

# Annual Report 2015-16



Bengal Tea & Fabrics Ltd.

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## CORPORATE INFORMATION

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



CIN : L51909WB1983PLC036542

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

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

**NOTICE****TO THE MEMBERS**

NOTICE is hereby given that the 33rd Annual General Meeting (AGM) of the Members of Bengal Tea & Fabrics Limited will be held at "Kalakunj", 48, Shakespeare Sarani, Kolkata 700 017 on Monday, the 1st day of August, 2016 at 10.30 A.M. to transact the following business :

**ORDINARY BUSINESS****1. Adoption of Audited Financial Statements, Reports of the Board of Directors and Auditors**

To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2016 and the Reports of the Board of Directors and Auditors thereon and to pass the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** the Audited Financial Statements of the Company for the financial year ended 31st March, 2016 including the Audited Balance Sheet as at 31st March, 2016 and the Statement of Profit & Loss and the Cash Flow Statement for the year ended on that date, the Reports of Directors and Auditors thereon, as circulated to the Shareholders and now submitted to this Meeting be and are hereby approved and adopted."

**2. Declaration of Dividend**

To declare a Dividend of ₹ 0.50 per equity share (being 5% on Face Value of ₹ 10 per share) for the financial year ended 31st March, 2016 and to pass the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** the Dividend at the rate of 5% being ₹ 0.50 (Fifty paise only) per Equity share of the Company for the year ended 31st March, 2016 as recommended by the Board of Directors be and is hereby approved and declared."

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

To appoint a Director in place Mrs. Shubha Kanoria (DIN: 00036489) who retires by rotation in terms of Section 152 (6) of Companies Act, 2013 and being eligible, offers herself for re-appointment and to pass the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** Mrs. Shubha Kanoria (DIN: 00036489) who retires by rotation in terms of Section 152 (6) of Companies Act, 2013 and being eligible, has offered herself for re-appointment, be and is hereby reappointed as a Director of the Company, whose period of office shall be liable to determination by retirement of directors by rotation."

**4. Appointment of Auditors**

To ratify the appointment of Auditors of the Company to hold office, from the conclusion of the 33rd AGM until the conclusion of the 34th AGM and to fix their remuneration and to pass the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 139, 142 and all other applicable provisions of Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and the resolution passed by the members at the AGM held on 9th August, 2014, the appointment of M/s Jain & Co., Chartered Accountants, (Firm Regn. No. 302023E), as Statutory Auditors of the Company, to hold office from the conclusion of the 33rd Annual General Meeting of the Company till the conclusion of the 34th Annual General Meeting be and is hereby ratified at a remuneration of ₹ 85,000/- p.a. plus out of pocket expenses and taxes, if any."

**SPECIAL BUSINESS****5. Alteration of Articles of Association of the Company**

To consider and if thought fit, to pass, the following resolution as a **Special Resolution** :

**"RESOLVED THAT** pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013, the Articles of Association of the Company be and is hereby altered in the following manner:

**The existing Article no. 60 of the Articles of Association of the Company be deleted and in its place the following new Article shall be substituted :**

**"60.** The Chairman, if any, of the Board shall preside as Chairman at every general meeting of the Company and such individual can be a Chairperson and Managing Director of the Company at the same time."



## NOTICE (Contd.)

**The existing Article no. 100 of the Articles of Association of the Company be deleted and in its place the following new Article shall be substituted:**

"100. The Board of Directors of the Company, subject to the approval of the Members may at any time appoint one or more Directors as Managing Director or Whole time Director on such remuneration, terms and conditions, as may be decided by them; further the Managing Director of the Company shall not be liable to retire by rotation. However, the Whole-time Director will retire by rotation."

### **6. Appointment of Mr. Ashutosh Bhagat as an Independent Director of the Company**

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Ashutosh Bhagat (DIN: 00059842), Director of the company, be and is hereby appointed as an Independent Director of the Company to hold office for a period of 5 years and he shall not be liable to retire by rotation.

**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 149, 197 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Ashutosh Bhagat be paid such fees, remuneration and commission as the Board may approve and subject to such limits, as may be prescribed from time to time."

### **7. Appointment of Mr. Navin Nayar as an Independent Director of the Company**

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Navin Nayar (DIN: 00136057), Director of the company, be and is hereby appointed as an Independent Director of the Company to hold office for a period of 5 years and he shall not be liable to retire by rotation.

**RESOLVED FURTHER THAT** pursuant to the provisions of sections 149, 197 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Navin Nayar be paid such fees, remuneration and commission as the Board may approve and subject to such limits, as may be prescribed from time to time."

### **8. Re- appointment of Mr. Adarsh Kanoria as the Managing Director of the Company**

To consider and if thought fit, to pass the following resolution as a **Special Resolution** :

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197 and 198 and other applicable provisions of the Companies Act, 2013, read with Schedule V of the said Act (including any statutory modification(s) or re-enactment thereof for the time being in force); re-appointment of Mr. Adarsh Kanoria, (DIN: 00027290) as the Managing Director of the Company, for a period of three years with effect from 1st day of January, 2017, be and is hereby approved upon the terms and conditions contained in the draft Agreement approved by a resolution passed by the Board of Directors of the Company, on the recommendation of the Nomination and Remuneration Committee as set out in the Explanatory Statement attached to this notice.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to alter and vary the terms and conditions of the said agreement in such manner as may be agreed to by the Board and Mr. Adarsh Kanoria but so as not to exceed the limits specified in Schedule V of the Companies Act, 2013 or any amendments thereto or enactments thereof, with effect from such date as may be decided by it.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to take all steps and perform such acts, deeds, matters and things, as may be considered necessary, desirable or expedient to give effect to this resolution."



## NOTICE (Contd.)

### 9. Re-appointment of Mr. Kailash Prasad Khandelwal as the Whole-time Director of the Company

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197 and 198 and other applicable provisions of the Companies Act, 2013, read with Schedule V of the said Act (including any statutory modification(s) or re-enactment thereof for the time being in force); re-appointment of Mr. Kailash Prasad Khandelwal, (DIN:00914834) as the Whole-time Director of the Company, for a period of three years with effect from 1st day of January, 2017 be and is hereby approved upon the terms and conditions contained in the draft Agreement approved by a resolution passed by the Board of Directors of the Company, on the recommendation of the Nomination and Remuneration Committee as set out in the Explanatory Statement attached to this notice.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to alter and vary the terms and conditions of the said agreement in such manner as may be agreed to by the Board and Mr. Kailash Prasad Khandelwal but so as not to exceed the limits specified in Schedule V of the Companies Act, 2013 or any amendments thereto or enactments thereof, with effect from such date as may be decided by it.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to take all steps and perform such acts, deeds, matters and things, as may be considered necessary, desirable or expedient to give effect to this resolution."

### 10. Appointment of Branch Auditors of the Company

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 139, 142 and all other applicable provisions of Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and the resolution passed by the members at the AGM held on 9th August, 2014, the appointment of M/s Sorab S. Engineer & Co., Chartered Accountants, (Firm regn. No. 110417W), as Branch Auditors of the Company, to conduct the audit of the Textile Division to hold office from the 33rd Annual General Meeting of the Company till the conclusion of the 36th Annual General Meeting be and is hereby ratified on a remuneration of ₹ 1,75,000/- p.a. plus out of pocket expenses and taxes, if any.

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

### 11. Fixation of Remuneration of Cost Auditors of the Textile Division

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution** :

**"RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s N.D.Birla & Co., (Firm Regn. No. 000028) appointed by Board of Directors of the Company as the Cost Auditors for the Textile Division of the Company, to conduct the audit of the cost records of the Textile Division of the Company for the financial year ending 31st March, 2017, be paid the remuneration of ₹ 40,000/- p.a. plus out of pocket expenses and taxes, if any."

