfer Transfer Transfer Transfer	5,720 6,720 11,321 14,671 22,021	0.06 0.07 0.13 0.16 0.24
14	Indrajit Saha #	—  21,979	—  0.24	April 01, 2014 May 02, 2014 May 09, 2014 May 30, 2014 July 11, 2014 July 25, 2014 August 01, 2014 September 12, 2014 November 14, 2014 November 21, 2014 January 16, 2015 February 06, 2015 February 13, 2015 March 31, 2015	2,000 500 6,000 500 5,050 2,010 1,018 922 2,000 2,000 (1) (10) (10)	Transfer Transfer Transfer Transfer Transfer Transfer Transfer Transfer Transfer Transfer Transfer Transfer	2,000 2,500 8,500 9,000 14,050 16,060 17,078 18,000 20,000 22,000 21,999 21,989 21,979	0.02 0.03 0.09 0.10 0.16 0.18 0.19 0.20 0.22 0.24 0.24 0.24 0.24

# Not in the Top 10 Shareholders as on 1st April, 2014. The same has been reflected above since the Shareholders were among one of the Top 10 Shareholder as on 31st March, 2015.

\* Ceased to be in the list of Top 10 Shareholders as on 31st March, 2015. The same has been reflected above since the Shareholders were amongst one of the Top 10 Shareholder as on 1st April, 2014.



### Form No. MGT-9 (*Contd.*)

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) (*Contd.*)

##### v) Shareholding of Directors and Key Managerial Personnels :

Sl. No.	Name	Shareholding		Date	Increase/Decrease in the shareholding	Reason	Cumulative Shareholding during the year (01.04.2014 to 31.03.2015)	
		No. of shares at the beginning (01.04.2014)/ end of the year (31.03.2015)	% of total shares of the Company				No. of shares	% of total shares of the Company
1	Golam Momen	750	0.01	April 01, 2014 March 31, 2015	Nil Movement during the year		750	0.01
		750	0.01					
2	Mamoona Momen	750	0.01	April 01, 2014 March 31, 2015	Nil Movement during the year		750	0.01
		750	0.01					

#### V. INDEBTEDNESS

##### Indebtedness of the Company including interest outstanding/accrued but not due for payment (₹ in Lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year (01-04-2014)</b>				
i) Principal Amount	8,680	—	—	8,680
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	—	—	—	—
<b>Total (i+ii+iii)</b>	<b>8,680</b>	<b>—</b>	<b>—</b>	<b>8,680</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	878	—	—	878
Reduction	(2,834)	—	—	(2,834)
<b>Net Change</b>	<b>(1,956)</b>	<b>—</b>	<b>—</b>	<b>(1,956)</b>
<b>Indebtedness at the end of the financial year (31-03-2015)</b>				
i) Principal Amount	6,724	—	—	6,724
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	—	—	—	—
<b>Total (i+ii+iii)</b>	<b>6,724</b>	<b>—</b>	<b>—</b>	<b>6,724</b>



### Form No. MGT-9 (*Contd.*)

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

##### A. Remuneration to Managing Director, Whole-time Directors and/or Managers (₹ in Lacs)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		Adarsh Kanoria	Kailash Prasad Khandelwal	
1	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	39	20	59
	(b) Value of Perquisites u/s 17(2) of the Income Tax Act, 1961	9	*	9
2	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	—	—	—
	Stock Option	—	—	—
	Sweat Equity	—	—	—
4	Commission			
	- as % of Profit	—	—	—
	- others, specify	—	—	—
5	Others, please specify	—	—	—
<b>Total (A)</b>		<b>48</b>	<b>20</b>	<b>68</b>
Ceiling as per the Act		84	84	168

\* Below rounding off norms of the Company

##### B. Remuneration to other directors (₹ in Lacs)

Sl. No.	Particulars of Remuneration	Name of Directors							Total Amount
		Golam Momen	Abhijit Datta	Dhirendra Kumar	Samveg A. Lalbhai	Ashutosh Bhagat	Navin Nayar	Shubha Kanoria	
I	<b>Independent Directors -</b>								
	Fee for attending board / committee meetings	3	1	2	—	—	—	—	6
	Commission	—	—	—	—	—	—	—	—
2	Others, please specify	—	—	—	—	—	—	—	—
<b>Total (I)</b>		<b>3</b>	<b>1</b>	<b>2</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>6</b>
II	<b>Other Non-Executive Directors -</b>								
	Fee for attending board / committee meetings	—	—	—	*	1	1	1	3
	Commission	—	—	—	—	—	—	—	—
3	Others, please specify	—	—	—	—	—	—	—	—
<b>Total (II)</b>		<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>3</b>
<b>Total (B)=(I+II)</b>		<b>3</b>	<b>1</b>	<b>2</b>	<b>—</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>9</b>
<b>Total Managerial Remuneration (A+B)</b>									<b>77</b>
Overall Ceiling as per the Act									171#

\* Below rounding off norms of the Company

# Overall ceiling limit is calculated as per provisions of Companies Act, 2013 which includes Rs. 3 Lakhs that can be paid to other Non-executive Directors, however no remuneration apart from sitting fees have been paid to the other Non-executive Directors.



### Form No. MGT-9 (*Contd.*)

#### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL (*Contd.*):

##### C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD (₹ in Lacs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
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) of the Income Tax Act, 1961 (c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	Not Applicable	4	23	27
2	Stock Option	—	—	—	—
3	Sweat Equity	—	—	—	—
4	Commission - % of profit - others, specify	—	—	—	—
5	Others, please specify	—	—	—	—
<b>Total</b>		—	<b>4</b>	<b>23</b>	<b>27</b>

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

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



ANNEXURE - "D"

**Form No. MR-3****SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2015**

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

The Members,  
Bengal Tea & Fabrics Limited  
45 Shakespeare Sarani,  
Kolkata-700017

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Bengal Tea & Fabrics Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the 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, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2015 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Bengal Tea & Fabrics Limited for the financial year ended on 31st March, 2015 according to the provisions of :

- (i) The 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;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.



### Form No. MR-3 (*Contd.*)

- (vi) We further report that after considering the compliance system prevailing in the Company, and after carrying out test checks of the relevant records and documents maintained by the Company, it has complied with the following laws that are applicable specifically to the Company :
- (a) The Tea Act, 1953,
  - (b) Assam Tea Plantation Labour Act, 1951
  - (c) Food Safety Standard Act, 2006 and
  - (d) Directions given by the Office of the Textile Commission and rules made thereunder

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India were not applicable to the Company during the year under review hence no comment.
- (ii) The Listing Agreements entered into by the Company with BSE Limited,

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

1. Some of the E-forms under the provisions of the Companies Act, 2013 were filed belatedly, however the same have been filed well within the time prescribed under Section 403 of the Act.

**We 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 which were sent at least seven days in advance, agenda and detailed notes on agenda were sent 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. Majority decision is carried through at the meetings of the Board and Committees and the dissenting members views, if any, are captured and recorded as part of the minutes of respective meetings.

**We 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.

**We further report that** during the audit period no specific event has happened and / or no action has been taken by the Company having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

**H M Choraria & Co.**  
Practising Company Secretaries

**Sd/-**

**(H M Choraria)**

*Proprietor*

FCS No. 2398

C P No.: 1499

14/2 Old China Bazar Street,  
4th Floor, R. No. 401, Kolkata -700 001

Place : Kolkata

Date : 07.05.2015

**ANNEXURE - "E"**

**[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 arms length transactions under third proviso thereto**

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

Sl No	Name(s) of the related party and nature of relationship	Nature of contracts/arrangements /transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	Date(s) of approval by the Board	Amount paid as advances, if any	Date on which the special resolution was passed in general meeting as required under first proviso to Section 188
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	NOT APPLICABLE
NOT APPLICABLE								

**2. Details of material contracts or arrangement or transactions at arm's length basis**

Sl No	Name(s) of the related party and nature of relationship	Nature of contracts/arrangements /transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board/ Audit Committee, if any	Amount paid as advances, if any	Date on which the special resolution was passed in general meeting as required under first proviso to Section 188
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
1	Samrat Industrial Resources Limited	Sale of non - Current Investments	During 2014-15	Sale of investments at fair Market Value of ₹ 113 Lacs	10.05.2014 & 09.08.2014	NIL	Not Applicable
2	Rydak Enterprises & Investment Limited	Sale of non - Current Investments	During 2014-15	Sale of investments at fair Market Value of ₹ 83 Lacs	09.08.2014	NIL	Not Applicable

**ANNEXURE - "F"****PARTICULARS OF EMPLOYEES**

**Particulars of Employees pursuant to Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rule, 2014**

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	Mr. Adarsh Kanoria - MD - 29.63 : 1 Mr. Kailash Prasad Khandelwal - WTD - 15.22 : 1 Mr. Golam Momen - (N.A.)* Mr. Dhirendra Kumar - (N.A.)* Mr. Samveg A. Lalbhai - (N.A.)* Mr. Abhijit Datta - (N.A.)* Mr. Navin Nayar - (N.A.)* Mr. Ashutosh Bhagat - (N.A.)* Mrs. Shubha Kanoria - (N.A.)* <b>Directors :</b> Mr. Adarsh Kanoria - MD - NIL Mr. Kailash Prasad Khandelwal - WTD - (34.55%) Mr. Golam Momen - (N.A.)* Mr. Dhirendra Kumar - (N.A.)* Mr. Samveg A. Lalbhai - (N.A.)* Mr. Abhijit Datta - (N.A.)* Mr. Navin Nayar - (N.A.)* Mr. Ashutosh Bhagat - (N.A.)* Mrs. Shubha Kanoria - (N.A.)*
(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	<b>Key Managerial Personnel :</b> Mr. Atul Doshi - CFO (appointed w.e.f. 09.02.2015) - N.A. Mr. D S Pagaria - CFO (resigned w.e.f. 07.02.2015) - 16.61% Mrs. Sunita Shah - CS - (42.31%) About 10.5%
(iii) The percentage increase in the median remuneration of employees in the financial year	1995 employees as on 31.03.2015
(iv) The number of permanent employees on the rolls of the Company	The increase in the remuneration of all employees is based partly on the results of the Tea & Textile division of the Company and partly on the individual employee's performance. During the year ended 31.03.2015, average increase in the remuneration of all employees were 12% and 10.5% in Tea & Textile Divisions, respectively against the decline in profit after tax of 84.5% from Rs. 1253 Lacs to Rs. 194 lacs
(v) The explanation on the relationship between average increase in remuneration and Company performance	Overall increase in the remuneration of KMP is 16.37% against the decline in profit after tax of 84.5% from Rs. 1253 Lacs to Rs. 194 lacs. There was no increase in the Managing Director's remuneration during the year.
(vi) Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company	



