

*keeping the mother earth green...*

**Annual Report**  
2011 - 2012



**Bengal Tea & Fabrics Ltd.**



<b>CORPORATE INFORMATION</b>	
<b>BOARD OF DIRECTORS</b>	<p><b>Mr. Adarsh Kanoria</b> <i>Chairman &amp; Managing Director</i></p> <p><b>Mr. Abhijit Datta</b></p> <p><b>Mr. Dharendra Kumar</b></p> <p><b>Mr. Radhe Shyam Saraogi</b> <i>Whole-time Director</i></p> <p><b>Mr. Golam Momen</b></p> <p><b>Mr. Samveg A. Lalbhai</b></p>
<b>COMPANY SECRETARY</b>	<b>Mr. P. K. Saw</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>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>	45, Shakespeare Sarani 4th Floor, Century Towers, Kolkata 700 017, India Telefax Nos. : 91 33 2283-6416/17 E-mail : investor@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 E-mail : rta@cbmsl.com
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## NOTICE TO THE MEMBERS

NOTICE is hereby given that the 29th Annual General Meeting of the Members of **Bengal Tea & Fabrics Limited** will be held at "Kalakunj", 48, Shakespeare Sarani, Kolkata 700 017 on Saturday, the 11th day of August, 2012 at 10.30 A.M. to transact the following business: -

1. To receive, consider and adopt the Audited Accounts for the year ended 31st March, 2012 and the Reports of the Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr. Abhijit Datta, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors in place of retiring Auditors, from the conclusion of the 29th Annual General Meeting until the conclusion of the 30th Annual General Meeting and to authorise the Board of Directors to fix their remuneration.

*Registered Office :*

45, Shakespeare Sarani

Kolkata 700 017

Dated : the 12th day of May, 2012

By Order of the Board

P. K. SAW

*Company Secretary*

### NOTES :

1. **A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote 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 meeting.**
2. The Register of Members of the Company shall remain closed from 6th day of August, 2012 to 11th day of August, 2012 (both days inclusive).
3. Members holding shares in dematerialized form are requested to bring their supporting evidence in respect of their Client ID & DP Nos. for easier identification of the attendance at the meeting.
4. 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.
5. **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.**
6. To avoid loss of dividend warrants in transit and undue delay in respect of receipt of dividend warrants, the Company provides the facility of payment of dividend through NEFT. Members desirous of availing this facility are requested to contact the Company's Registrar and Transfer Agents.
7. The brief profile of the Directors seeking appointment/re-appointment including relevant particulars relating to them are furnished in the Corporate Governance Report forming part of the Annual Report, as required under clause 49(IV)(G) of the Listing Agreement.
8. **Since Department of Posts has discontinued the postal facility under "Certificate of Posting" vide their Circular dated 23.02.2011, Members are requested to register their email address, if any, with the Company to facilitate the Company to send notice/documents through email, vide Circular No. 17/2011 dated 21.04.2011, issued by the Ministry of Corporate Affairs, Government of India. Members may also register their email address by visiting website namely "www.cbmsl.com/green.php" of our Registrar.**



## DIRECTORS' REPORT

Dear Members,

The Directors of the Company present their 29th Annual Report and Audited Accounts for the year ended 31st March, 2012.

### FINANCIAL RESULTS

The financial results for the year ended 31st March, 2012 and the corresponding figures for the last year are as under:

(Amount in ₹ Lacs)

	2011-2012	2010-2011
<b>Profit before Interest, Depreciation and Tax</b>	<b>310</b>	2611
Less : Finance Cost	907	595
Depreciation & Amortization Expense	931	873
<b>(Loss)/ Profit after Interest &amp; Depreciation</b>	<b>(1528)</b>	1468
Less : Tax Expense for Current Year (Net of MAT Credit Entitlement)	90	126
Taxation for earlier year	1	-
Deferred Tax Written Back/ Provision	(400)	205
<b>(Loss)/ Profit after Tax</b>	<b>(1219)</b>	331
Add : Balance Brought Forward from Last Account	1452	812
Less : Transferred to General Reserve	-	897
Less : Proposed Dividend & Tax thereon	-	100
Credit balance carried to Balance Sheet	233	157
	<b>233</b>	<b>1452</b>

### DIVIDEND

In view of cash loss during the year, the Directors do not recommend any dividend for the year ended 31st March, 2012.

### OPERATIONS

#### Tea Division

The all India crop in 2011 was marginally higher at 988 million kgs. as against 966 million kgs. in the previous year. The rising domestic consumption with no significant increase in crop, has led to low carry-over stock for the current year. The new year has commenced well with prices firming up particularly for quality teas.

During the year under review, your Company achieved production of 19.77 lac kgs. of Black Tea as compared to 21.20 lac kgs. in the previous year. The reduction in crop was mainly on account of nominal rainfall in October/November 2011. The Company has continued with its policy of uprooting old areas for replantation which has also resulted in loss of crop. However, there has been an all round increase in wages, power & fuel and other input costs which has adversely affected the profitability. In the current year, looking to the prevailing weather conditions it is expected that the all India production upto March, 2012 is going to be substantially lower as compared to corresponding previous year and also production of Tea in Kenya and Sri Lanka is lower due to unfavorable weather conditions. However, sales realization per kg. of tea is higher for North Indian Tea due to improved demand.

Considering the above scenario, the performance of Tea Division seems satisfactory.

#### Textile Division

The year under review was one of the worst years for the Textile Division. There were large fluctuations and fall in prices of cotton as well as finished products resulting in losses in inventory. Also there was no demand in local as well as overseas markets and one was forced to cut production which impacted the profitability of the Division.

### MODERNISATION AND PROSPECTS

The Company has already been sanctioned term loan of ₹1600 Lacs under TUF Scheme for the capex project of ₹2600 Lacs. The Company has ordered most of the machineries under the project and the project is expected to be completed by the end of December, 2012. The installation of state of art preparatory spinning, ring frames, post spinning will help the Division for boosting its export of cotton yarn and cloth with reduced cost. Further, the value addition in fabrics segment and its product-mix, the Division will be able to meet the challenges ahead and its positive impact would accrue in the forthcoming years. Considering the above, the outlook for the Division appears to be stable.



## DIRECTORS' REPORT (Contd.)

### CORPORATE GOVERNANCE

In compliance with Clause 49 of the Listing Agreement, the Management Discussion & Analysis Report and Report on Corporate Governance are attached herewith marked as **Annexures - "A"** and **"B"** respectively.

### DIRECTORS' RESPONSIBILITY STATEMENT

The Directors hereby confirm :

- (i) That the Company had followed the applicable accounting standards in the preparation of the annual accounts for the year ended 31st March, 2012;
- (ii) That the Directors have made judgements and estimates that are reasonable and prudent and have selected accounting policies and applied them consistently to give true and fair view of the state of affairs of the Company as at 31st March, 2012 and its loss for the year ended on that date;
- (iii) That the Company has a proper and adequate system of internal control to ensure that all assets are safeguarded against losses and the system is capable of detecting fraud and other irregularities;
- (iv) That the annual accounts placed before you have been prepared on a going concern basis.

### FIXED DEPOSITS

As on 31st March, 2012, no amount is payable towards the fixed deposits accepted from public and matured for repayment.

### DIRECTORS

Mr. Abhijit Datta, Director of the Company retire by rotation at the ensuing Annual General Meeting and being eligible, offer himself, for re-appointment.

### AUDITORS

M/s. Jain & Co., Chartered Accountants, Auditors of the Company retire at the conclusion of the 29th Annual General Meeting and being eligible, expressed their willingness to continue, if so appointed.

### COST AUDIT

The Ministry of Corporate Affairs ('MCA'), Government of India by an Order directed Cost Audit of the Textile Division of the Company under Section 233(B) of the Companies Act, 1956. In terms of the said Order, Cost Audit is conducted by firm of Cost Accountants appointed with the approval of the MCA. In terms of General Circular No. 15/2011 dated 11th April, 2011 issued by MCA, full particulars of the Cost Auditors as also other details pertaining to the Cost Audit are given below:

### PARTICULARS OF COST AUDITORS AND DETAILS OF FILING OF COST AUDIT REPORT DURING THE FINANCIAL YEAR

Details of Cost Auditor	Unit Audited	Due date of filing	Actual date of filing
<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> 00028	Textile Division- Bengal Tea & Fabrics Ltd. Asarwa Mills- Ahmedabad	27th September, 2011	5th September, 2011

### PERSONNEL

The Company operates in labour intensive business and the relations with the personnel generally remained cordial throughout the year.

The Board expresses its appreciation for the contribution of the employees at all levels. During the year under review, no employee was in receipt of remuneration requiring disclosure under the provision of Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, as amended by Companies (Particulars of Employees) Amendment Rules, 2011.

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

A statement showing additional information on conservation of energy, technology absorption and foreign exchange earnings and outgo, as required pursuant to Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is attached herewith marked as **Annexure - "C"**.

### ACKNOWLEDGEMENT

The Directors appreciate the co-operation and timely assistance extended by Banks and all other associates and look forward to continued fruitful association with all business partners of the Company.

Kolkata

Dated : the 12th day of May, 2012

For and on behalf of the Board

ADARSH KANORIA

Chairman



## MANAGEMENT DISCUSSION & ANALYSIS REPORT

ANNEXURE - "A"

(Forming part of the Directors' Report for the financial year ended 31st March, 2012)

### TEXTILE DIVISION

**Industrial Structure and Developments :** Indian Textile Industry contributes about 14% to the industrial production and constitutes 4% of the GDP and has a 16% share in the total export revenue. It also provides employment to 35 million people and is of prime importance to the national economy.

**Opportunities and Threats :** Production of cotton, the primary material, has doubled after the introduction of BT cotton and India is now producing surplus cotton and exporting over 10 million bales annually.

Non-availability of raw materials at stable prices, Government Policies, non-availability of skilled labour and fluctuations of the Indian Rupee are the major threats to the Industry.