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

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. D. Radhakrishnan & Co., (Firm Regn. No. 000018) appointed by Board of Directors of the Company as the Cost Auditors of the Tea Division of the Company, to conduct the audit of the cost records of the Tea Division of the Company for the financial year ending 31st March, 2017, be paid the remuneration of ₹ 25,000/- p.a. plus out of pocket expenses and taxes, if any."

Registered Office :

Century Towers, 4th Floor

45, Shakespeare Sarani, Kolkata 700 017

Dated : 20th May, 2016

By Order of the Board

SUNITA SHAH

Company Secretary





## NOTICE (Contd.)

### NOTES :

1. A statement setting out material facts pursuant to Section 102 of the Companies Act, 2013 with respect to Item Nos. 5 to 12 of the Notice is annexed hereto.
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of the member and the proxy need not be a member of the Company. Proxies, in order to be effective, must be received by the Company not less than 48 hours before the commencement of the meeting. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. As per Secretarial Standard 2, the Proxy-holder are requested to bring Valid Identity proofs (viz., PAN Card, Voter ID Card, Passport, Aadhar Card, Driving License, Bank pass book with attested customer photograph and signature, etc.) at the venue of the meeting for identification.
3. The Register of Members and Share Transfer Books of the Company shall remain closed from 26th July, 2016 (Tuesday) to 1st August, 2016 (Monday) (both days inclusive) for the purpose of payment of dividend for the financial year ended 31st March, 2016.
4. The Notice of the 33rd AGM and Annual Report for the year ended 2015-16 is being sent to all the Members, whose names appear in the Register of Members/list of Beneficial Owners as received from National Securities Depository Limited (NSDL) / Central Depository Services (India) Limited (CDSL) on close of business hours on Thursday, 30th June, 2016. Any person who acquires shares and became Member after despatch of Notice and Annual Report can obtain the same by downloading it from the Company's Website @ [www.bengaltea.com](http://www.bengaltea.com) or may request for a copy of the same by writing to the Company at [investor@bengaltea.com](mailto:investor@bengaltea.com) or the Company's RTA at [rta@cbmsl.com](mailto:rta@cbmsl.com)
5. Members are requested to bring their copy of Annual Report to the AGM. Members holding shares in dematerialized form are requested to bring their supporting evidence in respect of their Client ID & DP ID Nos. for easier identification of the attendance at the meeting.
6. The Register of Directors and Key Managerial Personnel and their shareholding as maintained under Section 170 of the Companies Act, 2013 will be available for inspection by the members at the AGM.
7. The Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members at the AGM.
8. 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.
9. Subject to the provisions of the Companies Act, 2013, dividend as recommended by the Board of Directors, if declared at the meeting, will be paid within a period of 30 days from the declaration to those Members whose names appear on the Register of Members as on close of business hours on Monday, 25th July, 2016.
10. Members are requested to intimate immediately change of Address, if any, to the Registrar of the Company, C.B. Management Services (P) Ltd. or the Company.
11. **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.**
12. Members holding shares in the physical form and desirous of making/changing nomination in respect of their shareholding in the Company, as permitted under Section 72 of the Companies Act, 2013 and Rules made there under are requested to submit the prescribed Form No. SH-13 and SH-14, as applicable for this purpose to the Company's Registrars and Share Transfer Agent, C B Management Services (P) Ltd., who will provide the Form on request.
13. **Members are hereby informed that Securities and Exchange Board of India (SEBI) in terms of Circular No.CIR/MRD/DP/10/2013 dated 21st March, 2013 has made it mandatory for all Listed Companies to make cash payments through electronic modes to the investors. It is further directed that in case electronic payment is rejected or returned, the Company shall mandatorily print the bank account details of the investor on payment instrument. Members are requested to provide their updated Bank account particulars to enable the Company to electronically credit dividend directly in their respective bank accounts.**

Members holding shares in demat mode are requested to send correct bank details (including MICR No., IFSC Code, Account Type etc.) to their respective Depository Participant. Members holding shares in physical form



## NOTICE (Contd.)

**are requested to send such bank details along with a cancelled cheque to our Registrars M/s C.B. Management Services Pvt. Ltd.**

14. Members are also requested to inform their correct email address, if any, to the Depositories (if shares held in demat form) and to our Registrars by visiting Website namely "www.cbmsl.com/green.php" (if shares held in physical form) in compliance of Green Initiative as per circular no. 17/2011 dated 21.04.2011 and 18/2011 dated 29.04.2011 issued by Ministry of Corporate Affairs to facilitate the Company to send notice/documents through e-mail.
15. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / C B Management Services (P) Ltd (RTA).
16. The Shareholders, who are still holding shares in physical form are requested to take immediate action to demat their shares to avail easy liquidity since trading of shares of the Company are under compulsory Demat mode as per the regulation of SEBI and also to prevent any loss of physical Share Certificate.
17. The Shareholders who have not encashed their Dividend Warrants are requested to send their Warrants for revalidation otherwise the amount will be transferred to the Central Government Account i.e. IEPF on expiry of 7 years from the date of transfer of dividend amount to unclaimed dividend account.
18. **Pursuant to the provisions of the Companies Act, 2013 and SS-2 : Secretarial Standard on General Meetings, the Company wishes to inform that no distribution of gift will be made by the Company in connection with the 33rd Annual General Meeting.**
19. The brief profile of the Directors seeking appointment/re-appointment including relevant particulars relating to them are furnished in the Explanatory Statement and Annexure to the Notice, as required under SEBI (Listing Obligations and Disclosure Requirements) ["SEBI (LODR)"] Regulations, 2015.
20. Corporate members intending to send their authorized representative(s) to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
21. A copy of the documents referred to in the Notice and accompanying Explanatory Statement will be open for inspection to the Members at the Registered Office of the Company on any working day, between 11 a.m. and 1.00 p.m. except Sundays and Public Holidays from the date hereof upto the date of the AGM, without any fee.
22. Voting through electronic means
  - I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by Companies (Management and Administration) Rules, 2015, the Company is pleased to provide its members a facility to exercise their right to vote using an electronic voting system from a place other than the venue of the AGM ("remote e-voting") at the 33rd Annual General Meeting (AGM) and the business may be transacted through remote e-voting services provided by Central Depository Services (India) Limited (CDSL). It is hereby clarified that it is not mandatory for a member to vote using the remote e-voting facility and a member may avail of the facility at his/her/its discretion. The instructions for e-voting are as under:
    - (i) Log on to the remote e-voting website [www.evotingindia.com](http://www.evotingindia.com) during the voting period.
    - (ii) Click on "Shareholders" tab.
    - (iii) Now Enter your User ID
      - a. For CDSL: 16 digits beneficiary ID,
      - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
      - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.





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- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vi) However, if you are a first time user, please follow the steps given below :

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

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

\* Members who have not updated their PAN with the Company/Depository Participant are requested to enter in the PAN field the first two letters of their name and 8 digit (including zeros) sequence number (SQ) communicated to you. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN Field.

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

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field.  
Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for remote e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for the relevant <BENGAL TEA & FABRICS LIMITED> on which you choose to vote.
- (xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code click on Forgot Password & enter the details as prompted by the system.
- (xvii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for Android based mobiles. The m-Voting app can be downloaded from Google Play Store. i-Phone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June, 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.



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### (xviii) Note for Institutional Shareholders

- Non- Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporate.
- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details they have to create a Compliance user by using the admin login & password. The Compliance User would be able to link the account(s) which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

(xix) The voting period begins on Friday, 29th July, 2016 <9.00a.m.> and ends on Sunday, 31st July, 2016 <5.00p.m.>. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 25th July, 2016 (close of business hours), may cast their votes electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(xx) Any person who acquired shares and became Member after dispatch of Notice of 33rd AGM and holds shares as of the cut-off date of 25th July, 2016 (close of business hours), may obtain the login ID and password for remote e-voting by sending a request to the Company's RTA at [rta@cbmsl.com](mailto:rta@cbmsl.com)

(xxi) A facility for voting through ballot Paper will be made available at the Annual General Meeting venue and the Members attending the meeting who have not cast their vote by remote e-voting can exercise their right during the meeting on 1st August, 2016 between 10.30 A.M. till the conclusion of the meeting.