## ANNEXURE - "F"

**PARTICULARS OF EMPLOYEES (Contd.)**

Requirements of Rule 5(1)	Details
(vii) Variation in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase/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	The market capitalisation as on 31st March, 2015 was ₹ 3723.97 lacs (₹ 3579.88 lacs as on 31st March, 2014). Price Earnings ratio of the Company was 19.23 as at 31st March, 2015 and was 2.86 as at 31st March, 2014. Market quotation of the shares of the Company as on 31st March, 2015 was ₹ 41.35 (₹ 39.75 as on 31st March, 2014). Percent increase/decrease in the market quotations of the shares of the Company as compared to the last year is 4.03%. The Company has not made any Public Issue or Rights Issue of securities in the last 9 years. Hence no comparison have been made of the current share price with Public Offer Price. Average Salary increase of the employees were 12.00% in the Tea Division and 10.5% in the Textile Division, respectively. Average salary increase of the KMP's were 16.37% as compared to other employees of the Company, which is not exceptional. Justification: KMP salary increases are decided based on Individual performance, inflation, prevailing industry trends and benchmarks.
(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 the employees were 12.00% in the Tea Division and 10.5% in the Textile Division, respectively. Average salary increase of the KMP's were 16.37% as compared to other employees of the Company, which is not exceptional. Justification: KMP salary increases are decided based on Individual performance, inflation, prevailing industry trends and benchmarks.
(ix) Comparison of the remuneration of each of the Key Managerial Personnel against the performance of the Company	Each KMP is granted salary based on his qualification, experience, nature of job, industry benchmark, earlier salary and many other factors, comparison of one against the other is not feasible.
(x) The key parameters for any variable component of remuneration availed by the directors	Managing Director is entitled to commission subject to maximum of 3% of the profits of the Company and within the permissible limits specified in the Companies Act, 2013. Other components of remuneration are not variable during a particular year. For non-executive directors, only Sitting fees of Rs. 20,000/- and Rs. 10,000/- per Board meeting and Committee Meetings respectively is paid. Total remuneration of all non-executive directors are limited to 1% of net profit of the Company for that financial year. The Managing Director is the highest paid director. No employee received remuneration higher than the Managing 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	
(xii) Affirmation that the remuneration is as per the remuneration policy of the Company	Remuneration paid during the year ended 31st March, 2015 is as per the Remuneration Policy of the Company

\* Non-executive/Independent Directors have been paid only sitting fees for meetings attended by them and hence not comparable.

**ANNEXURE - "G"****ANNEXURE TO DIRECTORS' REPORT**

**INFORMATION AS PER SECTION 134 (3) (m) OF THE COMPANIES ACT, 2013 READ WITH THE RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015**

**A. CONSERVATION OF ENERGY :****(i) The steps taken or impact on conservation of energy:****1. The Company has taken following steps to conserve the energy :**

- (a) Replaced 55 HP submersible pump with high efficient submersible pump of Shakti make of 40 HP
- (b) Changed pulley of supply fan of Humidification Plant, thereby saved power by about 7KW /hour.
- (c) 4 Nos. LR9AX Ringframes installed with inverter and resultant saving is about 8KW/hour.
- (d) Thermax Oil Boiler with fluidise base with Bas filter installed.

**2. Pollution Control**

- (a) ESP installed on 6TPH steam boiler to reduce emission of carbon smoke from chimney.
- (b) We have installed Opacity meter on chimney of 6TPH steam boiler and 1000U Thermopac boiler.

**(ii) The steps taken by the company for utilizing alternate sources of energy : Nil****(iii)The Capital Investment on energy conservation equipment : ₹ 369.22 Lacs****B. TECHNOLOGY ABSORPTION :****(i) Specific areas in which R & D carried out by the Company:****Tea Division:**

The Division subscribes to Tea Research Association which is registered U/s 35(1)(ii) of the Income Tax Act, 1961.

**Textile Division:**

- a) Installation of 2 nos of TC-5 cards, 2 nos. LK64Z combers, 3 nos. LF4200 speed frames with OHTC, and 2 nos. LDA/1 draw frames in spinning preparatory department.
- b) Installation of 4 nos of New LMW LR9AX Ringframe of 1200 spdls each (total 4800 spdls) with Auto doffing system and automatic waste collection system to increase productivity and to improve quality of yarn.
- c) Installation of new Humidification Plant no 2 with inverter driven pump and linear diffuser in NE-1 dept for LR9AX Ringframes with Rotary filter for return air system.
- d) Installation of 1 no of new latest Q-Pro process Coner (Automatic Cone Winding Machine) with OHTC
- e) Installation of AFIS fiber Testing Equipment in Quality Control Dept.

**(ii) The benefits derived like products improvement, cost reduction, product development or import substitution:****Tea Division:**

The Division benefits from the suggestions received from the Tea Research Association out of R & D activities.

**Textile Division:**

- a) The installation of cards, combers, draw frames and speed frames have resulted into higher productivity and improvement in the quality of yarn.
- b) The installation of Ringframe with Autodoffing system have resulted into reduction of manpower, higher productivity and improvement in the quality of yarn.
- c) The new type of Humidification Plant will help to maintain appropriate Temp & RH% in the Ringframe section with supply of fresh air through linear diffuser and inverter controlled pumps. The rotary air filter will supply clean air to air washer and also dispose clean air to the environment.
- d) The new generation Q-Pro Process Coner gives 4 – 5% more efficiency and the package quality has been improved substantially.
- e) The Advance Fiber Information System (AFIS) is used to test cotton fiber properties from raw cotton to every stage of spinning process. It helps keeping track of properties of fibers at different prod point and help spinner to control and monitor process variables and take corrective action in setting machine parameters at required prod point. It also helps selecting raw cotton spinnability from tested fiber properties.

**(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)**

- Not Applicable

**(iv) The expenditure incurred on Research & Development : ₹ 125.25 Lacs****C. FOREIGN EXCHANGE EARNINGS AND OUTGO :**

During the year 2014-15, the Company had contributed about ₹ 3587 lacs (net of outgo) to the exchequer in the form of valuable foreign exchange money.

- i) Foreign Exchange Earnings : ₹ 3935 Lacs
- ii) Foreign Exchange Outgo : ₹ 348 Lacs



## ANNEXURE - "H"

## FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs :  
Bengal Tea & Fabrics Ltd. believes in practicing its corporate values through its commitment to grow in a socially and environmentally responsible way, while meeting the interests of its stakeholders and the community at large.  
The Company has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013 and the same is placed on the Company's website and the weblink for the same is [www.bengalteah.com](http://www.bengalteah.com) and <http://bengalteah.com/pdf/CSR%20Policy.pdf>.
2. The Composition of the CSR Committee : Mr. Adarsh Kanoria, Managing Director (DIN : 00027290)  
Mr. Dhirendra Kumar (DIN : 00153773)  
Mr. Golam Momen (DIN : 00402662)
3. Average net profit of the Company for last three financial years : Rs. 517 Lacs
4. Prescribed CSR Expenditure (two per cent of the amount as in Item 3 above) : Rs. 10.5 Lacs
5. Details of CSR spent during the financial year
  - (a) Total amount to be spent for the financial year : Rs. 11 Lacs
  - (b) Amount unspent, if any : NIL
  - (c) Manner in which the amount spent during the financial year is detailed below:

1	2	3	4	5	6	7	8
Sl. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads : (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto the reporting period	Amount spent : Direct or through implementing agency
1.	The Company is undertaking its CSR activity through Rajasthan Go Kalyan which is Setting up a Bio Gas plant	Protection of fauna and welfare of animal and conservation of natural resources	Area : Santoshpur Near Barasat 24 Parganas West Bengal	Rs. 22 Lacs	An amount of Rs. 11 Lacs by way of contribution to Rajasthan Go Kalyan, who are setting up a Bio Gas Plant to be run on cow dung	Rs. 11 Lacs	Amount spent through Rajasthan Go Kalyan, a Registered Trust engaged in protection and welfare of cows
	TOTAL			Rs. 22 Lacs	Rs. 11 Lacs	Rs. 11 Lacs	

6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report : **Not Applicable**
7. The CSR Committee confirms the implementation and monitoring of CSR policy, in compliance with CSR objectives and Policy of the Company.

Sd/-  
Kailash Prasad Khandelwal  
(Whole-time Director)

Sd/-  
Adarsh Kanoria  
(Managing Director & Chairman - CSR Committee)



## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BENGAL TEA & FABRICS LIMITED

### REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of BENGAL TEA & FABRICS LIMITED, which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, in which are incorporated the Returns for the year ended on that date audited by the branch auditor of the Company's branch at Asarwa, Ahmedabad.

### MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standard 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statement that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

### OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015 and its profit and its cash flows for the year ended on that date.

### OTHER MATTER

We did not audit the financial statements/information of Asarwa Unit at Ahmedabad included in the financial statements/financial information reflect total assets of ₹ 13909 Lacs as at 31st March, 2015 and total revenues of ₹ 18433 Lacs for the year ended on that date, as considered in the financial statements. The financial statements/information of the branch have been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far relates to the amounts and disclosures included in respect of these branches, is based solely on the report of such branch auditor.

Our opinion is not modified in respect of this matter.

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub section (11) of Section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
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 and proper returns adequate for the purposes of our audit have been received from the branch not visited by us;



## INDEPENDENT AUDITORS' REPORT (Contd.)

TO THE MEMBERS OF BENGAL TEA & FABRICS LIMITED

- c) The report on the accounts of the branch of the Company audited under Section 143(8) of the Act by the branch auditor have been sent to us and have been properly dealt with us in preparing the report;
- d) The Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account and with returns received from the branches not visited by us;
- e) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- f) On the basis of written representations received from the Directors as on 31st March, 2015 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164(2) of the Act.
- g) With respect to other matters 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 information and according to the explanations given to us:
  - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 30(B) to the financial statements.
  - (ii) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
  - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For JAIN & CO.