**Product-wise Performance :** The production as well as the sales of yarn & cloth has decreased due to sluggish demand in local as well as overseas markets and shortage of skilled labour leading to under utilization of capacities. The gist of performance of the textile products during the financial year 2011-2012 is as under :

	Cloth			Yarn		
	Production (Lac Mtrs.)	Sales (Lac Mtrs.)	Average Realisation (₹ Per Mtr.)	Production (Lac Kgs.)	Sales (Lac Kgs.)	Average Realisation (₹ Per Kg.)
2011-12	90.35	101.73	66.82	30.19	34.52	181.56
2010-11	97.24	103.30	61.23	38.44	33.88	191.44
Change (%)	(-) 7.09%	(-) 1.52%	(+) 9.13%	(-) 21.46%	(+) 1.89%	(-) 5.16%

**Outlook :** There is an all round increase in all input costs mainly in power and labour and also increase in interest rates, which has affected the margins of the Division.

However, due to reduced production in the last few months there is expected to be good demand of finished products and outlook for the Division seems stable.

**Risks and Concerns :** Government Policies, non-availability of skilled labour, fluctuations of the Indian Rupee and non-availability of raw materials at stable prices are the major hurdles to the Industry.

**Discussion on the Financial Performance with respect to the Operational Performance :** The Division suffered a huge net loss due to steep fluctuations in the raw materials as well finished goods prices leading to stock losses and also no demand for yarn and fabrics due to which production had to be curtailed.

### TEA DIVISION

**Industry Structure & Developments :** The financial year 2011-12 was a challenging year for Tea Industry with lower exports and erratic rainfall. During the year, the production of all India crop was slightly higher by about 2% but at the same time the average price realisation remained stagnant.

**Opportunities & Threats :** The continuous promotional efforts and better marketing and brand building initiatives taken jointly by the Government/Tea Board including hunt for newer export markets, providing incentives in the form of subsidies etc., 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 Green Tea leaves of Ananda Tea Estate was 64.80 lac kgs as compared to previous year production of 68.68 lac kgs. The production was lower mainly on account of inclement weather conditions and lower outturn in production to maintain higher fine percentage for quality tea production. The quantity of outsourced green tea leaves was also lower by about 10%. However, during the year strong demand for quality teas persisted and the average realisation of the tea sold by the Company was about 1% higher as compared to the previous year. The gist of performance of the Division during the financial year 2011-2012 is as under:

Black Tea			
	Production (Lac Kgs.)	Sales (Lac Kgs.)	Average Realisation (₹ Per Kg.)
2011-12	19.77	20.22	154.69
2010-11	21.20	21.28	153.30
Change (%)	(-) 6.75%	(-) 4.98%	(+) 0.91%

**Outlook :** The crop of the major producing countries viz. Kenya, Sri Lanka and India is ranging lower as compared to previous year which should have positive effect on the price realisation of tea.

**Risks & Concerns :** Besides climatic conditions, global production, the strategy of bought leaf factories and import of cheaper tea for re-export may 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 having redeemable feature of attracting premium prices over medium and low quality teas is paying off, resulting into achieving satisfactory profitability. Considering the overall scenario of the Industry for quality tea, the performance of the Division appears to be satisfactory.

**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 adequate.

**Information regarding Human Resources/Industrial Relations :** The relationships at both the Divisions were cordial with the employees throughout the year. Tea and Textile Industry are labour intensive and hence, the human factor in this relationship is important. The Company did not suffer from any major disruption as your Company has favorable working environment that motivates performance, customer focus and innovation and adheres to the highest degree of quality and integrity among employees. The total numbers of manpower employed by the Textile and Tea Divisions as on 31st March, 2012 were 730 & 1326, 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.*

For and on behalf of the Board

Kolkata

Dated : the 12th day of May, 2012

ADARSH KANORIA

Chairman



## REPORT ON CORPORATE GOVERNANCE

ANNEXURE - "B"

(Forming part of Directors' Report for the financial year ended 31st March, 2012)

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

The Company follows the theme of changing in tune with times to continue the race without any major hurdle and attempts to cover all aspects of reporting in transparent and fair manner keeping the basic principles of good corporate governance.

### 2. BOARD OF DIRECTORS

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

The Board of Directors comprises of six members consisting of four Independent Non-Executive directors having experience in business, finance etc. The attendance during the financial year 2011-2012 and composition of the Board of Directors is as under :

Name of the Directors	Category	No. of other Directorships*	No. of other Board Committee(s)** in which he is		Attendance at last AGM held on 06.08.2011	Attendance at Board Meetings
			Member	Chairman		
Mr. Adarsh Kanoria	Promoter-Executive	4	—	—	Yes	5
Mr. Radhe Shyam Saraogi	Executive	—	—	—	Yes	1
Mr. Golam Momen	Independent-Non-Executive	14	14	1	Yes	5
Mr. Dharendra Kumar	Independent-Non-Executive	10	1	—	Yes	5
Mr. Samveg A. Lalbhai	Independent-Non-Executive	9	—	—	No	—
Mr. Abhijit Datta	Independent-Non-Executive	4	3	—	Yes	3

\* Also includes directorships other than Public Limited Companies.

\*\* Also includes committees other than Audit & Shareholders/Investors Grievance Committees.

#### Meetings

During the Financial Year 2011-2012, the Board of Directors met 5 (five) times on the following dates: 07.05.2011, 06.08.2011, 12.11.2011, 13.02.2012 and 30.03.2012.

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

**Mr. Abhijit Datta**, born on 1st June, 1949 and completed his Graduation and Post- Graduation in Economics from Calcutta University. Afterwards, completed both parts of Certified Indian Institute of Bankers Examination, he joined State Bank of India as Probationary Officer in the year 1972 and retired from the Bank on 31st May, 2009. During his tenure of 37 years of service in State Bank of India, he was responsible in various executive positions. He also worked in various capacities in credit, compliance, NRI Services in Los Angeles office of the Bank for around 5 years. He was also responsible as Head-Capital Markets of the Bank for some time and then posted as Deputy Managing Director and Corporate Development Officer in Corporate Office in Mumbai. He does not hold any share of the Company. Mr. Datta is not related with any of the Director on the Board.

Mr. Datta also holds the Directorships/Committee Memberships of the following other companies:

Sl. No.	Name of the Company	Committee Membership
1.	Asset Reconstruction Company (India) Limited	—
2.	Cable Corporation of India Ltd.	Audit Committee
3.	Super Smelters Ltd.	Audit Committee
4.	Shelter Infra Projects Ltd.	Audit Committee





## REPORT ON CORPORATE GOVERNANCE (Contd.)

### 3. AUDIT COMMITTEE

The Audit Committee comprises of 4 (four) Non-Executive Directors of whom the Chairman and other 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 disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
2. Recommendation in respect of appointment, re-appointment and removal of statutory and internal auditors, fixation of audit fees and approval for payment for any other services rendered by statutory & internal auditors.
3. Review of the quarterly and annual financial statements before submission to the Board.
4. Review and discussions with statutory and internal auditors, in respect of the internal control/audit systems, internal audit reports, management letters of internal control, weaknesses, adequacy of internal control systems and improvement therein.
5. Review of findings/observations of the internal auditors into matters of irregularity or suspected fraud and reporting the matter to the Board.
6. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, creditors and shareholders (in case of non-payment of declared dividend).
7. To seek information from any employee, access to records of the Company and investigate any activity relating to financial matters.
8. To seek outside legal and/or professional advice.
9. Pre-audit and post-audit discussions with statutory auditors to ascertain the nature, scope and any specific area of concern.
10. Review of management discussion and analysis of financial condition and results of operations and statements of related party transactions.

#### Composition, Meetings & Attendance

Name of the Members	Category	No.of Meetings attended	Dates on which Meetings held
Mr. Abhijit Datta - Chairman	Independent - Non-Executive	3	07.05.2011
Mr. Golam Momen	- do -	4	06.08.2011
Mr. Dharendra Kumar	- do -	4	12.11.2011
Mr. Samveg A. Lalbhai	- do -	-	13.02.2012

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

### 4. REMUNERATION COMMITTEE

#### Terms of Reference

Remuneration Committee has been constituted to approve and determine the policy of the Company on specific remuneration packages for the Executive Directors. The terms and conditions governing the appointment/remuneration of the Executive Directors are approved first by the Remuneration Committee and then the same are considered by the Board of Directors and finally placed for the approval of the Shareholders.

#### Composition, Meeting & Attendance

Name of the Members	Category	Date on which Meeting held
Mr. Dharendra Kumar – Chairman	Independent - Non-Executive	The meeting of Remuneration Committee was not required to be held during the year under review
Mr. Golam Momen	- do -	
Mr. Samveg A. Lalbhai	- do -	
Mr. Abhijit Datta	- do -	



## REPORT ON CORPORATE GOVERNANCE (Contd.)

### Remuneration Policy

The Non-Executive Directors are being remunerated by way of fees of ₹ 10,000/- for attending each meeting of Board and ₹ 5,000/- for attending each meeting of Audit Committee, Shareholders/Investors Grievance Committee, Remuneration Committee and Project Monitoring Committee. As per the terms of the respective appointments, the Executive Directors are not entitled for any such meeting fees, incentives fixed/linked with the performance, severance fees, stock options etc.

### Remuneration to Directors paid during the financial year 2011-2012 and other disclosures :

Name of the Directors	Salary (₹)	Benefits (₹)	Contribution to PF, Gratuity and other funds(₹)	Meeting Fees (₹)	Service Contract/ Tenure	Notice Period	Number of Shares held
Mr. Adarsh Kanoria	33,00,000/-	5,54,564/-	6,35,805/-	—	01-01-2011 to 31-12-2013	3 Months*	536137
Mr. Radhe Shyam Saraogi	10,08,000/-	4,48,272/-	4,02,544/-	—	01-01-2011 to 31-12-2013	3 Months*	—
Mr. Golam Momen	—	—	—	75,000/-	N.A.	N.A.	750
Mr. Abhijit Datta	—	—	—	50,000/-	N.A.	N.A.	—
Mr. Dharendra Kumar	—	—	—	75,000/-	N.A.	N.A.	—
Mr. Samveg A. Lalbhai	—	—	—	—	N.A.	N.A.	—

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

### 5. SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE

The Shareholders/Investors Grievance Committee is being headed by Mr. Golam Momen, an Independent Non-Executive Director of the Company. Mr. P. K. Saw, Company Secretary, is the Compliance Officer of the Company. The Company received 1 (one) complaint during the financial year 2011-2012 which was resolved/replied to the satisfaction of the shareholder within due time. No complaint was pending as on 31st March, 2012 .