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

II. The voting rights of the shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date of 25th July, 2016 (close of business hours).

III. Mr. H.M. Choraria, (CP No. 1499, Membership No. FCS 2398) of M/s H. M. Choraria & Co., Practising Company Secretaries of 14/2, Old China Bazar Street 4th Floor, Room No. 401, Kolkata 700 001 has been appointed as Scrutinizer to scrutinize the remote e-voting and voting process to be carried out at the AGM in a fair and transparent manner.

IV. The scrutinizer shall within a period of not exceeding three working days from the conclusion of the meeting unblock the votes cast through remote e-voting, after counting the votes cast at the meeting in the presence of at least two witnesses not in employment of the Company and make a consolidated scrutinizer's report of the votes cast in favour or against, if any and forward to the Chairman of the AGM.

V. The Results on resolutions shall be declared after the AGM of the Company and the resolutions will be deemed to be passed on the AGM date subject to receipt of the requisite numbers of votes in favour of the Resolutions.

VI. The Consolidated Results declared along with the Scrutinizer's report (s) shall be placed on the Company's website [www.bengaltea.com](http://www.bengaltea.com) and on the website of CDSL within three days of passing of the resolutions at the AGM of the Company. The results will also be communicated to BSE Limited where the shares of the Company are listed.

## 23. Explanatory Statements pursuant to Section 102(1) of the Companies Act, 2013 in respect of Item Nos. 5-12 of the Notice are as under:

### In respect of Item No. 5

The Board of Directors in their meeting held on 20th May, 2016 proposed to amend the old Article No. 60 and Article No. 100 of the existing Articles of Association of the Company by replacing the same with the new Article No. 60 and Article No. 100 to conform with the provisions of Section 152 and 203 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder. By virtue of the proposed amendment in the Articles of Association, the Managing Director may also act as the Chairman of the Company. Whole-time Director appointed by the Company will be subject to retirement by rotation pursuant to Section 152 of the Companies Act, 2013.



## NOTICE (Contd.)

The alteration in the Articles of Association is carried out to give effect to the provisions of the Companies Act, 2013 and the Board of Directors recommend the resolution for Members consent by way of Special Resolution.

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

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

### In respect of Item No. 6

Mr. Ashutosh Bhagat, (DIN:00059842) aged about 42 years having an experience of over 18 years is a Honours Graduate from St. Xavier's College, Kolkata. Mr. Ashutosh Bhagat was inducted on the Board of the Company w.e.f. 10th May, 2014. He is presently posted as Joint Chief Executive Officer of The Naihati Jute Mills Co. Ltd. He is also serving as the Deputy Chairman of Indian Jute Mills Association. He does not hold any shares of the Company. Mr. Bhagat is not related with any of the Directors on the Board.

Considering his experience, expertise and performance, the Board on 20th May, 2016 recommended to appoint Mr. Bhagat as an Independent Director of the Company to hold office for a period of 5 years subject to the approval of the Shareholders.

Mr. Bhagat held the Directorships of the following other companies as on 31st March, 2016:

Sl No.	Name of the Company	Committee Membership*
1.	Ginni Securities Limited.	—
2.	Narottamka Commercial Co. Pvt. Ltd.	—
3.	Vedant Farms Private Ltd.	—
4.	Ashutosh Spinners Pvt. Ltd.	—
5.	Loch Lomond Lodge Private Ltd.	—
6.	Kirtivardhan Finvest Services Ltd.	—
7.	Lotus Enclave Pvt. Ltd.	—
8.	Indian Jute Mills Association	—

\* Only Audit Committee and Shareholders/Investors' Grievance Committees are being considered.

Mr. Ashutosh Bhagat, is not disqualified from being appointed as a Director under Section 164 of the Companies Act, 2013. The Company has received (i) Form DIR-8 from him in terms of Section 164(2) and Rule 14(1) of Companies (Appointment and Qualification of Directors) Rules, 2014 confirming his eligibility (ii) a declaration to the effect that he meets the criteria of Independence as provided in Sub-section (6) of Section 149 and other applicable provisions of the Companies Act, 2013 (iii) His Consent letter to act as an Independent Director of the Company, if appointed. The Company has received a notice under Section 160 of the Companies Act, 2013, from him proposing his name as an Independent Director of the Company with requisite fees. His brief resume and other details are given in the Disclosure as per SEBI (LODR) Regulations, 2015 under Corporate Governance Report.

In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr. Ashutosh Bhagat being eligible is proposed to be appointed as an Independent Director for a term of five consecutive years.

In the opinion of the Board of Directors, Mr. Ashutosh Bhagat, fulfills the conditions specified in the Companies Act, 2013 and the Rules made thereunder and is independent of the Management. Copy of the draft letter of appointment of Mr. Bhagat as an Independent Director setting out the terms and conditions would be available for inspection.

Under the Companies Act, 2013, independent directors can only receive fees under the provisions of Section 197(5) and commission as may be approved by the members. Accordingly, approval of the members is also being sought for the purpose of payment of fees and commission, which may be decided by the Board / Nomination and Remuneration Committee from time to time, subject to the limits prescribed under the Companies Act, 2013 read with the relevant rules.

The Board considers that the Company would benefit from the appointment of Mr. Ashutosh Bhagat as an Independent Director and therefore recommends the resolution for your approval as Ordinary Resolution.

Except Mr. Ashutosh Bhagat, being appointee, none of the Directors, Key Managerial Personnel or their relatives are interested or concerned, financial or otherwise, in the resolution set out at Item No. 6.



## NOTICE (Contd.)

### In respect of Item No. 7

Mr. Navin Nayar, (DIN: 00136057) aged 53 years is a Commerce graduate and a Fellow member of the Institute of Chartered Accountants of India. He is a senior partner of M/s Navin Nayar & Company, Chartered Accountants and has over 27 years of experience in the fields of audit, taxation and financial services. Mr. Navin Nayar, was inducted on the Board of the Company w.e.f. 10th May, 2014. He is a Member of Audit Committee of the Company. He does not hold any shares of the Company. He is not related with any of the Directors on the Board.

Considering his qualification, experience, expertise and performance, the Board on 20th May, 2016 recommended to appoint him as an Independent Director of the Company to hold office for a period of five years subject to the approval of the Shareholders.

Mr. Nayar held the Directorships/Committee Memberships of the following other companies as on 31st March, 2016:

Sl No.	Name of the Company	Committee Membership*
1.	OCL Investment & Leasing Ltd.	—
2.	Cosmopolitan Investments Ltd.	—
3.	Crest Holdings Pvt. Ltd.	—
4.	Skyview Investments Pvt. Ltd.	—
5.	Amar Vanijya Ltd.	Member of Audit Committee
6.	Nidhi Private Ltd.	—
7.	Kanco Tea & Industries Ltd.	Chairman of Audit Committee
8.	Cheviot Co. Ltd.	Chairman of Audit Committee

\* Only Audit Committee & Shareholders/Investors Grievance Committees are being considered.

Mr. Navin Nayar, is not disqualified from being appointed as a Director under Section 164 of the Companies Act, 2013. The Company has received (i) Form DIR-8 from him in terms of Section 164(2) and Rule 14(1) of Companies (Appointment and Qualification of Directors) Rules, 2014 confirming his eligibility (ii) a declaration to the effect that he meets the criteria of Independence as provided in Sub-section (6) of Section 149 and other applicable provisions of the Companies Act, 2013 (iii) His Consent letter to act as an Independent Director of the Company, if appointed.. The Company has received a notice under Section 160 of the Companies Act, 2013, from him proposing his name as an Independent Director of the Company with requisite fees.