*Chartered Accountants*

Registration No. 302023E

CA M. K. JAIN

*Partner*

Membership No. 055048

P-21/22, Radha Bazar Street  
Kolkata 700 001

Dated : 8th day of May, 2015

## ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE.

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

1. a) The Company has maintained proper records showing full particulars including, quantitative details and situation of fixed assets.  
b) As explained to us some of the fixed assets have been physically verified by the management at reasonable intervals. We have been informed that no material discrepancies were noticed on such verification.
2. a) As explained to us, inventory has been physically verified during the year by the management at reasonable intervals.  
b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.  
c) In our opinion and on the basis of our examination of the records, the Company is generally maintaining proper records of its inventory. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
3. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the Register maintained under Section 189 of the Act. Consequently, the provisions of clauses iii (a) and iii (b) of the order are not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the Company and the nature of its business, for the purchase of inventories, fixed assets and with regards to sale of goods and services. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.



## ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT (Contd.)

5. The Company has not accepted deposits from the public covered within the meaning of directives issued by the Reserve Bank of India and provisions of Sections 73 to Section 76 of the Act and rules framed thereunder;
6. As per information & explanation given by the management, maintenance of cost records has been specified by the Central Government under sub section (1) of Section 148 of the Act and we are of the opinion that *prima facie* the prescribed accounts and records have been made and maintained. We have not however, made a detailed examination of the records with a view to determine whether they are accurate or complete;
7. a) According to the records of the Company, undisputed statutory dues including Provident Fund, Employees State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, and Cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31st of March, 2015 for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us and on the basis of the documents and records the disputed statutory dues which have not been deposited with the appropriate authorities are as under :

Sl. No.	Name of Statute	Nature of Dues	Financial year to which the matter pertains	Amount in ₹ (lacs)	Forum where dispute is pending
1	Employees State Insurance	E.S.I. Contribution	2004-05	1.86*	High Court, Ahmedabad
2	Employees State Insurance	E.S.I. Contribution	2005-06 & 2006-07 2006-07	1.04 0.74	Industrial Court, Ahmedabad
3	West Bengal Value Added Tax Act, 2003	VAT	2011-2012	1.18	West Bengal Commercial Tax Appellate & Revisional Board

\* ₹ 1.86 Lacs have been deposited with E.S.I. Authority under protest.

- c) According to the information and explanations given to us and on the basis of the documents the amounts required to be transferred to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 2013 (18 of 2013) and rules made thereunder has been transferred to such fund within time;
8. The Company does not have any accumulated losses as at 31st March, 2015 and has not incurred cash losses in the financial year and in the immediately preceding financial year.
9. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to financial institutions and banks;
10. According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from bank or financial institutions;
11. Based on our audit procedures and on the information given by the management, we report that the Company has applied the money received as term loans during the year for the purposes for which they were obtained, other than temporary deployment pending application;
12. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

For JAIN & CO.  
*Chartered Accountants*  
 Registration No. 302023E  
 CA M. K. JAIN  
*Partner*  
 Membership No. 055048

P-21/22, Radha Bazar Street  
 Kolkata 700 001  
 Dated : 8th day of May, 2015

**BALANCE SHEET as at 31st March, 2015**

(Amount in ₹ Lacs)

	<u>Notes</u>	<u>As at 31st March, 2015</u>		<u>As at 31st March, 2014</u>	
<b>EQUITY AND LIABILITIES</b>					
<b>Shareholders' Funds</b>					
Share Capital	1	<b>901</b>		<b>901</b>	
Reserves & Surplus	2	<b>13335</b>	<b>14236</b>	<b>5757</b>	6658
<b>Non-Current Liabilities</b>					
Long Term Borrowings	3	<b>3518</b>		<b>3722</b>	
Deferred Tax Liabilities (Net)	4	<b>554</b>		<b>558</b>	
Other Long Term Liabilities	5	<b>5</b>		<b>4</b>	
Long Term Provisions	6	<b>106</b>	<b>4183</b>	<b>79</b>	4363
<b>Current Liabilities</b>					
Short Term Borrowings	7	<b>2124</b>		<b>3420</b>	
Trade Payables	8	<b>1326</b>		<b>889</b>	
Other Current Liabilities	9	<b>1577</b>		<b>2030</b>	
Short Term Provisions	10	<b>163</b>	<b>5190</b>	<b>275</b>	<b>6614</b>
	TOTAL		<b>23609</b>		<b>17635</b>
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
<b>Fixed Assets</b>					
Tangible Assets	11	<b>15452</b>		<b>9167</b>	
Intangible Assets	12	<b>7</b>		<b>5</b>	
		<b>15459</b>		<b>9172</b>	
Capital Work-in-Progress		<b>—*</b>	<b>15459</b>	<b>168</b>	<b>9340</b>
<b>Non-Current Investments</b>	13		<b>—</b>		<b>196</b>
<b>Long Term Loans and Advances</b>	14		<b>836</b>		<b>873</b>
<b>Total Non-Current Assets</b>			<b>16295</b>		<b>10409</b>
<b>Current Assets</b>					
Current Investments	15	<b>510</b>		<b>542</b>	
Inventories	16	<b>4339</b>		<b>3843</b>	
Trade Receivables	17	<b>1082</b>		<b>1467</b>	
Cash and Bank Balances	18	<b>152</b>		<b>116</b>	
Short Term Loans and Advances	19	<b>1046</b>		<b>962</b>	
Other Current Assets	20	<b>185</b>	<b>7314</b>	<b>296</b>	<b>7226</b>
	TOTAL		<b>23609</b>		<b>17635</b>

\* Below rounding off norms adopted by the Company

**Other Notes to Financial Statements**      30

The accompanying notes form an integral part of the financial statements.

As per our report of even date.

For JAIN &amp; CO.

*Chartered Accountants*

Firm Registration No.302023E

A. KANORIA *Managing Director*

CA M. K. JAIN

K. P. KHANDELWAL *Whole-time Director**Partner*

(Membership No. 055048)

A. DOSHI *Chief Financial Officer*

P-21/22, Radhabazar Street

Kolkata 700 001

Dated : 8th day of May, 2015

S. SHAH *Company Secretary*



## STATEMENT OF PROFIT & LOSS for the year ended 31st March, 2015

	<u>Notes</u>	<u>For the year ended 31st March, 2015</u>	<i>(Amount in ₹ Lacs)</i>	<u>For the year ended 31st March, 2014</u>
Revenue from Operations	21	<b>22310</b>	25267	
Less: Excise Duty	10	<b>22300</b>	11	25256
Other Income	22	<b>413</b>		300
<b>TOTAL REVENUE</b>		<b>22713</b>		<b>25556</b>
<b>EXPENSES</b>				
Cost of Material Consumed	23	<b>11194</b>	13316	
Purchase of Stock-in-Trade	24	<b>39</b>	43	
Changes in inventories of Finished goods, Work-in-progress and Stock-in-Trade	25	<b>268</b>	(655)	
Employee Benefits Expense	26	<b>3003</b>	2874	
Finance Cost	27	<b>754</b>	781	
Depreciation and Amortization Expenses	28	<b>1021</b>	1204	
Less : Transferred to Revaluation Reserve	3	<b>1018</b>	12	1192
Other Expenses	29	<b>6194</b>		6130
<b>TOTAL EXPENSES</b>		<b>22470</b>		<b>23681</b>
<b>Profit before exceptional item and Tax</b>		<b>243</b>		1875
Less : Exceptional item		<b>—</b>		<b>—</b>
<b>Profit before Tax</b>		<b>243</b>		1875
Tax Expense				
Current Tax		<b>49</b>	403	
Less : MAT Credit Entitlement		<b>—</b>	<b>49</b>	<b>301</b>
Short Provision of Taxation for earlier year *		<b>4</b>	<b>4</b>	<b>—</b>
Deferred Tax Provision/(Written Back)		<b>(4)</b>	<b>(4)</b>	<b>520</b>
<b>Profit for the year after Tax</b>		<b>194</b>		<b>1253</b>
Earnings per Equity Share (Basic & Diluted) (in ₹ )		<b>2.15</b>		<b>13.91</b>
Nominal Value ₹ 10/- per share	30(J)			
(Previous Year ₹ 10/-)				
* Below rounding off norms adopted by the Company				
<b>Other Notes to Financial Statements</b>	<b>30</b>			

The accompanying notes form an integral part of the financial statements.

As per our report of even date.

For JAIN & CO.