### 6. GENERAL BODY MEETINGS

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

	Date of Meeting	Venue	Time
26th AGM	27.07.2009	Kalakunj, 48, Shakespeare Sarani, Kolkata 700 017	10.30 A.M.
27th AGM	31.07.2010	Kalakunj, 48, Shakespeare Sarani, Kolkata 700 017	10.30 A.M.
28th AGM	06.08.2011	Kalakunj, 48, Shakespeare Sarani, Kolkata 700 017	10.30 A.M.

No Special Resolution was proposed in 26th AGM and 28th AGM. The Shareholders passed the Special Resolutions set out in the Notice of the 27th AGM. No Special Resolution was put through Postal Ballot in the last year.

### 7. DISCLOSURES

During the year under review, the Company had not entered into any materially significant transaction with any related party that may 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.

Although, the Company has not formulated Whistle Blower Policy, being a non-mandatory requirement, but 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, 2012, are as under :



## REPORT ON CORPORATE GOVERNANCE (Contd.)

### Mandatory requirements

Sl No.	Particulars of Compliance in respect of applicable following matters	Compliance Status	Remarks, if any
I	Board of Directors	Yes	
II	Audit Committee	Yes	
III	Subsidiary Companies	Not Applicable	The Company has no Subsidiary
IV	Disclosure requirements	Yes	
V	CEO / CFO Certification	Yes	
VI	Report on Corporate Governance	Yes	
VII	Compliance	Yes	

### Non-Mandatory requirements adopted by the Company

- The Board has constituted Remuneration Committee, comprising of four Independent Non-Executive Directors, to determine remuneration of Executive Directors.
- The Financial Statements are free from any audit qualifications.

### 8. 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. 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.

### 9. GENERAL SHAREHOLDER INFORMATION

<b>Annual General Meeting</b>	:	Date	:	Saturday, 11th day of August, 2012
		Time	:	10.30 A.M.
		Venue	:	Kalakunj, 48, Shakespeare Sarani, Kolkata 700 017
<b>Financial Year</b>	:		:	1st April, 2011 to 31st March, 2012
<b>Date of Book Closure</b>	:		:	6th August, 2012 to 11th August, 2012 (Both days inclusive)

### Listing on Stock Exchanges & Stock Code

Bombay Stock Exchange Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001 (Stock Code – 532230)  
The Company has paid the listing fees for the financial year 2012-2013.

### Market Price Data and Number of Shares traded at Bombay Stock Exchange Ltd during the Financial Year 2011-2012

	April	May	June	July	August	September	October	November	December	January	February	March
High	52.50	56.90	45.90	43.80	44.90	34.50	29.95	28.60	24.55	27.55	28.35	23.95
Low	46.50	41.25	35.00	38.10	26.55	24.00	24.20	20.00	18.20	20.00	20.55	19.45
Volume	91465	602388	95907	85907	73287	56954	28254	45112	38004	66377	110286	43623

Performance in comparison to broad based indices	31.03.2012	31.03.2011	Change (%)
Share Prices of BTFL (₹)	20.90	47.00	(-) 55.53%
V/s BSE Sensex	17404.20	19445.22	(-) 10.50%

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



## REPORT ON CORPORATE GOVERNANCE (Contd.)

### Distribution of Shareholding as on 31st March, 2012

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	10,642	75.34	5,03,811	5.59
2	51-100	1,401	9.92	1,32,909	1.48
3	101-500	1,530	10.83	4,19,858	4.66
4	501-1000	282	1.99	2,32,053	2.57
5	1001-2000	137	0.97	2,06,821	2.30
6	2001-3000	46	0.33	1,17,813	1.31
7	3001-4000	14	0.10	47,996	0.53
8	4001-5000	21	0.15	97,089	1.08
9	5001-10000	18	0.13	1,22,977	1.37
10	10001 & above	34	0.24	71,24,658	79.11
	<b>Total</b>	<b>14,125</b>	<b>100.00</b>	<b>90,05,985</b>	<b>100.00</b>

### Shareholding Pattern as on 31st March, 2012

Sl. No.	Category	Number of Shares held	Percentage of Shareholding
1	Promoters	65,92,473	73.20%
2	Institutional Investors (Financial Institutions, Insurance Companies, Banks, Mutual Funds etc)	83,561	0.93%
3	Body Corporates (other than above)	1,87,630	2.08%
4	Resident Public	20,99,461	23.31%
5	NRIs' / Foreign Nationals	15,820	0.18%
6	The Official Trustee of West Bengal	11,520	0.13%
7	Clearing Members	15,520	0.17%
	<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 93.24% of the total equity shares have been dematerialised upto 31st day of March, 2012. The shares are regularly traded at BSE.

**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



## **REPORT ON CORPORATE GOVERNANCE (Contd.)**

**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@bengaltea.com  
Website: www.bengaltea.com

For and on behalf of the Board

Kolkata  
Dated : the 12th day of May, 2012

ADARSH KANORIA  
*Chairman*

### **DECLARATION**

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

For Bengal Tea & Fabrics Limited

Kolkata  
Dated : the 12th day of May, 2012

ADARSH KANORIA  
*Managing Director*

## **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, 2012, as stipulated in Clause 49 of the Listing Agreement of the Company with the stock exchange.

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.

P-21/22, Radhabazar Street  
Kolkata 700 001  
Dated : the 12th day of May, 2012

For JAIN & CO.  
*Chartered Accountants*  
Registration No. 302023E  
M. K. JAIN  
*Partner*  
Membership No. 55048



**ANNEXURE - "C"**

INFORMATION AS PER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2012

**CONSERVATION OF ENERGY**

**Energy Conservation measures taken :**

The Company has taken following steps to conserve the energy :

- (a) Installed humidification plant.
- (b) Carried out balancing of the 3 humidification plants in the loom shed.

As a result of (a) & (b) above, energy saving upto 35 KW is expected and also consumption per unit of production is expected to come down and the cost of production would also be affected positively to that extent.

**Pollution Control**

- (a) Cleaning of the plant and aeration tank to improve COD & BOD, overhauling of pump and blower.
  - (b) To clean tanks and well, purchased one submersible sludge pump.
  - (c) To have better air pollution control, replaced 20 nos. of filter bags.
- Total energy consumption per unit of production are furnished in the prescribed Form "A" annexed hereto.

**FORM-A**

**Particulars with respect to Conservation of Energy**

(A) POWER & FUEL CONSUMPTION	TEA		TEXTILE	
	Current year	Previous year	Current year	Previous year
<b>1. Electricity</b>				
(a) Purchased (Units)	9,16,380	10,52,310	2,93,12,100	3,39,57,870
Total Amount (₹ in Lacs)	72	64	1659	1692
Rate/Unit (₹)	7.89	6.07	5.66	4.98
(b) Own Generation				
Through Diesel (Units)	4,17,456	4,01,054	—	—
Unit per ltr. of Diesel	3.41	3.47	—	—
Cost/Unit (₹)	11.54	10.56	—	—
<b>2. Coal (Specify quality and where used)</b>				
Quantity (Tonnes)	1,152	1,574	8,265	8,917
Total Cost (₹ in Lacs)	73	74	342	324
Average Rate (₹ /Tonne)	6,292	4,720	4,134	3,636
Quality : Dust khasi, 4500 kilo calories/kg.				
Used in drier : Ash 40% to 60% and 30% to 35%				
<b>(B) CONSUMPTION PER UNIT OF PRODUCTION</b>		Unit	Current year	Previous year
(i) <b>Black Tea</b>				
Electricity		Kg.	0.67	0.69
Coal (Quality as above)		Unit	0.58	0.74
(ii) <b>Yarn</b>		Kgs.		
Electricity		Kg.	4.26	4.40
Coal		Unit	0.47	0.54
(iii) <b>Cloth</b>		Kgs.		
Electricity		Mtr.	0.92	0.84
Coal		Unit	0.80	0.66
		Kgs.		

**FORM-B**

**RESEARCH & DEVELOPMENT (R & D)**

	TEA	TEXTILE
(1) Specific areas in which R & D carried out by the Company	The Division subscribes to Tea Research Association which is registered U/s 35(1)(ii) of the Income Tax Act, 1961.	<ul style="list-style-type: none"> <li>(a) The Company has Converted 2 Machines of LMW LR 60/A Ring Spinning Frames to Elite compact set.</li> <li>(b) Installed spindle lubricating machine, cot grinding machine and hydraulic cot mounting machine to upgrade tool room of the spinning department.</li> <li>(c) Installed Elgi Electro lean Over head traveling cleaner for LF4200A.</li> <li>(d) Sieger yam conditioning plant is converted for additional arrangement of electrical heating. It was having only steam heating. The yam conditioning can work on electrical heating, when the bioler is under maintenance.</li> <li>(e) Installed 14 Nos of Toyota Air Jet Looms 190 TP-EF Eurotech.</li> <li>(f) New Bore Well of 250mm diameter was commissioned.</li> </ul>





(2) Benefits derived as a result of the above R & D	The Division benefits from the suggestions received from the Association out of R & D activities.	(a) Manufacture of Elite compact yam, yam with less hairness. This yam is sold in the market at premium price. We are manufacturing high quality fabric from this yam. (b) Upgradation of the tool room of the spinning department improves the maintenance of the spinning machinery. (c) Installed Elgi Electro lean which improves the quality of the simplex material, yam and also improves the working. (d) Yam conditioning is carried out even at the time of boiler under maintenance, moisture gain in the yam is achieved. (e) Installed new Toyota Looms which will produce 58" finished width of fabric to fetch better price. (f) New humidification plant of the Toyota Looms was installed to improve the humidity in the department. (g) New bore well will fulfill the requirement of the water for the fabric process house.	
(3) Future plan of action	The Division wishes to continue the membership of Tea Research Association.	(a) To install 13 nos. of Ring Frames LR9/AX with Auto doffing each of 1104 Spindles. Total 14352 spindles will be installed to increase productivity and quality of yam. (b) To install 3 nos. of LF4200A Speed Frames which will replace old Speed Frames. (c) To install 4 nos. of Murata Automatic Winder Process Coner - II QPRO to increase Autoconer productivity, yam and package quality. (d) To demolish old synthetic building and construct new building with humidification plant to house 13 nos. of LMW LR9/AX Ring Frames each of 1104 spindles and 4 Nos. of Murata Automatic Winder Process Coner-II QPRO. (e) To construct Tanks to increase holding capacity of 5.4 Lacs and 1.1 Lacs liters of effluent water. (f) To construct 2 nos. of primary clarifiers, aeration tank of 6.52 lacs liters capacity, sludge drying bed, flocculate tank and filtration sump.	
(4) Expenditure on R & D		<b>2011-2012</b>	<b>2010-2011</b>
(a) Capital (₹)	Nil	-	5,087
(b) Recurring (₹)	Nil	<b>20,60,783</b>	20,09,612
(c) Total (₹)	Nil	<b>20,60,783</b>	20,14,699
(d) Total R & D Expenditure as a percentage of total turnover	Nil	<b>0.14%</b>	0.14%

**TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION**

	<b>TEA</b>	<b>TEXTILE</b>
1. Efforts, in brief, made towards technology absorption, adaptation & innovation.	Not applicable	(a) Conversion of two ring frames of LMW LR 60/A to Elite Compact set. (b) Installed Elgi Electro clean Overhead traveling cleaner for LF 4200 A Speed Frame. (c) The Company has installed New Bore Well of 250mm.
2. Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development	Not applicable	(a) Elite Compact yam technology has improved the yam quality, value addition in yam and fabric. (b) After installation of humidification plant, balancing of 3 nos. of humidification plant is possible, as a result power saving is achieved. (c) To cleaning of drafting zone improves the quality of simplex material and yam.
3. Information regarding Technology imported during last 5 years	Not applicable	Not applicable

**FOREIGN EXCHANGE EARNINGS AND OUTGO**

During the year 2011-2012, the Company has contributed about ₹ 3500 Lacs (net of outgo) to the exchequer in the form of valuable foreign exchange money.

	<b>2011-2012</b>	<b>2010-2011</b>
1. Foreign Exchange Earnings	<b>3693</b>	3222
2. Foreign Exchange Outgo	<b>193</b>	1014

For and on behalf of the Board

ADARSH KANORIA  
Chairman

Kolkata  
Dated : the 12th day of May, 2012



## AUDITORS' REPORT

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

We have audited the attached Balance Sheet of BENGAL TEA & FABRICS LIMITED, as at 31st March, 2012, as well as the annexed Profit & Loss Statement and the Cash Flow Statement for the year ended 31st March, 2012, in which are incorporated the accounts of the Textile Division, as audited by another firm of Chartered Accountants. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test check basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, of India (the 'Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable to the Company.

Further to our comments in the Annexure referred to above, we report that :

- a) We have 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 accounts as required by law have been kept by the Company so far as appears from our examination of those books;
- c) The Balance Sheet, Profit & Loss Statement and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- d) In our opinion, the Balance Sheet, Profit & Loss Statement and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in Sub-section (3C) of Section 211 of the Act;
- e) On the basis of written representations received from the Directors, as on 31st March 2012, and taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2012 from being appointed as a Director under Clause (g) of Sub-section (1) of Section 274 of the Act;
- f) In our opinion and to the best of our information and according to the explanations given to us, the said Financial Statements together with notes thereon and attached thereto give in the prescribed manner the information required by the Act and give a true and fair view in conformity with the accounting principles generally accepted in India;
  - i) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2012.
  - ii) In the case of Profit & Loss Statement, of the loss of the Company for the year ended on that date.
  - iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

P-21/22, Radhabazar Street  
Kolkata 700 001  
Dated : the 12th day of May, 2012

For JAIN & CO.  
Chartered Accountants  
Registration No. 302023E  
M. K. JAIN  
Partner  
Membership No. 55048



## ANNEXURE TO THE AUDITORS' REPORT

Referred to in Paragraph 3 of our Report of even date :

1. In respect of Fixed Assets :
  - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets;
  - b) The fixed assets have been physically verified during the year by the management in accordance with a program of verification, the frequency whereof is reasonable.  
According to the information and explanations given to us no material discrepancies were noticed on such verification;
  - c) The Company has not disposed off any substantial part of its fixed assets so as to effect its going concern.
2. In respect of Inventories :
  - a) As explained to us, inventories were 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 procedure of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the Company and the nature of its business;
  - c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verifications.
3.
  - a) According to the information and explanations given to us, the Company has not granted any loans, secured and unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
  - b) According to the information and explanations given to us, the Company has not taken any loans, secured and unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us during the course of audit, there are adequate internal control systems commensurate with the size of the Company and nature of its business with regard to purchase of inventory, fixed assets and with regard to sale of goods and services. During the course of our previous assessment, no major weakness in internal control, had come to our notice.
5. In respect of transactions entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956 :
  - a) To the best of our knowledge and belief and according to the information and explanations given to us, the particulars of contracts or arrangements that needed to be entered into the Register, have been so entered;
  - b) The transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the public within the meaning of Sections 58A and Section 58AA or any other relevant provisions of the Act and rules framed thereunder.
7. The Company has an adequate internal audit system commensurate with the size of the Company and nature of its business.
8. We have broadly reviewed the Books of Account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of Cost Records under Section 209 (1)(d) of the Companies Act, 1956, and 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.
9. According to the information and explanations given to us, in respect of statutory dues and other dues :
  - a) In our opinion and according to the information and explanation given to us, the Company is regular in depositing undisputed Statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Wealth Tax, Service Tax, Sales Tax, Custom Duty, Excise Duty, Cess and any other statutory dues with the appropriate authorities, where applicable. There are no arrears of aforesaid statutory dues as at the last day of the financial year outstanding for a period of six months from the date they became payable;



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

- b) According to the information and explanations given to us and on the basis of our examination 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*	In process of filing case with High Court
2	Employees State Insurance	E.S.I. Contribution	2003-04 2004-05 2005-06 } 2006-07 }	0.08 1.67 1.16	Industrial Court, Ahmedabad

\* ₹ 0.93 lacs has been paid under protest.

10. The Company has no accumulated losses as at 31st March, 2012 but it has incurred cash loss in the financial year ended on that date. The Company had no cash loss in the immediately preceding financial year.
11. Based on our audit procedure and on the information and explanations given by the management, the Company has not defaulted in repayment of principal and interest, due to the Banks.
12. As informed to us the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund / societies are not applicable to the Company.
14. In our opinion and according to the information and explanations given to us, the Company is not dealing in or trading in shares, securities, and debentures and other investments.
15. The Company has not given any guarantee for loans taken by others from bank or financial institutions.
16. The Company has applied the money received as term loans during the year for the purposes for which the loans were obtained.
17. The Funds raised by the Company on short term basis have not been used during the year for long term investment.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
19. The Company has not issued any debentures and hence no securities have been created.
20. The Company has not raised any money through public issues during the year.
21. To the best of our knowledge and belief, and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

P-21/22, Radhabazar Street  
Kolkata 700 001  
Dated : the 12th day of May, 2012

For JAIN & CO.  
Chartered Accountants  
Registration No. 302023E  
M. K. JAIN  
Partner  
Membership No. 55048

**BALANCE SHEET as at 31st March, 2012**

(Amount in ₹ Lacs)

	Notes	As at 31st March, 2012		As at 31st March, 2011	
<b>EQUITY AND LIABILITIES</b>					
<b>Shareholders' Funds</b>					
Share Capital	1	901		901	
Reserves & Surplus	2	3700	4601	4933	5834
<b>Non-Current Liabilities</b>					
Long Term Borrowings	3	4682		4396	
Deferred Tax Liabilities (Net)	4	79		479	
Other Long Term Liabilities	5	5		4	
Long Term Provisions	6	65	4831	70	4949
<b>Current Liabilities</b>					
Short Term Borrowings	7	2241		4187	
Trade Payables	8	1053		1580	
Other Current Liabilities	9	1448		1419	
Short Term Provisions	10	92	4834	188	7374
	TOTAL		14266		18157
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
<b>Fixed Assets</b>					
Tangible Assets	11	7888		8082	
Intangible Assets	12	9		1	
		7897		8083	
Capital Work-in-Progress		548	8445	480	8563
<b>Non-Current Investments</b>	13		173		267
<b>Long Term Loans and Advances</b>	14		458		484
<b>Total Non-Current Assets</b>			9076		9314
<b>Current Assets</b>					
Current Investments	15	550		1071	
Inventories	16	2339		5468	
Trade Receivables	17	996		1097	
Cash and Cash Equivalents	18	505		135	
Short Term Loans and Advances	19	663		829	
Other Current Assets	20	137	5190	243	8843
	TOTAL		14266		18157
<b>Notes to the Financial Statements</b>	31				

As per our report of even date.

For JAIN &amp; CO.

Chartered Accountants

Firm Registration No.302023E

M. K. JAIN

Partner

Membership No. 55048

P-21/22, Radhabazar Street

Kolkata 700 001

Dated : the 12th day of May, 2012

A. KANORIA *Managing Director*S. A. LALBHAI *Directors*

D. KUMAR

P. K. SAW *Company Secretary*



## STATEMENT OF PROFIT & LOSS for the year ended 31st March, 2012

	Notes	For the year ended 31st March, 2012		(Amount in ₹ Lacs) For the year ended 31st March, 2011	
Revenue from Operations	21	18171		17718	
Less : Excise Duty		12	18159	11	17707
Other Income	22		425		304
<b>TOTAL REVENUE</b>			<b>18584</b>		<b>18011</b>
<b>EXPENSES</b>					
Cost of Material Consumed	23		9390		8903
Purchase of Stock-in-Trade	24		947		1048
Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	25		907		(1399)
Employee Benefits Expense	26		2165		2087
Finance Cost	27		907		595
Depreciation and Amortization Expenses	28	945		888	
Less : Transferred to Revaluation Reserve		14	931	15	873
Other Expenses	29		4865		4741
<b>TOTAL EXPENSES</b>			<b>20112</b>		<b>16848</b>
<b>(Loss)/Profit before exceptional item and Tax</b>			<b>(1528)</b>		1163
Less : Exceptional item	30		—		20
<b>(Loss)/Profit Before Tax</b>			<b>(1528)</b>		1143
<b>Tax Expense</b>					
Current Tax		90		260	
Less : MAT Credit Entitlement		—	90	134	126
Taxation for earlier year (Prev. Year ₹ 11,957/-)			1		—
Deferred Tax Written Back/Provision			(400)		205
<b>(Loss)/Profit for the year after Tax</b>			<b>(1219)</b>		812
Earning per Equity Share (Basic & Diluted) (in ₹)			<b>(13.54)</b>		9.02
<b>Notes to the Financial Statements</b>	31				

As per our report of even date.