In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr. Navin Nayar being eligible is proposed to be appointed as an Independent Director for a term of five consecutive years.

In the opinion of the Board of Directors, Mr. Navin Nayar, fulfills the conditions specified in the Companies Act, 2013 and the Rules made thereunder and is independent of the Management. Copy of the draft letter of appointment of Mr. Nayar as an Independent Director setting out the terms and conditions would be available for inspection.

Under the Companies Act, 2013, Independent Directors can only receive fees under the provisions of Section 197(5) and commission as may be approved by the members. Accordingly, approval of the members is also being sought for the purpose of payment of fees and commission, which may be decided by the Board / Nomination and Remuneration Committee from time to time, subject to the limits prescribed under the Companies Act, 2013 read with the relevant rules. The Board considers that the Company would benefit from the appointment of Mr. Navin Nayar as an Independent Director and therefore recommends the resolution for your approval as Ordinary Resolution.

Except Mr. Navin Nayar, being appointee, none of the Directors, Key Managerial Personnel or their relatives are interested or concerned, financial or otherwise, in the resolution set out at Item No. 7.

### In respect of Item No. 8

Mr. Adarsh Kanoria (DIN: 00027290) aged about 49 years, has vast experience in the field of Tea & Textiles. Mr. Kanoria, Managing Director of the Company is a Commerce Graduate with Honours and did a Diploma in case studies from Harvard Business School, U.S.A. He has over 29 years of experience in Tea and Textile business. He is a reputed industrialist in Eastern India. He is the President of Tea Association of India. He is a Director on the Board of Confederation of Indian Textile Industry and Indian Chamber of Commerce. Mr. Adarsh Kanoria and Mrs. Shubha Kanoria both the directors of the company are inter-related as they are Husband and Wife.



## NOTICE (Contd.)

Mr. Kanoria was appointed as the Managing Director of the Company for a period of 3 (Three) years w.e.f. 1st January, 2014 and his tenure would expire on 31st December, 2016. He holds 5,36,137 Equity Shares of the Company as on 31st March, 2016. He is the Chairman of the Share Transfer Committee, Share Transfer Sub-Committee and CSR Committee and a Member of Stakeholders Relationship Committee of the Company.

Mr. Kanoria is associated with the Company since long and in view of his vast experience, the Board of Directors of the Company at their meeting held on 20th May, 2016 has re-appointed Mr. Adarsh Kanoria as the Managing Director of the Company for a further period of three years w.e.f. 1st January, 2017 on such terms and conditions as mentioned in the draft agreement, to be entered into between the Company and Mr. Adarsh Kanoria subject to the approval of the members.

In accordance with the requirements of Schedule V to the Companies Act, 2013 it is informed that the Company has not made any default in repayment of any of its debts (including public deposits) or debentures or interest payable thereon for a continuous period of thirty days in the preceding financial year 2015-2016 and the Nomination and Remuneration Committee, vide a resolution has also approved the remuneration payable to Mr. Adarsh Kanoria. A statement containing the requisite information in accordance with the requirement of Section II of Part II of Schedule V to the Companies Act, 2013 is also attached to this Notice.

Mr. Adarsh Kanoria held the directorships of the following other companies as on 31st March, 2016:

Sl No.	Name of the Company	Committee Membership*
1.	Ambika Commerce Pvt. Ltd.	—
2.	Kanoria Exports Pvt. Ltd.	—
3.	Rydak Enterprises & Investment Ltd.	—
4.	Eskay Udyog Ltd.	—
5.	AKV Textiles Limited	—
6.	Confederation of Indian Textile Industry	—
7.	Indian Chamber of Commerce Calcutta	—

\* Only Audit Committee & Shareholders/Investors Grievance Committees are being considered.

The abstract of terms and conditions including remuneration governing the re-appointment of Mr. Adarsh Kanoria as the Managing Director of the Company is as under:

**Tenure** : 3 years starting from 1st January, 2017 and ending on 31st December, 2019.

**Basic Salary per month** : ₹ 3,50,000 – ₹ 3,75,000 – ₹ 4,00,000

**Commission** : The Company shall also pay Commission as may be fixed by the Board of Directors of the Company at the end of each financial year, subject to a maximum of 3% on the profits of the Company and within the permissible limits specified in the Companies Act, 2013.

**Allowances & Perquisites**: The value of allowances and perquisites referred in item (i) to (v) below shall be evaluated as per Income Tax Rules, 1962 wherever applicable and shall be subject to maximum ceiling of 50% (Fifty percent) of annual basic salary.

**(i) Housing**

Rent-free furnished accommodation with provision of Gas, Electricity and Water shall be provided by the Company and in case no accommodation is provided, the Company shall pay house rent allowance @ 20% of Basic salary.

**(ii) Medical Benefits**

Personal Accident Insurance for self subject to maximum premium of ₹ 10,000/- (Rupees Ten Thousand only) per annum.

**(iii) Club Fees**

Fees of clubs, subject to maximum of two clubs (excluding life membership and admission fees).

**(iv) Motor Car**

Provision of car with driver for use on Company's business as well as for personal use.



## NOTICE (Contd.)

### (v) Telephone

Telephone at residence. Personal long distance calls shall be billed by the Company.

### (vi) Re-imbursement of Expenses

The Managing Director shall be entitled for reimbursement/payment of entertainment and/or other expenses, if any, actually and properly incurred for and on behalf of the Company and such payment shall not form part of the remuneration for the purpose of computation of ceilings, wherever applicable.

### (vii) Earned Leave

The Managing Director shall be entitled for a leave of 45 days in a year, subject to the maximum ceiling of 90 days for carry forward, encashable at the time of termination of service. Such encashment of leave shall not form part of the remuneration for the purpose of computation of ceilings, wherever applicable.

### (viii) Retirement Benefits

The Company shall make contributions to provident fund to the extent the same is not taxable under the Income tax Act, 1961. Gratuity shall be payable in accordance with the applicable rules. The retirement benefits shall not form part of the remuneration for the purpose of computation of ceilings, wherever applicable, so far, these do not exceed the limits prescribed in Schedule V of the Companies Act, 2013.

### In the event of loss or inadequacy of profits

In the event of loss or inadequacy of profits in any financial year, the Managing Director shall be paid a monthly remuneration not exceeding the applicable ceiling laid down in Section II of Part II of Schedule V of the Companies Act, 2013.

### General:

1. That the Managing Director shall not be entitled for any sitting fees for attending the meeting of the Board of Directors of the Company or any Committees thereof, as long as he functions as the Managing Director of the Company.
2. That the Managing Director shall not be liable to retire by rotation in accordance with the provisions of Section 152 of the Companies Act, 2013.
3. That the Managing Director as well as the Company shall have the right to terminate this agreement by giving the other party three months' notice in writing, subject to the discretion of the Board of Directors of the Company, to agree at a shorter notice.
4. That the terms and conditions of this agreement of service, may be varied from time to time by the Board of Directors of the Company, within the maximum amount payable to the said Managing Director in accordance with the applicable provisions of the Companies Act, 2013.

The draft of the agreement, to be executed between the Company and Mr. Kanoria, as approved by the Board of Directors, would be available for inspection by the members at the Registered Office of the Company on any working day between 11.00 A.M. and 1.00 P.M. and would also be available at the Annual General Meeting.

The Board considers that the Company would benefit from the continuation of Mr. Adarsh Kanoria as the Managing Director and therefore recommends the resolution for your approval as Special Resolution.

Except Mr. Adarsh Kanoria and Mrs. Shubha Kanoria and their relatives, none of the Directors, Key Managerial Personnel or their relatives are interested or concerned, financial or otherwise, in the resolution set out at Item No. 8.

### In respect of Item No. 9

Mr. Kailash Prasad Khandelwal, (DIN: 00914834) aged about 60 years, is a Commerce Graduate with Honours having experience of over 42 years in the Tea Industry. He was appointed as the Whole-time Director of the Company for a period of 3 (Three) years w.e.f. 1st January, 2014 and his tenure would expire on 31st December, 2016. He does not hold any shares of the Company as on 31.03.2016. He is a Member of Share Transfer Sub-committee of the Company. Mr. Khandelwal is not related with any of the Directors on the Board.