*Chartered Accountants*

Firm Registration No.302023E

CA M. K. JAIN

*Partner*

(Membership No. 055048)

P-21/22, Radhabazar Street

Kolkata 700 001

Dated : 8th day of May, 2015

A. KANORIA *Managing Director*

K. P. KHANDELWAL *Whole-time Director*

A. DOSHI *Chief Financial Officer*

S. SHAH *Company Secretary*



## CASH FLOW STATEMENT for the year ended 31st March, 2015

	For the year ended 31st March, 2015	(Amount in ₹ Lacs) For the year ended 31st March, 2014
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit Before Tax & Extraordinary items	243	1875
Amount written off against Leasehold Land *	—	—
Wealth Tax Provision	1	1
Finance Cost	754	781
Depreciation	1018	1192
Interest Received	(10)	(13)
Rent Received	(3)	(39)
Dividend Received	—	(51)
Profit on Fixed Assets sold/discharged (Net)	(69)	(40)
Net Loss/(Gain) on sale of Investments	(61)	19
<b>Operating Profit/ (Loss) before Working Capital Changes</b>	<b>1873</b>	<b>3725</b>
ADJUSTMENT FOR :		
Decrease/ (Increase) in Trade Receivables	385	(299)
Decrease/(Increase) in other Current /Non-Current Assets	108	(322)
Decrease/ (Increase) in Inventories	1174	(552)
Increase in Trade Payables	437	228
(Decrease) /Increase in Other Current/Non-Current Liabilities	(380)	449
<b>Cash Generated from Operations</b>	<b>3597</b>	<b>3229</b>
Income Tax Paid (Net)	(80)	(422)
<b>Net Cash Flow from Operating Activities</b>	<b>3517</b>	<b>2807</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(1576)	(823)
Sale of Fixed Assets	278	96
Purchase of Investments	(735)	(2365)
Sale of Investments	1024	1608
Interest Received	10	13
Rent Received	3	39
Dividend Received	—	51
<b>Net Cash used in Investing Activities</b>	<b>(996)</b>	<b>(1381)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
(Decrease)/Increase in Short Term Borrowings from Banks	(1296)	539
Decrease in Long Term Borrowings	(204)	(1538)
Finance Cost	(754)	(781)
Dividend Paid	(180)	(90)
Dividend Distribution Tax paid	(31)	(15)
<b>Net Cash used in Financing Activities</b>	<b>(2465)</b>	<b>(1885)</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>56</b>	<b>(459)</b>
<b>Cash and Cash Equivalents at the beginning of the year</b>	<b>45</b>	<b>504</b>
<b>Cash and Cash Equivalents at the end of the year</b>	<b>101</b>	<b>45</b>

\* Below rounding off norms adopted by the Company

Notes:

1. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard 3 - on Cash Flow Statement referred to in the Companies (Accounts) Rules, 2014.
2. Cash and Cash Equivalents includes other bank balances also.
3. Previous Year's figures have been re-grouped/re-arranged wherever necessary.

As per our report of even date.

For JAIN & CO.

*Chartered Accountants*

Firm Registration No.302023E

CA M. K. JAIN

*Partner*

(Membership No. 055048)

P-21/22, Radhabazar Street

Kolkata 700 001

Dated : 8th day of May, 2015

A. KANORIA *Managing Director*

K. P. KHANDELWAL *Whole-time Director*

A. DOSHI *Chief Financial Officer*

S. SHAH *Company Secretary*



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	As at 31st March, 2015	(Amount in ₹ Lacs)	As at 31st March, 2014
<b>NOTE NO. "1"</b>			
<b>SHARE CAPITAL</b>			
<b>a) Details of Authorised, Issued, Subscribed and Fully Paid up Shares</b>			
<b>Authorised</b>			
1,50,00,000 (Previous Year 1,50,00,000) Equity Shares of ₹ 10/- each	<b>1500</b>	1500	
5,00,000 (Previous Year 5,00,000) Redeemable Preference Shares of ₹ 100/- each	<b>500</b>	500	
	<b>2000</b>	2000	
<b>Issued, Subscribed and Fully Paid up</b>			
90,05,985 (Previous Year 90,05,985) Equity Shares of ₹ 10/- each fully paid up	<b>901</b>	901	
Add : Amount received on Forfeited Shares*	—	—	
* Below rounding off norms adopted by the Company	<b>901</b>	901	
<b>b) Reconciliation of Paid up Share Capital</b>			
	<b>2014-2015</b>	<b>2013-2014</b>	
<b>Equity Share Capital</b>	<b>No. of shares</b>	<b>Amount</b>	<b>No. of shares</b>
Equity Shares of ₹ 10/- each outstanding at the beginning of the year	<b>90,05,985</b>	<b>901</b>	90,05,985
Equity Shares of ₹ 10/- each outstanding at the end of the year	<b>90,05,985</b>	<b>901</b>	90,05,985
<b>c) Shares held by Shareholders holding more than 5% Shares of the Company</b>			
	<b>As at 31.03.2015</b>	<b>As at 31.03.2014</b>	
<b>Name of the Shareholders</b>	<b>No. of Shares held</b>	<b>%</b>	<b>No. of Shares held</b>
M/s Samrat Industrial Resources Limited	<b>20,83,518</b>	<b>23.13</b>	20,83,518
M/s Rydak Enterprises & Investment Limited	<b>18,06,720</b>	<b>20.06</b>	18,06,720
M/s Eskay Udyog Limited	<b>11,70,632</b>	<b>13.00</b>	11,70,632
Mr. Adarsh Kanoria	<b>5,36,137</b>	<b>5.95</b>	5,36,137
<b>d) Rights, Preferences and Restrictions attached to Shares</b>			
<b>Equity Shares :</b>			
The Company has one class of shares referred to as equity shares having a par value of ₹ 10 each. Each shareholder is entitled to one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.			
<b>Dividend :</b>			
The Board has recommended a Dividend of ₹ 0.50/- per Equity Share on the face value of ₹ 10/- each being 5% for the year ended 31st March, 2015.			
<b>NOTE NO. "2"</b>	<b>As at 31st March, 2015</b>	<b>As at 31st March, 2014</b>	
<b>RESERVES AND SURPLUS</b>			
<b>Securities Premium Reserve</b>	<b>301</b>	301	
<b>Revaluation Reserve</b>			
Opening Balance	<b>414</b>	428	
Add : Due to Revaluation of Land [Refer Note no. 11(a)]	<b>7515</b>	—	
(Less): Due to change in Depreciation Method [Refer Note no. 30(P)]	<b>(20)</b>	—	
(Less): Transfer to Surplus in Statement of Profit & Loss due to change in Depreciation Method as on 01.04.2014 [Refer Note no.30(P)]	<b>(10)</b>	—	
(Less): Adjustment for depreciation on revalued assets	<b>(3)</b>	12	
Less: Adjustment on sale of assets *	—	2	414
<b>General Reserve</b>			
Opening Balance	<b>2826</b>	2724	
Transferred From surplus in Statement of Profit & Loss	—	100	
Transferred From Revaluation Reserve *	—	2	2826
Carried Forward	<b>11023</b>	3541	



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

(Amount in ₹ Lacs)

<b>NOTE NO. "2"</b> <b>RESERVES AND SURPLUS (Contd.)</b>	Brought Forward	<b>As at</b>	<b>As at</b>
		<u>31st March, 2015</u>	<u>31st March, 2014</u>
<b>Surplus in Statement of Profit &amp; Loss</b>		<b>11023</b>	3541
Opening Balance	<b>2216</b>	1274	
Profit for the year after Tax	<b>194</b>	1253	
Add : Transfer from Revaluation Reserve	<b>10</b>	—	
Less : Adjustment in Value of Fixed Assets due to implementation of New depreciation method [Refer Note no. 30(P)]	<b>(54)</b>	—	
Transfer to General Reserve	—	(100)	
Proposed Dividend	<b>(45)</b>	(180)	
Tax on Proposed Dividend	<b>(9)</b>	<b>2312</b>	<b>2216</b>
		<b>13335</b>	<b>5757</b>

\* Below rounding off norms adopted by the Company

<b>NOTE NO. "3"</b> <b>LONG TERM BORROWINGS</b>	<b>Secured</b>	<b>As at</b>	<b>As at</b>
		<u>31st March, 2015</u>	<u>31st March, 2014</u>
Term Loans :			
From Banks		<b>3518</b>	3722
(excluding payable within one year)		<b>3518</b>	<b>3722</b>

### a) Nature of Security

Term Loans from Banks are secured by:

- i) First charge over all immovable properties both present and future ranking pari passu inter se and hypothecation of all movable properties both present and future (save and except book debts) including movable machinery, machinery spares, tools and accessories subject to prior charge created and/ or to be created in favour of Company's bankers for working capital facilities;
- ii) Additionally secured by the Company's bungalow situated at Asarwa House, Dr. Balwantrai Mehta Marg, Shahibaug, Ahmedabad;
- iii) Loans are guaranteed by the Managing Director.

### b) Terms of Repayment

Particulars	Amount (₹ in lakhs)	Moratorium Period	Terms of Repayment	Rate of Interest (%)*	Commence- ment Date
<b>Secured Term Loans</b>					
IDBI Rupee Term Loan	194	2 Years	32 quarterly installments of varying amount	12.75	01.01.2008
IDBI Rupee Term Loan	473	18 Months	32 quarterly installments of varying amount	14.75	01.04.2009
IDBI Rupee Term Loan	860	2 Years	32 quarterly installments of varying amount	13.25	23.03.2013
IDBI Rupee Term Loan	1,550	2 Years	20 quarterly installments of varying amount	13.25	14.03.2014
SBI Rupee Term Loan	143	2 Years	32 quarterly installments of varying amount	13.65	31.03.2008
SBI Rupee Term Loan	192	18 Months	32 quarterly installments of varying amount	13.65	31.03.2009
SBI Rupee Term Loan	879	6 Months	24 quarterly installments of varying amount	12.95	31.03.2015
BOI Rupee Term Loan	20	2 Years	32 quarterly installments of varying amount	13.85	31.03.2008
BOI Rupee Term Loan	230	18 Months	32 quarterly installments of varying amount	13.85	31.03.2009
BOI Corporate Loan	60	6 Months	10 quarterly installments of varying amount	14.05	14.02.2013

\* as per the Bank Rate prevailing at the closing of the financial year.



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

(Amount in ₹ Lacs)

	As at 31st March, 2015	As at 31st March, 2014
--	---------------------------	---------------------------

**NOTE NO. "4"****DEFERRED TAX LIABILITIES (NET) \*****Deferred Tax Liabilities being the Tax impact on -**

- (i) Difference of Written Down Value of Fixed Assets as per Income Tax Laws & Books

**Total****830****834****830****834****Deferred Tax Assets being the Tax impact on -**

- (i) Unabsorbed Depreciation/Losses Carried Forward as per Income Tax Laws

**213****225**

- (ii) Expenses charged in books but allowance thereof deferred under Income Tax Laws

**63****51****Total****276****276****276****276****Net Deferred Tax Liability**

\* Deferred Tax liabilities and assets have been calculated in accordance with AS-22 as notified by the Companies (Accounts) Rules, 2014.