For JAIN & CO.

Chartered Accountants

Firm Registration No.302023E

M. K. JAIN

Partner

Membership No. 55048

P-21/22, Radhabazar Street

Kolkata 700 001

Dated : the 12th day of May, 2012

A. KANORIA *Managing Director*

S. A. LALBHAI  
D. KUMAR *Directors*

P. K. SAW *Company Secretary*





## CASH FLOW STATEMENT for the year ended 31st March, 2012

	For the year ended 31st March, 2012	(Amount in ₹ Lacs) For the year ended 31st March, 2011
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net (Loss)/Profit Before Tax & Extraordinary Items	(1528)	1143
Amount written off against Leasehold Land	1	—*
Finance Cost	907	595
Depreciation	931	873
Investment Written Off	—	1
Interest received	(11)	(12)
Rent received	(57)	(49)
Profit on Fixed Assets sold/discarded (Net)	(13)	(122)
Share Issue Expenses Written Off	—	4
Net Gain on Sale of Investments	(265)	(39)
<b>Operating (Loss)/Profit before Working Capital Changes</b>	<b>(35)</b>	<b>2394</b>
ADJUSTMENT FOR :		
Trade Receivables	101	(369)
Increase/Decrease in other Loans & Advances	312	(198)
Decrease/Increase in Inventories	3129	(2235)
Trade Payables	(527)	1195
Increase in Other Current/Non-current Liabilities	86	4
<b>Cash Generated from Operations</b>	<b>3066</b>	<b>791</b>
Income Tax Paid (Net)	(106)	(295)
<b>Net Cash Flow from Operating Activities</b>	<b>2960</b>	<b>496</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(902)	(1452)
Sale of Fixed Assets	88	192
Purchase of Investments	(480)	(1384)
Sale of Investments	1360	1103
Interest Received	11	12
Rent Received	57	49
<b>Net Cash used in Investing Activities</b>	<b>134</b>	<b>(1480)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Decrease/Increase in Short Term Borrowings from Banks	(1946)	1737
Increase in Long Term Borrowings	286	13
Finance Cost	(907)	(595)
Dividend paid	(135)	(135)
Dividend Distribution Tax Paid	(22)	(22)
<b>Net Cash used in Financing Activities</b>	<b>(2724)</b>	<b>998</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>370</b>	<b>14</b>
<b>Cash and Cash Equivalents as at (Opening Balance)</b>	<b>135</b>	<b>121</b>
<b>Cash and Cash Equivalents as at (Closing Balance)</b>	<b>505</b>	<b>135</b>
		*(Prev. Year ₹ 27,449/-)

### Notes:

- 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 (Accounting Standards) Rules, 2006".
- Cash and Cash Equivalents represent cash and bank balances only.

As per our report of even date.

For JAIN & CO.

Chartered Accountants

Firm Registration No.302023E

M. K. JAIN

Partner

Membership No. 55048

P-21/22, Radhabazar Street

Kolkata 700 001

Dated : the 12th day of May, 2012

A. KANORIA Managing Director

S. A. LALBHAI  
D. KUMAR Directors

P. K. SAW Company Secretary



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Amount in ₹ Lacs)

NOTE NO. "1" As at  
**SHARE CAPITAL** 31st March, 2012 As at  
31st March, 2011

### a) Details of Authorised, Issued, Subscribed and Fully Paid up Shares

#### Authorised

1,50,00,000 Equity Shares of ₹ 10/- each	1500	1500
5,00,000 Redeemable Preference Shares of ₹ 100/- each	500	500
	<u>2000</u>	<u>2000</u>

#### Issued, Subscribed and Fully Paid up

90,05,985 Equity Shares of ₹ 10/- each fully paid up	901	901
Add : Amount received on Forfeited Shares	—	—
{Current Year ₹ 47,000/- (Prev. Year ₹ 47,000/-)}	<u>901</u>	<u>901</u>

### b) Reconciliation of Paid up Share Capital

EQUITY SHARE CAPITAL	2011-2012		2010-2011	
	No. of shares	Amount	No. of shares	Amount
Equity Shares of ₹ 10/- each outstanding at the beginning of the year	90,05,985	901	90,05,985	901
Equity Shares of ₹ 10/- each outstanding at the end of the year	<u>90,05,985</u>	<u>901</u>	<u>90,05,985</u>	<u>901</u>

### c) Shares held by Shareholders holding more than 5% Shares of the Company

Name of the Shareholders	As on 31.03.2012		As on 31.03.2011	
	No. of Shares held	%	No. of Shares held	%
M/s Samrat Industrial Resources Limited	20,83,518	23.13	20,72,756	23.02
M/s Rydak Enterprises & Investment Limited	18,06,720	20.06	18,06,720	20.06
M/s Eskay Udyog Limited	11,70,632	13.00	11,43,094	12.69
Mr. Adarsh Kanoria	5,36,137	5.95	5,36,137	5.95

NOTE NO. "2" As at  
**RESERVES AND SURPLUS** 31st March, 2012 As at  
31st March, 2011

<b>Securities Premium Reserve</b>	301	301
<b>Revaluation Reserve</b>	457	472
Less : Adjustment for depreciation on revalued assets	14	15
Less : Adjustment on sale of assets (Prev. Year ₹ 50,651/-)	<u>1</u>	<u>—</u>
	442	457
<b>General Reserve</b>	2723	2623
Transfer From Profit & Loss Account	—	100
Transfer From Revaluation Reserve (Prev. Year ₹ 50,651/-)	<u>1</u>	<u>—</u>
	2,724	2723
<b>Surplus in Profit &amp; Loss Statement</b>		
Opening Balance	1452	897
(Loss)/Profit for the year after tax	(1219)	812
Transfer to General Reserve	—	(100)
Proposed Dividend	—	(135)
Tax on Proposed Dividend	<u>—</u>	<u>(22)</u>
	233	1452
	<u>3700</u>	<u>4933</u>



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

(Amount in ₹ Lacs)

NOTE NO. "3" LONG TERM BORROWINGS	As at <u>31st March, 2012</u>	As at <u>31st March, 2011</u>
<b>Secured</b>		
Term Loans :		
From Banks	4663	4359
(excluding payable within one year)		
<b>Unsecured</b>		
Deferred Payment Liabilities	19	37
(excluding payable within one year)		
	<u>4682</u>	<u>4396</u>

### 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 Ahmedabad;
- iii) Secured Term Loans are guaranteed by the Managing Director.

### b) Terms of Repayment

Particulars	Amount	Moratorium Period	Terms of Repayment	Commence- ment Date
<b>Secured Term Loans</b>				
IDBI Rupee Term Loan	806	2 Years	32 quarterly installments of varying amount	01.01.2008
IDBI Rupee Term Loan	1069	18 Months	32 quarterly installments of varying amount	01.04.2009
IDBI Rupee Term Loan	950	2 Years	32 quarterly installments of varying amount	23.03.2013
IDBI Rupee Term Loan	200	2 Years	20 quarterly installments of varying amount	14.03.2014
SBI Rupee Term Loan	563	2 Years	32 quarterly installments of varying amount	31.03.2008
SBI Rupee Term Loan	732	18 Months	32 quarterly installments of varying amount	31.03.2009
SBI Rupee Corporate Loan	600	6 Months	10 quarterly installments of varying amount	31.12.2012
BOI Rupee Term Loan	160	2 Years	32 quarterly installments of varying amount	31.03.2008
BOI Rupee Term Loan	440	18 Months	32 quarterly installments of varying amount	31.03.2009
<b>Unsecured Deferred Payment Liabilities</b>				
Deferred Sales Tax	37	—	6 Annual equal installments	22.04.2008

NOTE NO. "4" DEFERRED TAX LIABILITES (NET) *	As at <u>31st March, 2012</u>	As at <u>31st March, 2011</u>
---	----------------------------------	----------------------------------

### Deferred Tax Liabilities being the Tax impact on -

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

<b>Total</b>	<u>793</u>	<u>816</u>
	<u>793</u>	<u>816</u>

### Deferred Tax Assets being the Tax impact on -

- (i) Unabsorbed Depreciation/Losses Carried Forward as per Income Tax Laws
- (ii) Expenses charged in books but allowance thereof deferred under Income Tax Laws

<b>Total</b>	<u>51</u>	<u>59</u>
	<u>714</u>	<u>337</u>
	<u>79</u>	<u>479</u>

### Net Deferred Tax Liability

\* Deferred Tax liabilities and assets have been calculated in accordance with AS-22 as notified by the Companies (Accounting Standards) Rules, 2006.



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

(Amount in ₹ Lacs)

<b>NOTE NO. "5"</b>	<b>As at</b>	<b>As at</b>
<b>OTHER LONG TERM LIABILITIES</b>	<b>31st March, 2012</b>	<b>31st March, 2011</b>
(i) Trade Payables	—	—
(ii) Other Payables	—	—
Security Deposits	<u>5</u>	<u>4</u>
	<u>5</u>	<u>4</u>
<b>NOTE NO. "6"</b>		
<b>LONG TERM PROVISIONS</b>		
Provision for Employee Benefits		
For Leave Encashment	<u>65</u>	<u>70</u>
	<u>65</u>	<u>70</u>
<b>NOTE NO. "7"</b>		
<b>SHORT TERM BORROWINGS</b>		
<b>Secured</b>		
Loans repayable on demand		
From Banks	<u>1984</u>	<u>3687</u>
<b>Unsecured</b>		
Loans repayable on demand		
From Banks	<u>257</u>	<u>500</u>
	<u>2241</u>	<u>4187</u>

### a) Nature of Security

Out of Loans repayable on demand of ₹ 1984 lacs, amount of ₹ 1637 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 Ahmedabad.
- (iii) Lien on TDR of ₹ 10 lacs.
- (iv) Secured loans repayable on demand of ₹ 1984 lacs are guaranteed by the Managing Director.