Mr. Khandelwal is associated with the Company since its inception and in view of his vast experience, the Board of Directors of the Company at their meeting held on 20th May, 2016 has re-appointed him as the Whole-time Director of the Company for a further period of three years w.e.f 1st January, 2017 on terms and conditions as mentioned in the draft agreement, to be entered into between the Company and Mr. Khandelwal subject to the approval of the members.





## NOTICE (Contd.)

In accordance with the requirements of Schedule V to the Companies Act, 2013 it is informed that the Company has not made any default in repayment of any of its debts (including public deposits) or debentures or interest payable thereon for a continuous period of thirty days in the preceding financial year 2015-2016 and the Nomination and Remuneration Committee, vide a resolution has also approved the remuneration payable to Mr. Khandelwal. A statement containing the requisite information in accordance with the requirement of Section II of Part II of Schedule V to the Companies Act, 2013 is also attached to this Notice.

Mr. Kailash Prasad Khandelwal holds the directorship in AKV Textiles Limited.

The abstract of the terms and conditions including remuneration governing the appointment of Mr. Kailash Prasad Khandelwal as the Whole-time Director of the Company is as under :

**Tenure :** 3 years starting from 1st day of January, 2017 and ending on 31st December, 2019.

**Salary:** Basic per month ₹ 1,80,000 – ₹ 1,95,000 – ₹ 2,10,000

**Allowance and Perquisites:** The value of allowance and perquisites referred in item (i) to (v) below shall be evaluated as per Income Tax Rules, 1962 wherever applicable and shall be subject to maximum ceiling of 50% (Fifty percent) of annual basic salary.

**(i) House Rent Allowance**

The Company shall pay house rent allowance @ 20% of Basic Salary.

**(ii) Leave Travel Assistance**

Actual amount incurred in respect of leave travel for proceeding to any place for self and family once in a year, subject to ceiling of ₹ 30,000/- (Rupees Thirty Thousand Only) per annum.

**(iii) Medical Benefits**

(a) Personal Accident Insurance for self;

(b) Payment of Mediclaim Insurance for self and family or any reimbursement thereof by the Company; and

(c) Reimbursement of Medical expenses incurred for self and family, subject to a limit of ₹ 15000/- (Rupees Fifteen Thousand Only) in a year.

**(iv) Motor Car**

Provision of car with driver for use on Company's business as well as for personal use.

**(v) Telephone**

Telephone at residence. Personal long distance calls shall be billed by the Company.

**(vi) Re-imbursement of Expenses**

The Whole-time Director shall be entitled for reimbursement/payment of entertainment and/or other expenses, if any, actually and properly incurred for and on behalf of the Company and such payment shall not form part of the remuneration for the purpose of computation of ceilings, wherever applicable

**(vii) Earned Leave**

The Whole-time Director shall be entitled for a leave of 45 days in a year, subject to the maximum ceiling of 90 days for carry forward, encashable at the time of termination of service. Such encashment of leave shall not form part of the remuneration for the purpose of computation of ceilings, wherever applicable

**(viii) Retirement Benefits**

The Company shall make contributions to the provident fund to the extent it is not taxable under the Income Tax Act, 1961. Gratuity shall be payable in accordance with the applicable rules. The above retirement benefits shall not form part of the remuneration for the purpose of computation of ceilings, wherever applicable, so far, these do not exceed the limits prescribed in Schedule V of the Companies Act, 2013.

**In the event of loss or inadequacy of profits**

In the event of loss or inadequacy of profits, the Whole-time Director shall be paid a monthly remuneration not exceeding the applicable ceiling laid down in Section II of Part II of Schedule V of the Companies Act, 2013.

**General**

1. That the Whole-time Director shall not be entitled for any sitting fees for attending the meeting of the Board of Directors of the Company or any Committees thereof, as long as he functions as the Whole-time Director of the Company.



## NOTICE (Contd.)

2. That the Whole-time Director will be liable to determination by retirement of directors by rotation in accordance with the provisions of Section 152 of the Companies Act, 2013.
3. That the Whole-time Director as well as the Company shall have the right to terminate the agreement by giving the other party three months' notice in writing, subject to the discretion of the Board of Directors of the Company, to agree at a shorter notice.
4. That the terms and conditions of this agreement of service, may be varied from time to time by the Board of Directors of the Company, within the maximum amount payable to the Whole-time Director in accordance with the applicable provisions of the Companies Act, 2013.

The draft of the agreement, to be executed between the Company and Mr. Khandelwal, as approved by the Board of Directors, would be available for inspection by the members at the Registered Office of the Company on any working day between 11.00 A.M. and 1.00 P.M. and would also be available at the Annual General Meeting.

The Board considers that the Company would benefit from the reappointment of Mr. Kailash Prasad Khandelwal as the Whole-time Director and therefore recommends the resolution for your approval as an Ordinary Resolution.

Except Mr. Kailash Prasad Khandelwal, being appointee, none of the Directors, Key Managerial Personnel or their relatives are interested or concerned, financial or otherwise, in the resolution set out at Item No. 9.

### In respect of Item No. 10

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

In terms of Section 177 (4) of the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Audit Committee have recommended the ratification of appointment of M/s. Sorab S. Engineer & Co., Chartered Accounts, as Branch Auditors from the conclusion of the 33rd Annual General Meeting of the Company till the conclusion of the 36th Annual General Meeting on a remuneration of ₹ 1,75,000/- p.a. plus out of pocket expenses and taxes, if any.

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

None of the Directors, Key Managerial Personnel or their relatives are interested or concerned, financial or otherwise, in the resolution set out at Item No. 10.

### In respect of Item No. 11

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s N. D. Birla & Co., (Firm Regn. No. 000028), as the Cost Auditors for the Textile Division of the Company to conduct the audit of the cost records of the Textile Division of the Company for the financial year ending on 31st March, 2017 on 20th May, 2016.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration of ₹ 40,000/- p.a. plus out of pocket expenses and taxes, if any, payable to the Cost Auditors has to be approved by the shareholders of the Company. Accordingly, consent of the members is sought for passing an Ordinary Resolution for approval of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2017.

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

None of the Directors, Key Managerial Personnel or their relatives are interested or concerned, financial or otherwise, in the resolution set out at Item No. 11.

### In respect of Item No. 12

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s. D. Radhakrishnan & Co., (Firm Regn. No. 000018), as the Cost Auditors of the Tea Division of the Company to conduct the audit of the cost records of the Tea Division of the Company for the financial year ending on 31st March, 2017 on 20th May, 2016.



## NOTICE (Contd.)

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration of ₹ 25,000/- p.a. plus out of pocket expenses and taxes, if any, payable to the Cost Auditors has to be approved by the shareholders of the Company. Accordingly, consent of the members is sought for passing an Ordinary Resolution for approval of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2017.

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

None of the Directors, Key Managerial Personnel or their relatives are interested or concerned, financial or otherwise, in the resolution set out at Item No. 12.

### STATEMENT CONTAINING INFORMATION AS REQUIRED UNDER SECTION II(B)(iv) OF PART II OF SCHEDULE V OF THE COMPANIES ACT, 2013 AND FORMING PART OF THE NOTICE OF 33RD ANNUAL GENERAL MEETING

#### I. GENERAL INFORMATION

##### (1) Nature of Industry

Manufacture of Tea, Yarn and Fabrics

##### (2) Date or expected date of commencement of commercial production

The Company, incorporated in 1983, is an existing Company. Commercial production had already commenced.