	As at 31st March, 2015	As at 31st March, 2014
--	---------------------------	---------------------------

**NOTE NO. "5"****OTHER LONG TERM LIABILITIES****Other Payables**

Security Deposits

**5****4****5****4****NOTE NO. "6"****LONG TERM PROVISIONS****Provision for Employee Benefits**

For Gratuity

**13****—**

For Leave Encashment

**93****79****106****79****NOTE NO. "7"****SHORT TERM BORROWINGS****Secured****Loans repayable on demand**

From Banks

**2124****3420****2124****3420****Nature of Security**

(A) Out of Loans repayable on demand of ₹ 2124 lacs (Previous year ₹ 3420 Lacs) amount of ₹ 1691 lacs (Previous Year ₹ 3046 lacs) from Banks are secured by

- (i) First charge over all tangible assets including movable machinery, stock-in-trade, stores, book debts etc;
- (ii) Additionally secured by Company's Bungalow situated at Asarwa House, Dr Balwantrai Mehta Marg, Shahibaug, Ahmedabad.

(B) Balance amount of Loans repayable on demand of ₹ 433 lacs (Previous Year ₹ 374 lacs) from Bank is secured against hypothecation of green tea leaves, before and after plucking, tea in process, finished tea in stock/in-transit and /or lying with brokers/ agents, book debts (present and future), first charge over all current assets of the Tea Division (both present and future) and equitable mortgage of immovable properties and machineries of Tea Estates as additional security.

(C) All Loans are guaranteed by the Managing Director.

	As at 31st March, 2015	As at 31st March, 2014
--	---------------------------	---------------------------

**NOTE NO. "8"****TRADE PAYABLES**

i) Due to MSME Enterprises \*

**5**

ii) Others

**1321****1326****1326****—****889****889**

\* Based on information so far available with the Company in respect of MSME (as defined in 'The Micro, Small and Medium Enterprise Development Act, 2006'), there are no delays in payment of dues to such enterprises during the year. Further no interest has been paid/payable to such enterprises.



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

(Amount in ₹ Lacs)

<b>NOTE NO. "9"</b> <b>OTHER CURRENT LIABILITIES</b>	<u>As at 31st March, 2015</u>		<u>As at 31st March, 2014</u>	
	1083	—	1538	—
(i) Current maturities of Long Term Debt - Secured *	1083	—	1538	—
(ii) Current maturities of Long Term Debt - Unsecured	—	—	—	—
(iii) Unpaid Dividend Account**	22	—	18	—
(iv) Other Payables				
(a) Statutory Dues	44	—	40	—
(b) Payable in respect of Capital Goods	—	—	10	—
(c) Advance from Customers	49	—	13	—
(d) Payable to Employees	301	—	295	—
(e) Others	78	472	116	474
		<u>1577</u>	<u>2030</u>	

\* For nature of security refer Note No. 3

\*\* There are no amounts due for payment to Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at the year end.

<b>NOTE NO. "10"</b> <b>SHORT TERM PROVISIONS</b>	<u>As at 31st March, 2015</u>		<u>As at 31st March, 2014</u>	
	109	—	64	—
(i) Provision for Employee Benefits	—	—	—	—
(ii) Other Provisions				
For Proposed Dividend	45	—	180	—
For Tax on Proposed Dividend	9	—	31	—
	<u>163</u>		<u>275</u>	

### NOTE NO. "11"

#### FIXED ASSETS - TANGIBLE ASSETS

(Amount in ₹ Lacs)

PARTICULARS	GROSS BLOCK					DEPRECIATION					NET BLOCK	
	As at 01.04.2014	Additions (Note-b)	Adjustments (Note-c)	Disposals (Note-c)	As at 31.03.2015	Upto 01.04.2014	For the Year	Adjustments	Sales/ Adjustments	Upto 31.03.2015	As at 31.03.2015	As at 31.03.2014
Land Leasehold (Note- a)	19	1651	—	1670	—	—	—	—	—	—	—	19
<b>Own Assets</b>												
Land Freehold (Note- a)	4	5902	—	—	5906	—	—	—	—	—	5906	4
Land & Plantation	428	—	—	—	428	—	—	—	—	—	428	428
Building & Water												
Supply Installations	3442	353	—	267	3528	821	114	15	138	812	2716	2621
Plant & Equipment	12494	1262	33	603	13186	6639	972	1	526	7086	6100	5855
Furniture & Fixtures	328	5	—	4	329	197	27	(27)	14	183	146	131
Vehicles	275	46	—	40	281	169	33	(16)	57	129	152	106
Office Equipments	14	2	—	—	16	10	1	1	—	12	4	4
Total	17004	9221	33	2584	23674	7836	1147	(26)	735	8222	15452	9168
Previous Year	16729	662	—	387	17004	6966	1202	—	332	7836	9168	

a) Additions include revaluation of Land at Dholka Unit under Textile Division by ₹ 1613 Lacs and Land at Kolkata by ₹ 5902 Lacs.

b) Adjustment in gross block includes amount of ₹ 33 (Previous year ₹ Nil Lacs) as borrowing cost capitalised during the year.

c) Amount of Disposal includes Subsidy received during the year ₹ 36 Lacs (Previous year ₹ 23 Lacs) and amount of Leasehold Land amortized during the year which is below rounding off norms adopted by the Company.



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

**NOTE NO. "12"**

(Amount in ₹ Lacs)

### FIXED ASSETS - INTANGIBLE ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK			
	As at 01.04.2014	Additions	Other Adjustments	Disposals	As at 31.03.2015	Upto 01.04.2014	For the Year	Other Adjustments	Sales/ Adjustments	As at 31.03.2015	As at 31.03.2014	
<b>Own Assets</b>												
Computer Software	13	6	—	—	19	8	4	—	—	12	7	5
	13	6	—	—	19	8	4	—	—	12	7	5
Previous Year	13	—	—	—	13	6	2	—	—	8	5	

**NOTE NO. "13"**

### NON-CURRENT INVESTMENTS

#### Other than Trade

##### Investments in Equity Instruments (Unquoted - at Cost)

	Face Value ₹	As at 31st March, 2015		As at 31st March, 2014	
		Number	Amount	Number	Amount
In Fully Paid up Equity Shares :					
<b>Investments in Associates</b>					
AKV Textiles Limited	10/-	—	—	1960000	196
<b>Total Non-current Investment</b>			—		196
Aggregate amount of unquoted investments			—		196
<b>Disclosure as per AS-13</b>			—		196
Long Term Investments			—		196

**NOTE NO. "14"**

### LONG TERM LOANS AND ADVANCES

(Unsecured, considered good unless otherwise stated)

Capital Advances	11	50
Security Deposits	32	31
CENVAT Credit realizable from Excise Dept.	21	20
MAT Credit Entitlement	772	772

**As at  
31st March, 2015**

**As at  
31st March, 2014**

**NOTE NO. "15"**

### CURRENT INVESTMENTS : UNQUOTED

#### Investments in Mutual Funds

(Valued at Cost or Market Value whichever is lower)

	Face Value ₹	As at 31st March, 2015		As at 31st March, 2014	
		Units	Amount	Units	Amount
Reliance Money Manager Fund - Direct Growth Plan- -Growth Option-LPAG	1000/-	10,768.053	204	14,545.883	235
HDFC High Interest Fund-Dynamic Plan-Growth	10/-	248,018.048	100	248,018.048	100
Birla Sunlife Savings Fund-Growth	100/-	—	—	44,599.790	100
Birla Sunlife FTP-Series-HL-366D Growth	10/-	—	—	250,000.000	25
UTI-Fixed Term Income Fund-Series-XVI-I (366 Days)-Direct Growth Plan	10/-	—	—	250,000.000	25
Sundaram Fixed Term Plan-DR-366 DAYS Direct Growth	10/-	—	—	400,000.000	40
JM Money Manager Fund Super Plan-Growth (170)	10/-	—	—	103,140.060	17
Reliance Liquid Fund -Treasury Plan- Direct - Growth Option -LFAG	1000/-	6,290.953	206	—	—
<b>Total Current Investments - Unquoted</b>			510		542
Aggregate amount of unquoted investments			510		542



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

	As at 31st March, 2015	(Amount in ₹ Lacs)	As at 31st March, 2014
<b>NOTE NO. "16"</b>			
<b>INVENTORIES</b>			
<b>Raw Materials</b>			
Cotton	846	1771	
Polyester Fibre	26	7	
Filament Yarn	1	2	
Cotton Yarn	<u>33</u>	<u>906</u>	<u>23</u>
Stores & Spares	444	471	
Stores in Transit	<u>22</u>		4
<b>Work in Progress</b>			
Cloth	398	508	
Yarn	<u>355</u>	<u>753</u>	<u>388</u>
<b>Manufactured Goods</b>			
Cloth	67	—	
Yarn	266	370	
Black Tea	<u>174</u>	<u>507</u>	<u>215</u>
<b>Stock in Trade</b>			
Black Tea*	—	—	
Land [Refer Note No. 30(O)]	1670	—	
Waste	<u>37</u>	<u>4339</u>	<u>84</u>
			3843

\* Below rounding off norms adopted by the Company

**For mode of Valuation refer Note No 30A(g)**

### NOTE NO. "17"

#### TRADE RECEIVABLES (Unsecured)

Outstanding for a period exceeding six months from the date they are due for payment

Considered Good*	—	—	
Considered Doubtful	—	—	
Less: Provision made for Doubtful Debts	—	—	
Others - Considered Good	<u>1082</u>	<u>1082</u>	<u>1467</u>

\*Below rounding off norms adopted by the Company

### NOTE NO. "18"

#### CASH & BANK BALANCES

##### Cash and Cash Equivalents

Cash and Postage in hand	11	6	
Balances with Banks			
In Current Accounts	<u>90</u>	<u>101</u>	<u>39</u>
Other bank balances			45
In Fixed Deposit held as Margin Money			
Under lien with Bank against Loans	—	10	
Under lien with Bank against Bank Gurantee	<u>28</u>	28	
Under lien with Bank against Letter of Credit	—	13	
Lodged with Court for ESI Case	<u>2</u>	<u>30</u>	<u>2</u>
In Unpaid Dividend Account	<u>21</u>		53
	<u>152</u>		18
Bank deposits due to mature after 12 months of the reporting date	<u>2</u>		116
			38