Balance amount of Loans repayable on demand of ₹ 347 lacs from Bank is secured against hypothecation of green tea leaves, before and after plucking, tea in process, finished tea in stock/ transit and /or lying with brokers/ agents relating to Season 2012, book debts (present and future) and equitable mortgage of immovable properties and machineries of Tea Estates as additional security.

<b>NOTE NO. "8"</b>	<b>As at</b>	<b>As at</b>
<b>TRADE PAYABLES</b>	<b>31st March, 2012</b>	<b>31st March, 2011</b>
i) Due to Micro, Small and Medium Enterprises *	—	2
ii) Others	<u>1053</u>	<u>1578</u>
	<u>1053</u>	<u>1580</u>

\* Disclosure as required under Section 22 of The Micro, Small and Medium Enterprise Development (MSMED) Act, 2006 under the chapter on Delayed Payments to Micro and Small Enterprises :

(a) Amount due and outstanding to suppliers as at the end of the accounting year	Nil	2
(b) Interest paid during the year	Nil	Nil
(c) Interest payable at the end of the accounting year	Nil	Nil
(d) Interest accrued and unpaid at the end of the accounting year	Nil	Nil



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

(Amount in ₹ Lacs)

NOTE NO. "9" OTHER CURRENT LIABILITIES	As at 31st March, 2012	As at 31st March, 2011
(i) Current maturities of Long Term Debt - Secured *	856	720
(ii) Current maturities of Long Term Debt - Unsecured *	19	19
(iii) Unpaid Dividend Account**	15	10
(iv) Unpaid Right Issue Refund Account** {Current Year ₹ 2,500/- (Prev. Year ₹ 2,500/-)}	—	—
(v) Other Payables		
(a) Statutory Dues	34	33
(b) Advance from Customers	41	291
(c) Payable to Employees	244	231
(d) Others	239	115
	<u>558</u>	<u>670</u>
	<u>1448</u>	<u>1419</u>

\* For nature of security and rate of interest refer Note No. 3

\*\* Investor Education &amp; Protection Fund (IEPF) shall be credited, if remained unpaid on dates due for transfer to IEPF.

### NOTE NO. "10" SHORT TERM PROVISIONS

(i) Provision for Employee Benefits	92	31
(ii) Other Provisions		
For Proposed Dividend	—	135
For Tax on Proposed Dividend	—	22
	<u>92</u>	<u>188</u>

### NOTE NO. "11"

#### FIXED ASSETS - TANGIBLE ASSETS

(Amount in ₹ Lacs)

PARTICULARS	GROSS BLOCK				As at 31.03.2012	DEPRECIATION			NET BLOCK		
	As at 01.04.2011	Additions	Adjustments (Note-b)	Disposals		Upto 01.04.2011	For the Year	Sales/ Adjustment	Upto 31.03.2012	As at 31.03.2012	As at 31.03.2011
Land Leasehold (Note- a)	20	—	—	1	19	—	—	—	—	19	20
<b>Own Assets</b>											
Land Freehold	4	—	—	—	4	—	—	—	—	4	4
Land & Plantation	425	1	—	—	426	—	—	—	—	426	425
Building & Water											
Supply Installation	2616	139	(3)	—	2752	583	72	—	655	2097	2033
Plant & Equipment	10835	605	20	545	10915	5417	829	476	5770	5145	5418
Furniture & Fixtures	252	40	—	9	283	181	12	9	184	99	71
Vehicles	241	22	—	23	240	135	29	18	146	94	106
Office Equipment*	13	—	—	—	13	8	1	—	9	4	5
Total	14406	807	17	578	14652	6324	943	503	6764	7888	8082
Previous Year	14475	890	959	—	14406	6326	887	889	6324	8082	

\* (Additions during the year ₹ 38,089/-)

a) The amount of Leasehold Land amortized during the year is shown as disposals.

b) Adjustment in gross block includes amount of ₹ 21 lacs as borrowing cost capitalised and reduction of ₹ 4 lacs as subsidy received from Tea Board.



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

### NOTE NO. "12"

(Amount in ₹ Lacs)

#### FIXED ASSETS - INTANGIBLE ASSETS

PARTICULARS	GROSS BLOCK				As at 31.03.2012	DEPRECIATION				NET BLOCK	
	As at 01.04.2011	Additions	Other Adjustments	Disposals		Upto 01.04.2011	For the Year	Sales/ Adjustment	Upto 31.03.2012	As at 31.03.2012	As at 31.03.2011
<b>Own Assets</b>											
Computer Software	3	10	—	—	13	2	2	—	4	9	1
	3	10	—	—	13	2	2	—	4	9	1
Previous Year	2	1	—	—	3	1	1	—	2	1	

### NOTE NO. "13"

#### NON-CURRENT INVESTMENTS

##### Other than Trade

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

	Face Value ₹	As at 31st March, 2012		As at 31st March, 2011	
		Number	Amount	Number	Amount
In Fully Paid up Equity Shares :					
<b>Investments in Associates</b>					
Kanoria Exports Private Ltd.	10/-	—	—	10800	1
Rydak Enterprises & Investment Ltd.	10/-	—	—	71900	7
Samrat Industrial Resources Ltd.	10/-	22100	1	72100	4
<b>Total Non-current Investment - Shares (A)</b>			<b>1</b>		<b>12</b>

##### Investments in Mutual Funds (Unquoted - at Cost)

ICICI Prudential Focused					
Bluechip Equity Fund-Retail Growth	10/-	62656.642	10	—	—
HDFC Top 200 Fund-Growth	10/-	9663.967	20	15362.525	30
HDFC Prudence Fund-Growth	10/-	36686.102	72	46069.221	90
Reliance Regular Savings Fund- Balanced Plan-Growth Option	10/-	272045.341	60	612205.778	125
Sundaram Select Focus - Appreciation	10/-	12443.425	10	12443.425	10
<b>Total Non-current Investment - Mutual Funds (B)</b>			<b>172</b>		<b>255</b>
<b>Total Non-current Investment (A) + (B)</b>			<b>173</b>		<b>267</b>

### NOTE NO. "14"

#### LONG TERM LOANS AND ADVANCES

(Unsecured, considered good unless otherwise stated)

	As at 31st March, 2012		As at 31st March, 2011	
Capital Advances	116		105	
Security Deposits	17		56	
CENVAT Credit realizable from Excise Dept.	20		18	
MAT Credit Entitlement	305	458	305	484
		<b>458</b>		<b>484</b>





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

### NOTE NO. "15"

#### CURRENT INVESTMENTS : UNQUOTED

##### Investments in Mutual Funds

( Valued at Cost or Market Value whichever is lower)

	Face Value ₹	31st March, 2012		(Amount in ₹ Lacs) As at 31st March, 2011	
		Units	Amount	Units	Amount
Reliance Money Manager Fund- Retail- Growth	1000/-	4957.908	71	2182.218	28
Reliance Regular Saving Fund - Debt Plan- Institutional Growth Plan	10/-	230354.593	30	506853.017	65
Templeton India Income Opportunities Fund- Growth	10/-	1384530.632	140	1384530.632	140
HDFC Monthly Income Plan- Long Term- Growth	10/-	247165.541	55	247165.541	55
HDFC Cash Management Fund- Treasury					
Advantage Plan- Retail- Growth	10/-	153949.514	35	178302.206	37
Birla Sunlife Monthly Income- Growth	10/-	118057.331	42	118057.331	42
Reliance Monthly Income Plan- Growth Plan	10/-	349054.056	74	349054.059	74
JM Money Manager Fund Super Plus Plan- Growth Option	10/-	—	—	151431.608	19
JM Money Manager Fund Super Plan- Growth (170)	10/-	689606.000	103	605540.111	81
Sundram BNP Paribas FTP 18 Months Series Y- Growth	10/-	—	—	250000.000	25
Reliance Fixed Horizon Fund-XIV-Series 1-Growth Plan	10/-	—	—	200000.000	20
Reliance Fixed Horizon Fund-XVIII-Series 3-Growth Plan	10/-	—	—	763640.451	77
Templeton India Growth Fund	10/-	—	—	9034.778	10
F T India Dynamic PE Ratio Fund of Fund- Growth	10/-	—	—	136332.142	50
Kotak Credit Opportunities Fund- Growth	10/-	—	—	300000.000	30
BNP Paribas Fixed Term Fund- Series 21E- Growth	10/-	—	—	323009.000	32
ICICI Prudential Fixed Maturity Plan- Series 53-1 Yr. Plan F- Cumulative	10/-	—	—	150000.000	15
Birla Sun Life FTP Series CP (368 Days) Growth	10/-	—	—	750000.000	75
<b>Total Current Investments- Unquoted (A)</b>			<b>550</b>		<b>875</b>

#### CURRENT INVESTMENTS : QUOTED

( Valued at Cost or Market Value whichever is lower)

Reliance Quarterly Interval Fund-Series III Retail Option-Growth	10/-	—	—	634383.294	81
Reliance Monthly Interval Fund- Monthly Interval Fund Series-I - Retail Option-Growth Plan	10/-	—	—	192770.341	25
Reliance Quarterly Interval Fund-Series I Retail Option-Growth	10/-	—	—	378008.951	50
UTI Fixed Income Interval Fund- Series-II Quarterly Interval Plan-VI- Growth	10/-	—	—	343689.854	40
<b>Total Current Investments- Quoted (B)</b>					<b>196</b>
<b>Total Current Investments (A) + (B)</b>			<b>550</b>		<b>1071</b>
Aggregate Market Value of Quoted Investments			—		202

### NOTE NO. "16"

#### INVENTORIES

##### Raw Materials

	As at 31st March, 2012		As at 31st March, 2011	
Cotton	633		2687	
Polyester Fibre	15		50	
Filament Yarn	3		3	
Cotton Yarn	—	651	1	2741
Stores & Spares		336		472
Stores in Transit		5		1
<b>Work in Progress</b>				
Cloth	380		352	
Yarn	386	766	329	681