##### (3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus

Not Applicable

##### (4) Financial performance based on given indicators :

(Amount in ₹ Lacs)

Financial Year ended	31.03.2016	31.03.2015
Gross Sales & Other Income	22572	22723
Profit before Tax	238	243
Profit after Tax	187	194
Equity Share Capital	901	901
Reserve and Surplus (excluding revaluation reserve)	5573	5439
Net Worth	6474	6340

##### (5) Export performance and net foreign exchange collaborations :

(Amount in ₹ Lacs)

Financial Year ended	31.03.2016	31.03.2015
Foreign Exchange Earnings (FOB Value of exports)	1796	2101
Foreign Exchange Outgo	147	348

##### (6) Foreign investments or collaborations, if any

NIL

#### II. INFORMATION ABOUT THE APPOINTEE(S) :

**Mr. Adarsh Kanoria**

##### (1) Background details

Mr. Adarsh Kanoria (DIN: 00027290) aged about 49 years, has vast experience in the field of Tea & Textiles. Mr. Kanoria, Managing Director of the Company, is a Commerce Graduate with Honours and did a Diploma in case studies from Harvard Business School, U.S.A. He has over 29 years of experience in Tea and Textile business. He is a reputed industrialist in Eastern India. He is the President of Tea Association of India. He is a Director on the Board of Confederation of Indian Textile Industry and Indian Chamber of Commerce.

##### (2) Past remuneration

**Basic Salary :** ₹ 3,25,000/- (Rupees Three Lacs Twenty Five Thousand only) per month.

**Commission :** The Company shall also pay commission not more than 3% on the profits of the Company and within the permissible limits specified in the Companies Act, 2013.



## NOTICE (Contd.)

**Perquisites :** The following perquisites, subject to a maximum ceiling of 23% of the annual salary were paid to Mr. Adarsh Kanoria:

- (a) Provision of House, Motor Car with chauffer, Fringe Benefits like gas, electricity, water, phone facilities, Medical Benefits (comprising personal accident insurance for self), Club Fees etc. The above perquisites were valued in accordance with the Income Tax Rules, 1962, wherever applicable.
- (b) Mr. Adarsh Kanoria was entitled for a leave of 45 days in a year, subject to maximum ceiling of 90 days carry forward, encashable at the end of the service. The Company contributed towards provident fund to the extent the same was not taxable under the Income Tax Act, 1961. He was also entitled for gratuity in accordance with the applicable rules.

Further there was a provision of payment of monthly remuneration not exceeding the applicable ceiling laid down in Part II of the Schedule V to the Companies Act, 2013 in the event of loss or inadequacy of profits.

### (3) Recognition or Awards

The Textile Division of the Company is a One Star Export House recognized by Additional Director General of Foreign Trade and has been accredited with IS/ISO 9001:2008 by Bureau of Indian Standards. In the Tea Division, Ananda Tea Estate has been awarded with ISO-9001:2008 and HACCP certificate by ROHS Certification Pvt. Ltd. accredited with Dubai Accreditation Center (DAC), Member of International Accreditation Forum (IAF) and Trustea Certificate issued by Control Union Certifications.

### (4) Job profile and his suitability

Mr. Adarsh Kanoria has been successfully managing the overall affairs of the Company, as the Managing Director since 1st day of January 2002. He has over 29 years experience in Tea and Textile business. Under his able guidance and leadership the Company has been flourishing over the past years. The Company has also successfully completed and implemented the Expansion cum Modernisation Scheme of the Textile Division.

With sufficient past experience in successfully managing the affairs of the Company, Mr. Kanoria is best suited for the position.

### (5) Remuneration Proposed

As referred in Explanatory Statement (Item no. 8) of the Notice.

### (6) Comparative remuneration profile with respect to industry , size of the Company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)

There is actually no peer group company operating in both the industries in which the company has its business i.e Tea & textile hence the comparative data are not available. However, Managing Director of Sarla Performance Fibers Limited , a company dealing in Textiles having a turnover of ₹ 323.74 Crores had paid a remuneration of ₹ 96.00 lacs as reported in the Annual Report for the financial year 2014-15 of the said Company.

### (7) Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any

Mr. Adarsh Kanoria has no pecuniary relationship with the Company other than his remuneration as Managing director and member/promoter of the Company. Relationship by way of Accounting Standard – 18 are disclosed in the Annual Report for the year 2015-16.

Mrs. Shubha Kanoria, Director is related to Mr. Adarsh Kanoria, being his wife.

### Mr. Kailash Prasad Khandelwal

#### (1) Background details

Mr. Kailash Prasad Khandelwal, is a Commerce Graduate with Honours. Mr. Khandelwal possesses an overall experience of over 42 years in the Tea Industry and has been instrumental in the business growth of the Company.

#### (2) Past remuneration

**Basic Salary per month:** ₹ 1,35,000 – ₹ 1,50,000 – ₹ 1,65,000

**Allowances and Perquisites :** The following perquisites, subject to a maximum ceiling of 50% of the annual salary were paid to Mr. Kailash Prasad Khandelwal:



## NOTICE (Contd.)

- (i) House Rent Allowance per month @ 20% of Basic Salary.
- (ii) Re-imbursement of Leave Travel Expenses upto a maximum of ₹ 30,000/- (Rupees Thirty Thousand only).
- (iii) (a) Personal Accident Insurance for self;  
(b) Payment of Mediclaim Insurance for self and family or any reimbursement thereof by the Company; and  
(c) Reimbursement of Medical expenses incurred for self and family, subject to a limit of ₹ 15000/- (Rupees Fifteen Thousand Only) in a year.
- (iv) Provision of Motor Car facility with driver.
- (v) Reimbursement of telephone expenses.
- (vi) The Whole-time Director shall be entitled for reimbursement/payment of entertainment and/or other expenses, if any, actually and properly incurred for and on behalf of the Company and such payment shall not form part of the remuneration for the purpose of computation of ceilings, wherever applicable.
- (vii) Mr. Kailash Prasad Khandelwal was entitled for a leave of 45 days in a year, subject to maximum ceiling of 90 days carry forward, encashable at the end of the service. The company contributes, towards provident fund to the extent the same is not taxable under the Income Tax Act, 1961. He is also entitled for gratuity in accordance with the applicable rules.

Further there was a provision of payment of monthly remuneration not exceeding the applicable ceiling laid down in Part II of the Schedule V to the Companies Act, 2013 in the event of loss or inadequacy of profits.

### (3) Recognition or Awards

The Textile Division of the Company is a One Star Export House recognized by Additional Director General of Foreign Trade and has been accredited with IS/ISO 9001:2008 by Bureau of Indian Standards. In the Tea Division, Ananda Tea Estate has been awarded with ISO-9001:2008 and HACCP certificate by ROHS Certification Pvt. Ltd. accredited with Dubai Accreditation Center (DAC), Member of International Accreditation Forum (IAF) and Trusttea Certificate issued by Control Union Certifications.

### (4) Job profile and his suitability

Mr. Kailash Prasad Khandelwal is associated with the Company since its incorporation. He has indepth knowledge of the Indian Tea Industry. He was previously the Chief Executive (Commercial) of the Company and appointed as the Whole-time Director of the Company w.e.f. 1st January, 2014. The Company has continued its journey towards achieving its vision with his knowledge and experience. With sufficient past experience and indepth knowledge of the Tea Industry, Mr. Khandelwal is best suited for the position.

### (5) Remuneration Proposed

As referred in Explanatory Statement (Item no. 9) of the Notice.

### (6) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)

There is actually no peer group company operating in both the industries in which the company has its business i.e Tea & Textile. However, the Whole-time Director of Sarla Performance Fibers Limited, a company dealing in Textiles having a turnover of ₹ 323.74 Crores was paid a remuneration of ₹ 80.00 lacs as reported in the Annual Report for the financial year 2014-15 of the said Company.

### (7) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any

Mr. Kailash Prasad Khandelwal has no pecuniary relationship with the Company other than his remuneration as Whole-time Director of the Company. Relationship by way of Accounting Standard – 18 are disclosed in the Annual Report for the year 2015-16.