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

	As at 31st March, 2015	(Amount in ₹ Lacs) As at 31st March, 2014
<b>NOTE NO. "19"</b>		
<b>SHORT TERM LOANS &amp; ADVANCES</b>		
<b>(Unsecured, considered Good, unless otherwise stated)</b>		
Advance with Income Tax Authorities (Net of Provision)	63	39
Deposits with NABARD under Tea Development Scheme	41	19
Prepaid Expenses	26	26
Advances recoverable in Cash or in Kind or for value to be received		
- From Employees (Considered Good)	14	—
- From Others (Considered Good)	902	878
- From Others (Considered Doubtful) *	—	—
Less : Provision made for Doubtful Advances *	<u>—</u>	<u>—</u>
	<u>916</u>	<u>878</u>
	<u>1046</u>	<u>962</u>

\* Below rounding off norms adopted by the Company

### NOTE NO. "20"

#### OTHER CURRENT ASSETS

(i) Interest Accrued but not due	9	6
(ii) Export Incentives Receivables	25	24
(iii) Subsidy Receivable	151	150
(iv) Insurance Claim Receivable	<u>—</u>	<u>116</u>
	<u>185</u>	<u>296</u>

### NOTE NO. "21"

#### REVENUE FROM OPERATIONS

##### Sale of Products

###### Manufactured Goods

Black Tea	4143	4034
Cloth	7008	8024
Yarn	7706	10610
Knitted Fabric	<u>1291</u>	<u>20148</u>
	<u>20148</u>	<u>260</u>
		22928

###### Traded Goods

Cloth	—	4
Black Tea	63	62
Waste	<u>1326</u>	<u>1530</u>
	<u>21537</u>	<u>24524</u>

###### Revenue from Sale of Products

###### Other Operating Revenues :

Job Work Charges	703	684
Export Incentives	65	54
Profit on Tea Seed (Net)	5	5
	<u>773</u>	<u>743</u>
<b>Total Revenue from Operations</b>	<b><u>22310</u></b>	<b><u>25267</u></b>

**Figures for the  
Current Year**

**Figures for the  
Previous Year**



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

NOTE NO. "22"	Figures for the Current Year		(Amount in ₹ Lacs)	
			Figures for the Previous Year	
<b>OTHER INCOME</b>				
<b>Interest</b>				
On Current Investments	<b>10</b>		<b>11</b>	
On Non-Current Investments	—	<b>10</b>	2	13
<b>Net Gain/(Loss) on Sale of Investments</b>			(19)	
On Non-Current Investments	—		(19)	
On Current Investments	<b>61</b>	<b>61</b>	—	(19)
<b>Other Non-operating Income</b>				
Rent	<b>3</b>		39	
Profit on Fixed Assets Sold (Net)	<b>69</b>		40	
Net Gain/(Loss) on Foreign Currency Transactions	<b>14</b>		(64)	
Dividend	—		51	
Value Added Tax Refund	<b>170</b>		20	
Insurance Claim	—		99	
Sundry Balances Written Off (Net)	<b>2</b>		1	
Sale of Scrap	<b>78</b>		94	
Others	<b>6</b>	<b>342</b>	26	306
		<b>413</b>		300
<b>NOTE NO. "23"</b>				
<b>COST OF MATERIALS CONSUMED</b>				
Cotton, Polyester, Filament Yarn and Staple Fibre				
Stock at Commencement	<b>1803</b>		1929	
Purchases	<b>9383</b>		12379	
	<b>11186</b>	<b>10280</b>	14308	
Less : Stock at Close	<b>906</b>	<b>914</b>	1803	12505
Purchase of Green Tea Leaves				811
		<b>11194</b>		13316
<b>a) Raw Material Consumed</b>				
Cotton		<b>9081</b>		10216
Polyester Fibre		<b>595</b>		789
Staple Fibre, Polyester, Filament Yarn etc.		<b>397</b>		1121
Others		<b>207</b>		379
Purchase of Green Tea Leaves		<b>914</b>		811
		<b>11194</b>		13316
<b>b) Value of imported and indigenous materials consumed</b>				
	RAW MATERIALS		SPARE PARTS & COMPONENTS	
	31.03.2015		31.03.2015	
	₹	%	₹	%
Imported	—	—	56	21
Indigenous	<b>11194</b>	<b>100</b>	<b>206</b>	<b>79</b>
	<b>11194</b>	<b>100</b>	<b>262</b>	<b>100</b>

### NOTE NO. "24"

#### PURCHASE OF STOCK-IN-TRADE

	Figures for the Current Year		Figures for the Previous Year	
Black Tea		<b>39</b>		36
Cloth		—	7	
		<b>39</b>		43



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

	<u>Figures for the Current Year</u>	<i>(Amount in ₹ Lacs)</i>	<u>Figures for the Previous Year</u>
<b>NOTE NO. "25"</b>			
<b>CHANGE IN INVENTORIES OF FINISHED GOODS</b>			
<b>WORK-IN-PROGRESS AND STOCK-IN-TRADE</b>			
<b>Stock at the end of the year</b>			
<b>Manufactured Goods</b>			
Cloth	67	—	
Yarn	266	370	
Black Tea	<u>174</u>	<u>215</u>	585
<b>Work-in-Progress</b>			
Cloth	398	508	
Yarn	<u>355</u>	<u>388</u>	896
<b>Stock-in-Trade</b>			
Black Tea*	—	—	
Waste	<u>37</u>	<u>84</u>	1565
<b>Stock at the Beginning of the year</b>			
<b>Manufactured Goods</b>			
Cloth	—	52	
Yarn	<u>370</u>	<u>165</u>	
Black Tea	<u>215</u>	<u>96</u>	313
<b>Work-in-Progress</b>			
Cloth	508	182	
Yarn	<u>388</u>	<u>358</u>	540
<b>Stock-in-Trade</b>			
Black Tea*	—	—	
Waste	<u>84</u>	<u>57</u>	910
<b>Increase/(Decrease) in Stocks</b>	<u>268</u>	<u>(655)</u>	
* Below rounding off norms adopted by the Company			
<b>NOTE NO. "26"</b>			
<b>EMPLOYEE BENEFITS EXPENSE</b>			
Salaries and Wages	2460	2404	
Contribution to Provident and Other Funds	396	285	
Staff Welfare Expenses	<u>147</u>	<u>185</u>	2874
	<u>3003</u>		
<b>NOTE NO. "27"</b>			
<b>FINANCE COSTS</b>			
Interest Expense	706	745	
Other Borrowing Costs	<u>48</u>	<u>36</u>	781
	<u>754</u>		
<b>NOTE NO. "28"</b>			
<b>DEPRECIATION AND AMORTIZATION EXPENSES</b>			
Depreciation on Tangible Assets	1147	1202	
Amortization of Intangible Assets	4	2	
Amortization of Leasehold Land*	—	—	
Less : Depreciation for earlier years Written Back [Refer Note No. 30(P)]	<u>(130)</u>	<u>—</u>	—
	<u>1021</u>	<u>1204</u>	

\* Below rounding off norms adopted by the Company



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

(Amount in ₹ Lacs)

	Figures for the Current Year		Figures for the Previous Year
<b>NOTE NO. "29"</b>			
<b>OTHER EXPENSES</b>			
Consumption of Stores & Spares	<b>1440</b>		1636
Processing Charges	<b>104</b>		84
Power & Fuel	<b>2976</b>		2689
Rent	3		9
Repairs to Building	35		28
Repairs to Machinery	<b>295</b>		382
Repairs to other Assets	<b>11</b>		11
Insurance Charges	39		22
Rates & Taxes	<b>87</b>		66
Audit Fees			
a) Statutory & Branch Auditors :			
- As Auditors {including ₹ 2 lacs (Previous Year ₹ 2 lacs) to Branch Auditors}	3		3
- For Other Matters (including reimbursement of expenses)	<u>3</u>	6	<u>2</u>
b) Cost Auditors :			
- Cost Audit Fees	<b>1</b>		1
Brokerage, Commission & Discount	<b>312</b>		320
Selling & Distribution Expenses	<b>224</b>		216
Miscellaneous Expenses	<b>661</b>		661
	<b>6194</b>		<b>6130</b>

### NOTE NO. "30"

### SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES TO FINANCIAL STATEMENTS

#### (A) SIGNIFICANT ACCOUNTING POLICIES

##### a) Basis of Preparation

- i) The financial statements have been prepared to comply in all materials respects with the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts ) Rules, 2014 (as amended) and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared under historical cost convention on an accrual basis, other than certain fixed assets which are stated at revalued amount. Except otherwise mentioned, the accounting policies applied by the Company are consistent with those used in the previous year.

##### b) Revenue Recognition

- i) Sale is recognised on despatch of goods to the customers.
- ii) Export sales are accounted on the basis of dates of Bill of Lading.
- iii) Export incentives are accounted for in the year of export.
- iv) Insurance and other claims to the extent considered recoverable are accounted for in the year of claim.
- v) Interest is recognized on a time of proportion basis taking into account amount outstanding and the rate applicable.
- vi) Other items of Income are accounted as and when the right to receive arises.

##### c) Fixed Assets

###### Tangible

- (i) Leasehold Land :  
Premium on leasehold land is amortised over the period of lease.
- (ii) Fixed assets other than revalued are stated at cost of acquisition or construction and net of subsidy/cenvat less accumulated depreciation/amortization/impairment, if any.
- (iii) Depreciation :

###### Tangible

Depreciation on additions/deletions for Tangible Fixed Assets are charged under Straight Line Method (SLM) according to the useful life specified in Schedule II of the Companies Act, 2013 in terms of Section 123 of the Act, on pro-rata basis .

Depreciation on Tangible Fixed Assets is being provided on Straight Line Method basis as per useful lives specified in Schedule II of the Companies Act, 2013.



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

(Amount in ₹ Lacs)

### SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES TO FINANCIAL STATEMENTS (Contd.)

In respect of revalued assets, the difference of depreciation, between Net Asset Value and revalued amount, has been charged to Revaluation Reserve.

#### **Intangible**

- (i) Cost of Software is capitalised and where it is expected to provide future enduring economic benefits. Capitalisation includes license fees and cost of implementation/system integration services. The costs are capitalised in the year in which the relevant software is implemented for use. Expenses incurred on upgradation/enhancement is charged off as revenue expenditure unless they bring similar significant additional benefits.