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

NOTE NO. "16" (Contd.)	As at		(Amount in ₹ Lacs)	
	31st March, 2012		As at	31st March, 2011
<b>Manufactured Goods</b>				
Cloth	238		342	
Yarn	172		963	
Yarn- in-transit	—		40	
Black Tea	102	512	115	1460
<b>Stock in Trade</b>				
Black Tea (Current Year ₹ 11,929/-)	—		—	9
Waste	69		—	104
	<u>2339</u>		<u>115</u>	<u>5468</u>
<b>(Per inventories taken, valued and certified by the Management)</b>				
<b>For mode of Valuation refer Note No. 31A(g)</b>				
<b>NOTE NO. "17"</b>				
<b>TRADE RECEIVABLES (Unsecured)</b>				
Outstanding for a period exceeding six months				
Considered Good	7		22	
Considered Doubtful	15		15	
Less: Provision made for Doubtful Debts	(15)		(15)	
Others - Considered Good	989	996	1075	1097
	<u>996</u>	<u>996</u>	<u>1075</u>	<u>1097</u>
<b>NOTE NO. "18"</b>				
<b>CASH &amp; CASH EQUIVALENTS</b>				
(i) Balances with Banks				
In Current Accounts		376		39
In Fixed Deposit Accounts *				
(Deposits held as Margin Money)				
Under lien with Bank against Loans	10		10	
Under lien with Bank against Letter of Credit	—		32	
Under lien with Bank against Bank Guarantees	34		26	
Lodged with Court for ESI Case	1	45	1	69
(ii) In Unpaid Dividend and Rights Issue Refund Account	15		—	10
(iii) In Cash Credit Account	53		—	—
(iv) Cash and Postage in hand (Certified)	16		—	17
	<u>505</u>	<u>505</u>	<u>1</u>	<u>135</u>
* Fixed Deposits with banks include deposits of ₹ 34 lac (Previous Year ₹ 10 lac ) with maturity of more than 12 months.				
<b>NOTE NO. "19"</b>				
<b>SHORT TERM LOANS &amp; ADVANCES</b>				
(Unsecured, considered good, unless otherwise stated)				
Advances recoverable in Cash or in Kind or for value to be received				
- From Related Parties	—		—	
- From Others (Considered Good)	542		704	
- From Others (Considered Doubtful)	—		—	
{Current Year ₹ 12,774/- (Prev. Year ₹ 12,774/-)}				
Less : Provision made for Doubtful Advances	—		—	
{Current Year ₹ 12,774/- (Prev. Year ₹ 12,774/-)}		542		704
Deposits with NABARD under Tea Development Scheme	23		—	35
Advance with Income Tax Authorities (Net of Provision)	71		—	57
Prepaid Expenses	27		—	33
	<u>663</u>	<u>663</u>	<u>—</u>	<u>829</u>
<b>NOTE NO. "20"</b>				
<b>OTHER CURRENT ASSETS</b>				
(i) Interest Accrued but not due	8		—	10
(ii) Export Incentives Receivables	7		—	3
(iii) Others	122		—	230
	<u>137</u>	<u>137</u>	<u>—</u>	<u>243</u>



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

	<u>Figures for the Current Year</u>		<u>Figures for the Previous Year</u>	
<i>(Amount in ₹ Lacs)</i>				
<b>NOTE NO. "21"</b>				
<b>REVENUE FROM OPERATIONS</b>				
<b>Sale of Products</b>				
<b>Manufactured Goods</b>				
Black Tea	3066		3220	
Cloth	5478		4945	
Yarn	6273		6492	
Knitted Fabric	379	15196	343	15000
<b>Traded Goods :</b>				
Cloth	947		1042	
Black Tea	62	1009	43	1085
Waste		1307		1123
<b>Revenue from Sale of Products</b>		<b>17512</b>		<b>17208</b>
Other Operating Revenues :				
Job Work Charges	551		484	
Export Incentives	103		21	
Profit on Tea Seed (Net)	5	659	5	510
<b>Total Revenue from Operations</b>		<b>18171</b>		<b>17718</b>
<b>NOTE NO. "22"</b>				
<b>OTHER INCOME</b>				
<b>Interest</b>				
On Current Investments		11		12
<b>Net Gain on Sale of Investments</b>				
On Non-Current Investments	195		—	
On Current Investments	70	265	39	39
<b>Other Non-operating Income</b>				
Rent	57		49	
Profit on Fixed Assets Sold/Discarded (Net)	13		122	
Net Gain on Foreign Currency Transactions	3		26	
Sundry Balances Written Off (Net)	2		1	
Sale of Scrap	59		51	
Others	15	149	4	253
		<b>425</b>		<b>304</b>
<b>NOTE NO. "23"</b>				
<b>COST OF MATERIALS CONSUMED</b>				
Cotton, Polyester, Filament Yarn and Staple Fibre				
Stock at Commencement	2741		2029	
Purchases	6872		9160	
	9613		11189	
Less : Stock at Close	651	8962	2741	8448
Purchase of Green Tea Leaves		428		455
		<b>9390</b>		<b>8903</b>
<b>a) Raw Material Consumed</b>				
Cotton		8182		7740
Polyester Fibre		716		613
Staple Fibre, Polyester, Filament Yarn etc.		36		87
Others		28		8
Purchase of Green Tea Leaves		428		455
		<b>9390</b>		<b>8903</b>
<b>b) Value of imported and indigenous materials consumed</b>				

	RAW MATERIALS				SPARE PARTS & COMPONENTS			
	31.03.2012		31.03.2011		31.03.2012		31.03.2011	
	₹	%	₹	%	₹	%	₹	%
Imported	—	—	—	—	114	39	87	34
Indigenous	9390	100	8903	100	179	61	172	66
	9390	100	8903	100	293	100	259	100



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

	(Amount in ₹ Lacs)	
	Figures for the Current Year	Figures for the Previous Year
<b>NOTE NO. "24"</b>		
<b>PURCHASE OF STOCK-IN-TRADE</b>		
Black Tea	33	36
Cloth	914	1012
	<u>947</u>	<u>1048</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	238	342
Yarn	172	963
Yarn in Transit	—	40
Black Tea	102	115
	<u>512</u>	<u>1460</u>
<b>Work-in-Progress</b>		
Cloth	380	352
Yarn	386	329
	<u>766</u>	<u>681</u>
<b>Stock-in-Trade</b>		
Black Tea (Current Year ₹ 11,929/-)	—	9
Waste	69	104
	<u>1347</u>	<u>2254</u>
<b>Stock at the Beginning of the year</b>		
<b>Manufactured Goods</b>		
Cloth	342	62
Yarn	963	69
Yarn in Transit	40	28
Black Tea	115	106
	<u>1460</u>	<u>265</u>
<b>Work-in-Progress</b>		
Cloth	352	336
Yarn	329	232
	<u>681</u>	<u>568</u>
<b>Stock-in-Trade</b>		
Black Tea (Prev. Year ₹ 44,660/-)	9	—
Waste	104	22
	<u>2254</u>	<u>855</u>
<b>Decrease/(Increase) in Stocks</b>	<u>907</u>	<u>(1399)</u>
<b>NOTE NO. "26"</b>		
<b>EMPLOYEE BENEFITS EXPENSES</b>		
Salaries and Wages	1787	1738
Contribution to Provident and Other Funds	267	228
Staff Welfare Expenses	111	121
	<u>2165</u>	<u>2087</u>
<b>NOTE NO. "27"</b>		
<b>FINANCE COSTS</b>		
Interest Expense	831	532
Other Borrowing Costs	76	63
	<u>907</u>	<u>595</u>
<b>NOTE NO. "28"</b>		
<b>DEPRECIATION AND AMORTIZATION EXPENSES</b>		
Depreciation on Tangible Assets	943	887
Amortization of Intangible Assets	2	1
Amortization of Leasehold Land	—	—
{Current Year ₹ 27,449/- (Prev. Year ₹ 27,449/-)}	<u>945</u>	<u>888</u>



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

NOTE NO. "29"	Figures for the Current Year	(Amount in ₹ Lacs) Figures for the Previous Year
<b>OTHER EXPENSES</b>		
Consumption of Stores & Spares	1244	1148
Processing Charges	67	64
Power & Fuel	2205	2207
Rent	10	8
Repairs to Building	54	34
Repairs to Machinery	321	295
Repairs to other Assets	13	12
Insurance Charges	40	20
Rates & Taxes	62	76
Audit Fees		
a) Statutory & Branch Auditors :		
- As Auditors {including ₹ 2 lacs (Previous Year ₹ 2 lacs) to Branch Auditors}	3	2
- For Taxation Matters * {Current Year ₹ 47,238/- (Prev. Year ₹ 46,878/-)}	—	—
- For Other Matters (including reimbursement of expenses)	2	2
b) Cost Auditors :	5	4
- Cost Audit Fees	1	1
- For Other Matters (including reimbursement of expenses)	—	—
Brokerage, Commission & Discount	253	246
Selling & Distribution Expenses	172	170
Investment Written off	—	1
Miscellaneous Expenses	418	455
	<u>4865</u>	<u>4741</u>
<b>NOTE NO. "30"</b>		
Details of items of exceptional nature		
- Loss due to fire	—	20
	—	<u>20</u>
<b>NOTE NO. "31"</b>		

### 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 notified by the Companies(Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. 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.



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

NOTE NO. "31" (Contd.)

(Amount in ₹ Lacs)

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

(iii) Depreciation

Depreciation on additions to Building, Water Supply Installation, Machineries and Electrical Installation upto 31st December 1975 for Textile Division and upto 31st March, 1976 for Tea Division and on all other Assets is being provided on Written Down Value basis, in terms of Section 205(2)(a) of the Companies Act, 1956 at the rates specified in Schedule XIV to the said Act.

Depreciation on additions to Building, Water Supply Installation, Machineries and Electrical Installation from 1st January, 1976 for Textile Division and from 1st April, 1976 for Tea Division has been provided on Straight Line Basis, in terms of Section 205(2)(b) of the Companies Act, 1956 at the rates specified in Schedule XIV to the said Act.

In respect of assets acquired/sold during the year, depreciation has been provided on pro-rata basis.

In respect of revalued assets, the difference of depreciation, between written down value and revalued amount, has been charged to Revaluation Reserve.

**Intangible**

- (i) Cost of Software is capitalised 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.
- (ii) Capitalised software costs is amortised on straight line basis over a period of five years.

**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 or 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.

**h) Borrowing Cost**

- i) Interest and other costs in connection with the borrowing of the funds to the extent related/attribution 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.
- ii) Borrowing costs such as the premium paid in connection with the borrowings are being amortised over the period of respective borrowings in proportion with the outstanding balances.

**i) Exchange Fluctuation**

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."