There is no managerial personnel related to Mr. Kailash Prasad Khandelwal.



## NOTICE (Contd.)

### III. OTHER INFORMATION :

#### (1) Reasons of loss or inadequate profit

The Company has shown a profit from its operations in the current year and it is expected to earn profits in the future years also. This is an enabling provision for payment of remuneration in the scenario of loss/inadequacy of profits.

#### (2) Steps taken or proposed to be taken for improvement

The Textile Division of the Company has been modernized which is expected to result in better quality products at lower costs.

#### (3) Expected increase in productivity and profits in measurable terms

With the modernization of the Textile Division of the Company, the productivity and profitability of the Company is expected to be reasonable. The company has also taken necessary steps to increase the productivity of Tea Division.

### IV. DISCLOSURE :

- (1) The Shareholders of the Company are being informed of the remuneration package of Mr. Adarsh Kanoria and Mr. Kailash Prasad Khandelwal and all elements thereof are given in explanatory statement attached to the Notice of 33rd Annual General Meeting.
- (2) As required, the disclosure relating to remuneration packages such as salary and benefits, service contracts and notice period of Mr. Adarsh Kanoria and Mr. Kailash Prasad Khandelwal have been mentioned in the Corporate Governance Report annexed to the Directors Report.

Registered Office :

Century Towers, 4th Floor

45, Shakespeare Sarani, Kolkata 700 017

Dated : 20th May, 2016

By Order of the Board

SUNITA SHAH

Company Secretary

## ANNEXURE TO NOTICE

### Brief Profile of Mrs. Shubha Kanoria, Non Executive Director seeking re-appointment

**Mrs. Shubha Kanoria, (DIN: 00036489)** aged about 48 years was appointed w.e.f. 10th May, 2014 on the Board of the Company. She has a Bachelors Degree in Arts. She is on the Board of various Public and Private Companies. She has been acting as the Managing Director of Samrat Industrial Resources Limited. Mrs. Shubha Kanoria and Mr. Adarsh Kanoria, Directors of the Company are inter-related as they are Husband and wife. She holds 4,49,216 shares of the Company as on 31st March, 2016. Mrs. Kanoria, retires at the ensuing Annual General Meeting and being eligible offers herself for re-appointment.

Mrs. Kanoria held the Directorships/Committee Memberships of the following other companies :

Sl No.	Name of the Company	Committee Membership*
1.	Eskay Udyog Ltd.	—
2.	Samrat Industrial Resources Limited	—
3.	Kanoria Exports Pvt. Ltd.	—

\*Only Audit Committee & Shareholders/Investors Grievance Committees are being considered





## DIRECTORS' REPORT

*Dear Members,*

The Directors of the Company present their 33rd Annual Report and Company's Audited Accounts for the year ended 31st March, 2016.

### FINANCIAL SUMMARY/HIGHLIGHTS

The financial results for the year ended 31st March, 2016 and the corresponding figures for the last year are as under:

	(Amount in ₹ Lacs)	
	2015-2016	2014-2015
Profit before Interest, Depreciation and Tax	2083	2015
Less : Finance Cost	617	754
Depreciation & Amortization Expense	1228	1018
<b>Profit after Interest &amp; Depreciation</b>	<b>238</b>	<b>243</b>
Less : Tax Expense for Current Year (Net of MAT Credit Entitlement)	81	49
Income Tax for earlier years	6	4
Deferred Tax Provision/(Written Back)	(36)	(4)
<b>Profit after Tax</b>	<b>187</b>	<b>194</b>
Add : Balance Brought Forward from Last Account	2312	2216
Less : Adjustment in Retained Earnings due to Depreciation as per New Companies Act, 2013	-	44
Less : Transferred to General Reserve	100	-
Less : Proposed Dividend & Tax thereon	54	54
<b>Credit balance carried to Balance Sheet</b>	<b>2345</b>	<b>2312</b>

### RESERVES & SURPLUS

The Balance in Reserves & Surplus stands at ₹ 9921 Lacs (Previous year ₹ 13,335 Lacs). The Company has transferred ₹ 100 Lacs to General Reserve.

### DIVIDEND

Your Directors are pleased to recommend a payment of Dividend of ₹ 0.50 per Equity Share on face value of ₹ 10/- each (Previous year ₹ 0.50 per Equity Share) for the year ended 31st March, 2016 amounting to ₹ 54 lacs (inclusive of tax of ₹ 9 lacs) subject to the approval of members at the ensuing Annual General Meeting.

### OPERATIONS

#### TEA DIVISION

During the year under review, your Company achieved a production of 22.17 lac kgs of Black Tea as compared to 20.59 lac kgs in the previous year. The production of own green tea leaves was higher by 9.96%, the Company procured more outsourced leaves than last year by 2.40%.

The performance of the Tea Division in the current year is far better than expected due to increase in production and higher realization from sale of tea.

The average sale price for CTC tea in auction centres was higher as compared to previous year and accordingly the average realisation of your tea estate was also higher by about Rs 15/- per kg due to production of quality tea which was in good demand in the market and fetched attractive prices. There has been an all round increase in wages, power and fuel and other input costs.

The current season has seen a mixed weather condition as a result of which the crop intake is similar to that of last year. However of late there has been improvement in weather condition which has started resulting in good crop. Further, there has been increase in wage and salary cost following industry wide agreement with unions.



## DIRECTORS' REPORT (Contd.)

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

### TEXTILE DIVISION

#### PERFORMANCE AND REVIEW OF OPERATION:

During the year under review, in spite of better production and other operational parameters, the Textile Division has incurred loss before tax of ₹ 893 lakhs against ₹ 680 lakhs in the previous year. The Division has achieved turnover of ₹ 16802 lakhs against ₹ 17320 lakhs in the previous year. Continued recession in textile industry has adversely affected both top and bottom lines of the Division. The demand from domestic market as well as from overseas market was very sluggish. Cotton yarn export from India (particularly to China) has registered a negative growth consecutively in second year. As a result, there was a pressure on selling prices and margins of cotton yarn. Cotton prices were more or less stable throughout the year and were lower than the previous year, but reduction in selling prices of cotton yarn was much higher than reduction in cotton prices.

With a view to improve the profitability of the Division, the Division has scrapped its loss making synthetic (polyester/cotton blended) yarn section comprising of 7104 spindles with effect from 1.01.2016. The Division is concentrating on increasing production of fabric wherein margins are better. The Division is making all efforts to optimize various costs to improve profitability.

Fire broke out in the Cotton Godown of Textile Division on 07.11.2015 and 26.01.2016. The stocks were adequately insured. The Textile division had filed insurance claim of ₹ 73.52 lacs with the Insurance Company. Net loss due to fire is estimated to be ₹ 10.60 lacs mainly because of deduction on account of 'Excess Clause' as per terms of policy.

#### MODERNISATION AND PROSPECTS

During the year under review, the Division has added one new comber and replaced an old lap former with a new high speed lap former in its spinning department. This would result in lower feed on combers leading to reduction in wastage, improvement in quality of yarn and consequently reduction of cost of production of yarn.

For the textile industry, the global focus is shifting from China to India due to cost and stability factors. The government's positive steps are expected to help this shift. The consumption of the textile products in the domestic market is expected to increase in the years to come. The Indian economy is expected to grow by 7-8% in coming few years. The world economy is also on revival path. In view of this, the Textile Division is expected to give better performance in coming years.

#### RECENT DEVELOPMENTS & FUTURE PLANS

##### Company's Property at Dholka, Gujarat

The land development work and provision of basic amenities is in progress and is expected to be completed by September 2016. In all, 20 plots would be available for sale and would be floated in the market shortly. Sale proceeds therefrom are expected in the next two financial years.