Depreciation :

- (ii) Capitalised software costs is amortised on straight line basis over a period of five years as per Accounting Standard -26 as notified by Companies (Accounts) Rules, 2014 (as amended).

#### **d) Impairment of Fixed Assets**

The carrying amount of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An impairment loss will be recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is greater of the asset net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to the present value by using weighted average cost of capital.

#### **e) Government Grants**

Capital Grants relating to specific assets are reduced from the gross value of the fixed assets. Other revenue grants are credited to Profit & Loss Statement or deducted from the related expenses.

#### **f) Investments**

Non-current investments are stated at cost and where applicable, provision is made in case of permanent diminution in value of investments. Current investments are stated at lower of cost or market value.

#### **g) Inventories**

- i) Raw Materials are valued at cost or net realisable value, whichever is lower, at Textile Division and at net realisable value in Tea Division. Cost is arrived at on the basis of cost of respective lots remaining in stock and related expenses.
- ii) Stores, Coal, etc. are valued at cost. Costs of stores is arrived at on F.I.F.O. basis in Textile Division except coal which is valued on monthly average basis. At Tea Division, all stores are valued on monthly average basis.
- iii) Materials-in-Process is valued at cost on absorption basis or net realisable value, whichever is lower.
- iv) Yarn is valued at cost on absorption basis or net realisable value whichever is lower including excise duty.
- v) Cloth is valued at cost on absorption basis or net realisable value whichever is lower including excise duty.
- vi) Finished Tea is valued at net realisable value.
- vii) Waste is valued at estimated realisable value.
- viii) Materials-in-Transit is valued at cost to date of the Balance Sheet.
- ix) Land planned for development is converted into Stock-in-Trade at Fair Market Value (Cost) as at the date of conversion and is valued at lower of Fair Market Value (Cost) and Net Realisable Value at the year end.

#### **h) Borrowing Cost**

Interest and other costs in connection with the borrowing of the funds to the extent related/attributed to the acquisition/construction of qualifying fixed assets are capitalised upto the date when such assets are ready for its intended use and all other borrowing costs are recognised as an expense in period for which they are incurred, unless otherwise stated.

#### **i) Exchange Fluctuation**

Transactions denominated in foreign currency are normally recorded at the exchange rate prevailing at the time of transaction.

The foreign currency monetary items consisting of loans, trade receivables, and payable at the end of the year have been restated at the rate prevailing at the Balance Sheet date. The difference arising as a result has been accounted as income/expense as per the Accounting Standard 11 (Revised 2003) on "Accounting for the Effects of Changes in Foreign Exchange Rates."

The premium or discount arising at the inception of the forward exchange contracts is amortised as expense or income over the life of the contracts.

Realised gain or loss on cancellation of forward exchange contracts are recognized in the Statement of Profit and Loss of the period in which they are cancelled.

Forward Contracts remaining unsettled at the Balance Sheet date are revalued at the closing rate and exchange difference arising on such revaluation is charged to the Statement of Profit and Loss.



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

**NOTE NO. "30" (Contd.)**

(Amount in ₹ Lacs)

**SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES TO FINANCIAL STATEMENTS (Contd.)**

### j) Employee Benefits

#### i) Defined Contribution Plans :

The Company has defined benefit contribution plans in the form of Provident Fund, Superannuation Fund, EDLI, ESIC and Labour Welfare Fund and the contributions are charged to the Profit & Loss Statement of the year when the contributions to the respective funds are due. There are no other obligations other than contribution payable to the respective funds.

#### ii) Defined Benefit Plans :

The Company has defined benefit plans namely Leave Encashment/Compensated Absence and Gratuity for Employees, the liability for which is determined on the basis of actuarial valuation at the end of the year. Gains and losses arising out of actuarial valuation are recognised immediately in the Profit and Loss Statement as income or expense.

#### iii) Other Defined Benefits :

Provision for other defined benefit for long term leave encashment is made based on an independent actuarial valuation on projected unit credit method at the end of each financial year. Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss as income or expenses. Company recognises the undiscounted amount of short term employee benefits during the accounting period based on service rendered by the employee.

### k) Provisions, Contingent Liabilities and Contingent Assets

Provisions involving a substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised but are disclosed in the financial statements by way of a note. Contingent assets are neither recognised nor disclosed in the financial statements.

### l) Taxes on Income

#### i) Current tax represents the amount computed as per prevailing taxation laws.

#### ii) Deferred Tax is recognised subject to consideration of prudence on timing difference being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred Tax Assets have been recognized where there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

## OTHER NOTES TO THE FINANCIAL STATEMENTS

	<u>Figures for the Current Year</u>	<u>Figures for the Previous Year</u>
<b>(B) Contingent Liabilities not provided for :</b>		
(a) Claims against the Company not acknowledged as debts	71	71
(b) Bills Discounted	42	127
(c) Guarantees given by Company's Banker	147	174
(d) Disputed Sales Tax Demands including interest and penalty under appeal	1	30
(e) Disputed Service Tax / Excise Matters *	—*	—
* Below rounding off norms adopted by the Company.		
It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolutions of the respective proceedings.		
<b>(C) Capital and Other Commitments</b>		
Capital Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	<u>15</u>	<u>481</u>
	<u>15</u>	<u>481</u>
<b>(D) Value of Imports on C.I.F. Basis</b>		
Spare Parts	<u>281</u>	<u>116</u>
	<u>281</u>	<u>116</u>



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

**NOTE NO. "30" (Contd.)**

### SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES TO FINANCIAL STATEMENTS (Contd.)

(Amount in ₹ Lacs)

	Figures for the Current Year	Figures for the Previous Year
<b>(E) Expenditure in Foreign Currency</b>		
Travelling Expenses	34	39
Bank Charges	6	5
Commission on Sales	23	15
Others	<u>4</u>	<u>6</u>
	<u>67</u>	<u>65</u>
<b>(F) Earnings in Foreign Currency</b>		
<b>F.O.B. Value of Exports</b>		
Direct	2101	1664
Through Export House	<u>1834</u>	<u>2467</u>
	<u>3935</u>	<u>4131</u>

### (G) Disclosure pursuant to Accounting Standard - 15 ( Revised ) "Employee Benefits" :

#### a. Defined Contribution Plans :

Amount of ₹ 272 Lacs (Previous Year ₹ 296 Lacs) is recognised as expense and included in "Employee Benefits Expense" in Note-26.

#### b. Defined Benefit Plans :

Defined Benefit Obligation

i. Reconciliation of opening and closing balances of Present Value of the Defined Benefit Obligation :

	Gratuity	
	2014-2015	2013-2014
a. Present Value of Defined Benefit Obligation at the beginning of the year	1052	945
b. Interest Cost	94	77
c. Current Service Cost	51	44
d. Actuarial Gains / (Losses)	115	32
e. Benefits Paid	(143)	(46)
f. Present Value of Defined Benefit Obligation at the close of the year	<b>1169</b>	1052

ii. Changes in the fair value of Plan Assets and the reconciliation thereof :

	Gratuity	
	2014-2015	2013-2014
a. Fair value of Plan Assets at the beginning of the year	1062	971
b. Add : Expected return on Plan Assets	92	84
c. (Less)/Add : Actuarial (Losses) / Gain	(4)	(4)
d. Add : Contributions	74	57
e. Less : Benefits Paid	(143)	(46)
f. Fair value of Plan Assets at the close of the year	<b>1081</b>	1062
Actual Return on Plan Assets	<b>88</b>	80

iii. Amount Recognised in the Balance Sheet including a reconciliation of the present value of the defined obligation in (i) and the fair value of the plan asset in (ii) to assets and liabilities recognised in the Balance Sheet :

	Gratuity	
	2014-2015	2013-2014
a. Present Value of Defined Benefit Obligation	1169	1052
b. Less: Fair value of Plan Assets	1081	1062
c. Present Value of unfunded Obligation	88	(10)
d. Net Liabilities / (Asset) recognised in the Balance Sheet	<b>88</b>	<b>(10)</b>



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

### NOTE NO. "30"(Contd.)

(Amount in ₹ Lacs)

iv. Amount recognised in the Profit and Loss Statement are as follows :

	Gratuity	
	2014-2015	2013-2014
a. Current Service Cost	51	44
b. Interest Cost	94	77
c. Expected return on Plan Assets	(92)	(84)
d. Actuarial (Gains)/Loss	119	36
e. Past Service Costs	—	—
f. Effect of curtailment / settlement	—	—
g. Adjustments for earlier years	—	—
Recognised in the Profit and Loss Account	172	73

v. Broad Categories of Plan Assets as a percentage of Total Assets :

	Gratuity			
	31.03.2015		31.03.2014	
	Tea	Textile	Tea	Textile
a. Government of India/ State Government Securities	N. A.	47.00%	N. A.	49.00%
b. Public Sector Bonds	N. A.	52.00%	N. A.	50.00%
c. Fixed Deposit under Special Deposit Scheme	N. A.	1.00%	N. A.	1.00%
d. Insurer Managed Fund	100.00%	N. A.	100.00%	N. A.
	100.00%	100.00%	100.00%	100.00%

vi. Actuarial Assumptions as on the Balance Sheet date :

	Gratuity			
	31.03.2015		31.03.2014	
	Tea	Textile	Tea	Textile
a. Discount Rate	7.94%	7.80%	9.31%	9.36%
b. Expected rate of return on Plan Assets	7.94%	8.75%	8.70%	8.70%
c. Salary Escalation rate — Management and Non-Management Staff	7.00%	4.50%	7.00%	5.00%

vii. Amount of Current and previous four years are as follows :

	Gratuity				
	2014-15	2013-14	2012-13	2011-12	2010-11
a. Present value of Defined Benefit obligation	1169	1052	945	914	821
b. Less : Fair value of Plan Assets	1081	1062	971	850	817
c. Surplus / (Deficit) in the plan	88	10	26	(64)	(4)
d. Experience Adjustments on plan liabilities losses/(gains)	44	(113)	24	26	55
e. Experience Adjustments on plan asset losses/ (gains)	4	(4)	5	(10)	2

viii. The estimates of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors.