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

NOTE NO. "31" (Contd.)

(Amount in ₹ Lacs)

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

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 Profit and Loss Statement 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 Profit and Loss Statement.

#### 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 account 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.

##### iv) Retrenchment Compensation :

Retrenchment compensation is being amortised over a period of future benefit as estimated by the management.

#### 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	16	23
(b) Bills Discounted	270	53
(c) Guarantees given by Company's Banker	212	177
(d) Disputed Sales Tax Demands including interest and penalty under appeal	15	15
(e) Disputed Service Tax / Excise Matters	2	2

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.





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

NOTE NO. "31" (Contd.)

(Amount in ₹ Lacs)

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

	Figures for the Current Year	Figures for the Previous Year
<b>(C) Capital and Other Commitments</b>		
Capital Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	1470	937
Other Commitments	—	—
	<u>1470</u>	<u>937</u>
<b>(D) Value of Imports on C.I. F. Basis</b>		
Spare Parts & Components	79	117
Capital Goods	66	839
	<u>145</u>	<u>956</u>
<b>(E) Expenditure in Foreign Currency</b>		
Travelling Expenses	18	30
Bank Charges	4	6
Commission on Sales	23	20
Interest	2	—
Others	3	2
	<u>50</u>	<u>58</u>
<b>(F) Earnings in Foreign Currency</b>		
<b>F.O.B. Value of Exports</b>		
Direct	1976	2588
Through Export House	1717	634
	<u>3693</u>	<u>3222</u>

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

#### a. Defined Contribution Plans :

Amount of ₹ 196 lacs (Prev. Year ₹ 189 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	
	2011-2012	2010-2011
a. Present Value of Defined Benefit Obligation at the beginning of the year	821	725
b. Interest Cost	67	59
c. Current Service Cost	46	45
d. Actuarial Losses / ( Gains)	59	45
e. Benefits Paid	(79)	(53)
f. Present Value of Defined Benefit Obligation at the close of the year	<u>914</u>	<u>821</u>

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

	Gratuity	
	2011-2012	2010-2011
a. Fair value of Plan Assets at the beginning of the year	817	751
b. Add : Expected return on Plan Assets	72	69
c. Less / (Add) : Actuarial Losses / ( Gains)	(9)	(5)
d. Add : Contributions	49	55
e. Less : Benefits Paid	(79)	(53)
f. Fair value of Plan Assets at the close of the year	<u>850</u>	<u>817</u>
Actual Return on Plan Assets	63	64



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

NOTE NO. "31" (Contd.)

(Amount in ₹ Lacs)

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

- 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	
	2011-2012	2010-2011
a. Present Value of Defined Benefit Obligation	914	821
b. Less: Fair value of Plan Assets	(850)	(817)
c. Present Value of unfunded Obligation	64	4
d. Net Liability / ( Asset) recognised in the Balance Sheet	64	4

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

	Gratuity	
	2011-2012	2010-2011
a. Current Service Cost	46	45
b. Interest Cost	67	59
c. Expected return on Plan Assets	(72)	(69)
d. Actuarial Losses / ( Gains)	68	50
e. Past Service Costs	—	—
f. Effect of curtailment / settlement	—	—
g. Adjustments for earlier years	—	—
Recognised in the Profit and Loss Statement	109	85

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

	Gratuity			
	31.03.2012		31.03.2011	
	Tea	Textile	Tea	Textile
a. Government of India/ State Government Securities	N. A.	40.00%	N. A.	41.00%
b. GILT Mutual Fund	N. A.	4.00%	N. A.	4.00%
c. Public Sector Bonds	N. A.	55.00%	N. A.	53.00%
d. Fixed Deposit under Special Deposit Scheme	N. A.	1.00%	N. A.	2.00%
e. 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			
	31.03.2012		31.03.2011	
	Tea	Textile	Tea	Textile
a. Discount Rate	8.50%	8.50%	8.25%	8.05%
b. Expected rate of return on Plan Assets	8.60%	8.60%	8.00%	9.25%
c. Salary Escalation rate — Management and Non-Management Staff	7.00%	4.50%	7.00%	4.50%

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

	Gratuity				
	2011-12	2010-11	2009-10	2008-09	2007-08
a. Present value of Defined Benefit obligation	914	821	725	684	657
b. Less : Fair value of Plan Assets	(850)	(817)	751	674	663
c. (Deficit) / Surplus in the plan	(64)	(4)	26	(10)	6
d. Experience Adjustments on plan liabilities (losses)/ gain	26	55	21	(2)	—
e. Experience Adjustments on plan asset ( losses)/ gain	(10)	2	(1)	(2)	—



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

NOTE NO. "31" (Contd.)

(Amount in ₹ Lacs)

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

- 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 ₹ 13 Lacs (Previous Year ₹ 18 Lacs)
- d) Short Term payment of Leave Encashment amounting to ₹ 9 Lacs (Previous year ₹ 10 Lacs) is charged to Employee Benefits Expense.

### (H) Segment Reporting as per AS-17 notified by Companies (Accounting Standards) Rules, 2006, for the year ended 31st March, 2012

(Amount in ₹ Lacs)

(A) Information about Primary (Business) Segment	Tea		Textile		Total	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
<b>SEGMENT REVENUE</b>						
External Sales & Other Income	3417	3322	15179	14700	18596	18022
Less: Excise Duty	—	—	(12)	(11)	(12)	(11)
Sales (Net of Excise Duty) and Other Income	3417	3322	15167	14689	18584	18011
Total Revenue	3417	3322	15167	14689	18584	18011
<b>SEGMENT RESULT</b>						
Segment Result	845	1058	(1742)	629	(897)	1687
<b>Unallocated Corporate Income</b>						
a) Net Gain on Sale of Investments					265	39
b) Interest Income					11	12
Finance Cost					(907)	(595)
Income Taxes					309	(331)
Net (Loss)/Profit					(1219)	812
<b>OTHER INFORMATION</b>						
Segment Assets	2194	1995	10896	14350	13090	16345
Unallocated Corporate Assets					1176	1812
<b>Total Assets</b>					14266	18157
Segment Liabilities	600	595	4304	6853	4904	7448
Unallocated Corporate Liabilities					—	—
<b>Total Liabilities</b>					4904	7448
Capital Expenditure	182	97	720	1274	902	1371
Depreciation & Amortisation	68	74	863	799	931	873
Non-cash Expenses other than depreciation	—	1	—	—	—	1
<b>(B) Information about Secondary (Geographical) Segment</b>						
	India		Outside India		Total	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
Segment Revenue	14891	14789	3693	3222	18584	18011
Segment Assets	14241	17914	25	243	14266	18157
Capital Expenditure	902	1371	—	—	902	1371

#### 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.



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

NOTE NO. "31" (Contd.)

(Amount in ₹ Lacs)

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

#### (I) Related Party Disclosures as per AS-18 notified by Companies (Accounting Standards) Rules, 2006 for the year ended 31st March, 2012

##### (A) Relationships :

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

Shri Adarsh Kanoria	Shri Basudeo Kanoria	Master Kushagra Kanoria
Smt Pushpa Devi Kanoria	Smt Shubha Kanoria	Shri Radhe Shyam Saraogi
Master Varenia Kanoria		

##### (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.		

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

	In relation to Item no.			
	A (i) above		A (ii) above	
	2011-12	2010-11	2011-12	2010-11
(i) Rent received	—	—	1	1
(ii) Expenses reimbursed	2	1	—	—
(iii) Salary & other benefits	65	64	—	—
(iv) Dividend Paid	23	28	75	70
(v) Rent paid	—	—	5	5
(vi) Sale of Goods {*Current Year ₹ 33,280/- (Prev. Year - NIL)}	—	—	—*	—*
(vii) Outstanding payable as on 31st March, 2012	—	—	—	—

#### (J) Statement showing calculation of Earning Per Share, as per AS-20, notified by Companies (Accounting Standards) Rules, 2006

	2011-2012	2010-2011
(Loss)/Profit After Tax (₹ in lacs)	(1219)	812
Weighted average number of Equity Shares of ₹ 10/- each fully paid up	90,05,985	90,05,985
Earning Per Share (in ₹) (Basic & Diluted)	(13.54)	9.02

(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

	2011-2012	2010-2011
As Addition to Fixed Assets (other adjustment)	21	18
As Capital Work in Progress	19	—
	<u>40</u>	<u>18</u>

(M) The financial statements for the year ended March 31, 2012 have been prepared as per the Notification on Revised Schedule VI under the Companies Act, 1956 and accordingly, the previous year figures have also been reclassified/regrouped to conform to this year's classification.

As per our report of even date.

For JAIN & CO.

Chartered Accountants

Firm Registration No.302023E

M. K. JAIN

Partner

Membership No. 55048

P-21/22, Radhabazar Street

Kolkata 700 001

Dated : the 12th day of May, 2012

A. KANORIA Managing Director

S. A. LALBHAI  
D. KUMAR Directors

P. K. SAW Company Secretary

# BENGAL TEA & FABRICS LIMITED

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

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

## ATTENDANCE SLIP

I hereby record my presence at the 29th ANNUAL GENERAL MEETING of the Company at "Kalakunj", 48, Shakespeare Sarani, Kolkata 700 017 on Saturday, the 11th August, 2012 at 10.30 A.M.

REGD. FOLIO NO. : .....

D.P. ID No. ....

NO. OF SHARES : .....

Client ID No.....

NAME OF THE SHAREHOLDER (IN BLOCK LETTERS)

SIGNATURE OF THE SHAREHOLDER OR PROXY

# BENGAL TEA & FABRICS LIMITED

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

## PROXY FORM

REGD. FOLIO NO. : .....

D.P. ID No. ....

NO. OF SHARES : .....

Client ID No.....

I/We.....

of.....

..... being a Member/Members of BENGAL TEA & FABRICS LIMITED

hereby appoint..... of.....

or failing him .....of.....

or failing him .....of.....

as my/our Proxy to attend and vote for me/us on my/our behalf at the 29th ANNUAL GENERAL MEETING of the Company to be held on Saturday, the 11th August, 2012 and at any adjournment thereof.

Signed this ..... day of..... 2012.

Signature.....

Revenue  
Stamp

**Note : The Proxy Form duly completed must reach/deposited at the Registered Office of the Company not less than 48 hours before the time for holding the meeting.**