- c) Amount recognised as an expense in respect of Compensated Leave Absences is ₹ 41 Lacs (Previous Year ₹ 33 Lacs).
- d) Short term payment of Leave Encashment amounting to ₹ 5 Lacs (Previous year ₹ 4 Lacs ) is charged to Employee Benefits Expense.



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

NOTE NO. "30" (*Contd.*)

(Amount in ₹ Lacs)

SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES TO FINANCIAL STATEMENTS (*Contd.*)

(H) Segment Reporting as per AS-17 notified by Companies (Accounts) Rules, 2014 (as amended) for the year ended 31st March, 2015

(A) Information about Primary (Business) Segment	Tea		Textile		Total	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
<b>SEGMENT REVENUE</b>						
External Sales & Other Income	4280	4144	18443	21423	22723	25567
Less: Excise Duty	—	—	(10)	(11)	(10)	(11)
Sales (Net of Excise Duty) and Other Income	4280	4144	18433	21412	22713	25556
Total Revenue	4280	4144	18433	21412	22713	25556
<b>SEGMENT RESULT</b>						
Segment Result	886	1128	40	1483	926	2611
<b>Unallocated Corporate Income</b>						
a) Net Gain/(Loss) on Sale of Investments					61	(19)
b) Interest Income					10	13
c) Dividend					—	51
<b>Unallocated Corporate Expenses</b>						
Finance Cost					(754)	(781)
Income Taxes					(49)	(622)
Net Profit					194	1253
<b>OTHER INFORMATION</b>						
Segment Assets	8328	2458	13863	13567	22191	16025
Unallocated Corporate Assets					1418	1610
<b>Total Assets</b>						
Segment Liabilities	909	721	4338	5765	23609	17635
Unallocated Corporate Liabilities					5247	6486
<b>Total Liabilities</b>						
Capital Expenditure	163	202	1413	621	54	211
Depreciation & Amortisation	104	87	1044	1105	5301	6697
Non-cash Expenses other than depreciation*	—	—	—	—	1576	823
					1148	1192
					—	—

\* Below rounding off norms adopted by the Company.

(B) Information about Secondary (Geographical) Segment	India		Outside India		Total	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
Segment Revenue	18779	21425	3934	4131	22713	25556
Segment Assets	23567	17490	42	145	23609	17635
Capital Expenditure	1576	823	—	—	1576	823

### Notes :

- i) The reportable primary segment is based on two business namely, Tea & Textile and the reportable secondary segment is based on geographical location of customers.
- ii) The segment revenue, results, assets & liabilities include respective amounts identifiable to each of the segment and amounts allocated on reasonable basis.

(I) Related Party Disclosures as per AS-18 notified by Companies (Accounts) Rules, 2014 (as amended) for the year ended 31st March, 2015

#### (A) Relationships :

##### (i) Key Management Personnel & Relatives

Shri Adarsh Kanoria	Miss Aanvi Kanoria	Shri Dhanpat Singh Pagaria
Smt Shubha Kanoria	Shri Kushagra Kanoria	Shri Atul Doshi
Master Varenya Kanoria	Shri K P Khandelwal	Smt Sunita Shah

##### (ii) Enterprises over which key management personnel and/or their relatives have significant influence

Eskay Udyog Ltd.	Kanoria Exports Pvt. Ltd.	Rydak Enterprises & Investment Ltd.
Samrat Industrial Resources Ltd.	AKV Textiles Limited	Ananda Seva Kosh



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

### NOTE NO. "30" (Contd.)

(Amount in ₹ Lacs)

### SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES TO FINANCIAL STATEMENTS (Contd.)

*(B) Transactions during the year with related parties  
in normal course of business & balances at the  
end of the financial year :*

- (i) Rent received
- (ii) Expenses reimbursed
- (iii) Salary & other benefits
- (iv) Dividend Paid
- (v) Rent paid
- (vi) Donation paid
- (vii) Purchase of shares
- (viii) Sale of Shares
- (ix) Outstanding payable as on 31st March, 2015

	In relation to Item no.			
	A (i) above		A (ii) above	
	2014-15	2013-14	2014-15	2013-14
(i)	—	—	1	—
(ii)	—	4	—	1
(iii)	138	124	—	—
(iv)	31	15	101	51
(v)	—	—	—	5
(vi)	—	—	—	25
(vii)	—	—	—	196
(viii)	—	—	196	—
(ix)	—	—	—	—

### (J) Statement showing calculation of Earning Per Share, as per AS-20, notified by Companies (Accounts) Rules, 2014 (as amended)

	2014-2015	2013-2014
Profit After Tax (₹ in lacs)	194	1253
Weighted average number of Equity Shares of ₹ 10/- each fully paid up	90,05,985	90,05,985
Earning Per Share (in ₹ ) (Basic & Diluted)	2.15	13.91

(K) In accordance with the Accounting Standard (AS-28) on Impairment of Assets, there is no indication of impairment based on internal/external factors and hence no impairment is considered necessary during the year under review.

### (L) Borrowing cost capitalised during the year

	2014-2015	2013-2014
As Addition to Fixed Assets (other adjustment)	33	—
	33	—

(M) In the opinion of the Board, all assets other than fixed assets have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated.

### (N) Unhedged Foreign Currency Exposures at the Reporting Date :

	As At 31st March 2015	As At 31st March 2014
Receivable in respect of sale of goods :		
Amount in Rs.	41	246
Amount in USD	1	4

(O) The Textile division of the Company has converted the land at Dholka under Real Estate Development planned for sale, from fixed assets into Stock-in-Trade at fair value of ₹ 1670 Lacs as on the date of conversion.

(P) During the year, the Company has revised depreciation rate on certain fixed assets as per useful life specified in Schedule II of the Companies Act, 2013. Accordingly, depreciation of ₹ 44 Lacs on account of assets whose useful life has already exhausted as on 01.04.2014 (after adjusting deferred tax) has been adjusted with the retained earnings.

As a consequence of such change in the accounting policy, excess depreciation up to 31st March, 2014 amounting to ₹ 120 Lacs and a further sum of ₹ 10 Lacs on account of Capital Subsidy received has been adjusted with the current year depreciation. Had there not been any change in the policy of depreciation, depreciation for the year ended 31st March, 2015 would have been lower by ₹ 16 Lacs.

(Q) Previous year's figures have been regrouped/rearranged wherever necessary.

As per our report of even date.

For JAIN & CO.

*Chartered Accountants*

Firm Registration No.302023E

CA M. K. JAIN

*Partner*

(Membership No. 055048)

P-21/22, Radhabazar Street

Kolkata 700 001

Dated : 8th day of May, 2015

A. KANORIA *Managing Director*

K. P. KHANDELWAL *Whole-time Director*

A. DOSHI *Chief Financial Officer*

S. SHAH *Company Secretary*

**BENGAL TEA & FABRICS LTD.**

CIN : L51909WB1983PLC036542

Registered Office : Century Tower, 45, Shakespeare Sarani, 4th Floor, Kolkata 700 017

Telefax Nos.: 033-2283-6416/17; E-mail : mail@bengalte.com; Website : www.bengalte.com

**PROXY FORM**

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

Name of the Member(s) : \_\_\_\_\_

Registered Address : \_\_\_\_\_

E-mail ID : \_\_\_\_\_

Folio No./Client ID : \_\_\_\_\_

DP ID : \_\_\_\_\_

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

(1) Name : \_\_\_\_\_ Address : \_\_\_\_\_

E-mail ID : \_\_\_\_\_ Signature : \_\_\_\_\_ or failing him

(2) Name : \_\_\_\_\_ Address : \_\_\_\_\_

E-mail ID : \_\_\_\_\_ Signature : \_\_\_\_\_ or failing him

(3) Name : \_\_\_\_\_ Address : \_\_\_\_\_

E-mail ID : \_\_\_\_\_ Signature : \_\_\_\_\_

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 32nd Annual General Meeting of the Company to be held on Saturday, 8th August, 2015 at 10:30 a.m. at Kalakunj, 48, Shakespeare Sarani, Kolkata - 700 017 and at any adjournment thereof in respect of resolutions as are indicated below :

Resolution No.	Resolution Proposed	Optional*	
		For	Against
1	Adoption of Financial Statements, Reports of the Board of Directors' and Auditors'		
2	Declaration of Dividend on Equity Shares		
3	Reappointment of Mr. Samveg A. Lalbhai, Director, retiring by rotation		
4	Appointment of Statutory Auditors and fixing their remuneration		
<b>Special Business</b>			
5	Appointment of Branch Auditors and fixing their remuneration		
6	Fixation of Remuneration of Cost Auditors for the Textile Division		
7	Fixation of Remuneration of Cost Auditors for the Tea Division		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2015.

Signature of Shareholder.....Signature of Proxy holder(s).....

Affix Revenue Stamp
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**Note : 1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**

2. For the text of the Resolutions, Explanatory Statement &amp; Notes, please refer to the Notice convening the 32nd Annual General Meeting dated 8th May, 2015.

3. \*It is optional to put 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all resolution(s), your proxy will be entitled to vote in the manner as he/she thinks appropriate.

4. Please complete all details including details of member (s) in above box before submission.



# BENGAL TEA & FABRICS LIMITED

CIN NO. L51909WB1983PLC036542

Regd. Office: Century Towers, 4th Floor, 45, Shakespeare Sarani, Kolkata – 700 017  
Telefax: 033 2283-6416/6417 E-Mail: mail@bengalte.com Website: www.bengalte.com

## ATTENDANCE SLIP

### 32<sup>nd</sup> ANNUAL GENERAL MEETING

**Name of the sole/ first named :  
Member(s)**

**Registered Address of sole/first :  
named member**

**Joint Holders :**

**Registered Folio No./  
DP ID & Client ID No.**

**No. of Shares held :**

I/We hereby record my/our presence at the 32<sup>nd</sup> Annual General Meeting of the Company held on Saturday, 8<sup>th</sup> August, 2015 at 10.30 A.M. at Kala Kunj, 48, Shakespeare Sarani, Kolkata – 700 017.

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Member's/Proxy's Name in Block Letters

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Member's/Proxy's Signature

Note: Please complete the Attendance Slip and hand it over at the Attendance Verification Counter at the entrance of the Meeting Hall. Please also bring your copy of the Annual Report.