##### Company's Land at Kolkata

The Company was exploring the possibility of developing its property at Kolkata. However the plan has been dropped due to regulatory issues. It cannot be commercially exploited because of the stipulations imposed by Ministry of Defence. Accordingly the Revaluation Reserve is being written back to reflect the Market value of land on "as is where is basis."

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

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

#### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report for the year under review, as stipulated under SEBI (LODR) Regulations, 2015 with the Stock Exchange, is set out in the annexure forming part of the Annual Report marked as **Annexure – "A"**.



## DIRECTORS' REPORT (Contd.)

### CORPORATE GOVERNANCE REPORT

The Report on Corporate Governance in accordance with the SEBI (LODR) Regulations, 2015 with the Stock Exchange, approved by the Board together with a Certificate from Statutory Auditors M/s Jain & Co., Chartered Accountants, regarding compliance with the conditions of Corporate Governance are set out in the annexure forming part of the Annual Report marked as **Annexure – "B"**.

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

### EXTRACT OF THE ANNUAL RETURN

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

### BOARD MEETINGS

During the year under review 4 meetings of the Board of Directors were held on 8th May, 2015, 8th August, 2015, 7th November, 2015 and 6th February, 2016.

Apart from meeting of the Board of Directors different committees met several times during financial year ended 31st March, 2016.

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

The Directors hereby confirm that –

- in the preparation of the annual accounts for the Financial Year ended 31st March, 2016, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- they had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- they had prepared the annual accounts on a going concern basis;
- they had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### DECLARATION BY INDEPENDENT DIRECTORS

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

### DIRECTORS

Mrs. Shubha Kanoria (DIN : 00036489) retires by rotation at the ensuing Annual General Meeting and being eligible, offers herself, for re-appointment in compliance with the provisions of the Companies Act, 2013.

Subject to the approval of the members in the general meeting, the Board of Directors on 20th May, 2016 have proposed to re-appoint Mr. Adarsh Kanoria (DIN : 00027290) as Managing Director and Mr. Kailash Prasad Khandelwal (DIN : 00914834) as the Whole-time Director of the Company w.e.f. 1st January, 2017 for a period of 3 years on such terms as set out in the Notice dated 20th May, 2016.

Mr. Ashutosh Bhagat (DIN : 00059842) and Mr. Navin Nayar (DIN : 00136057) Directors of the Company, are being proposed to be appointed as Independent Directors for five consecutive years as per the provisions of Section 149 and other applicable provisions of Companies Act, 2013. The Company has received requisite notices in writing from them proposing their appointment as Independent Directors. The Board recommends their appointment as Independent Directors.



## DIRECTORS' REPORT (Contd.)

Brief resume of the Directors, nature of their expertise in specific functional areas and details of their directorship and membership/chairmanship of Board/ Committees, as stipulated under SEBI (LODR) Regulations, 2015 has been provided in the Annexure to the Notice of the 33rd AGM of the Company.

### KEY MANAGERIAL PERSONNELS

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

- a) Mr. Adarsh Kanoria, (DIN: 00027290), Managing Director
- b) Mr. Kailash Prasad Khandelwal, (DIN: 00914834), Wholetime Director
- c) Mr. Atul Doshi, Chief Financial Officer
- d) Mrs. Sunita Shah, Company Secretary

Remuneration and other details of the KMP's for the year ended 31st March, 2016 are mentioned in the Extracts of the Annual Return attached as **Annexure 'C'** and forms part of this Report of the Directors.

### NOMINATION & REMUNERATION POLICY

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

The details of the Nomination and Remuneration Policy is given in the Corporate Governance Report.

### BOARD EVALUATION

The Companies Act, 2013 states that formal evaluation needs to be done by the Board of its own performance and that of its Committees and individual directors. Schedule IV of the Companies Act, 2013 states that the performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated. SEBI (LODR) Regulations, 2015 vide Regulation 25(3) requires a meeting of Independent Directors to evaluate the performance of the Non Independent Directors.

Accordingly, a meeting of Independent Directors was held on 6th February, 2016 wherein the performance of the non-independent directors, including the Chairman was evaluated. The evaluation of all the directors and the Board as a whole was conducted based on the criteria and framework adopted by the Board. The evaluation process has been explained in the Corporate Governance Report section in this Annual Report. The Board approved the evaluation results as collated by the Nomination and Remuneration Committee.

### PUBLIC DEPOSITS

During the year 2015 - 2016, your Company did not accept/renew any deposits and as such, no amount of principal or interest was outstanding as on 31st March, 2016.

### AUDITORS AND AUDITORS' REPORT

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

The Company has received letter from the Auditors to the effect that their re-appointment, is within the prescribed limits under the Companies Act, 2013 and that they are not disqualified. The Board recommends the ratification of their appointment.

The Notes on Financial Statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments. There is no qualification, adverse remarks or disclaimer made by the Statutory Auditors.

### SECRETARIAL AUDIT REPORT

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



## DIRECTORS' REPORT (Contd.)

### PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company has not given any loans or provided any guarantees under Section 186(1) of the Companies Act, 2013. However, the details of Investments under Section 186(1) of the Companies Act, 2013 have been provided at Note No. 15 of the Financial Statements for the year ended 31st March, 2016.

### PARTICULARS OF RELATED PARTY TRANSACTIONS

During the year there was no material related party transaction with promoters, the directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company. The Company has formulated a policy on Related Party Transactions. The link of the policy is [http://bengaltea.com/pdf/BTFL\\_RELATED\\_PARTY\\_TRANSACTION\\_POLICY\\_8.11.2014.pdf](http://bengaltea.com/pdf/BTFL_RELATED_PARTY_TRANSACTION_POLICY_8.11.2014.pdf).

All related party transactions entered during the financial year were in ordinary course of the business and on arm's length basis which have been disclosed in the Notes to the Accounts. No material related party transactions were entered during the Financial Year 2015-16 by your Company. Accordingly, the disclosure of related party transactions as required under Section 134(3) of the Companies Act, 2013 in Form AOC 2 is not applicable to your Company.

### COST AUDIT

In accordance with the provisions of Section 148 of the Companies Act, 2013 and the Companies (Audit & Auditors) Rules, 2014 the Company is required to appoint a Cost Auditor to audit the cost records of the applicable products of the Company relating to the Tea and Textile Division.

### PARTICULARS OF COST AUDITORS APPOINTED FOR THE FINANCIAL YEAR 2015-16

The Company has appointed the following Cost Auditors for Tea & Textile Division for the year ended 31st March, 2016:

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

### PARTICULARS OF EMPLOYEES

The Company had no employee who is in receipt of more than ₹ 60 lacs per annum during the year ended 31st March, 2016 or of more than ₹ 5 Lacs per month during any part thereof, so no information under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is required to be given. However, the information required pursuant to Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 has been annexed as **Annexure – “E”**.

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

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

### RISK MANAGEMENT POLICY

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

### INTERNAL CONTROL SYSTEMS

Your Company has an adequate system of internal control procedures which is commensurate with the size and nature of business. Detailed procedural manuals are in place to ensure that all the assets are safeguarded, protected against loss and all transactions are authorized, recorded and reported correctly. The internal control systems of the Company are



## DIRECTORS' REPORT (Contd.)

monitored and evaluated by internal auditors and their audit reports are periodically reviewed by the Audit Committee of the Board of Directors. The observations and comments of the Audit Committee are placed before the Board and suitable steps have been taken to strengthen the controls.

### CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

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

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

Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 8th August, 2015 (date of last Annual General Meeting) on the Company's website ([www.bengaltea.com](http://www.bengaltea.com)) and also on the Ministry of Corporate Affairs' website. The dividend for the undernoted years, if unclaimed for seven years, will be transferred by the Company to IEPF :

Financial Year	Date of Declaration of Dividend	Unclaimed Dividend as on 31.03.2016
2008-09	27.07.2009	150377.00
2009-10	31.07.2010	417889.50
2010-11	06.08.2011	425394.00
2011-12	NIL	NIL
2012-13	03.08.2013	323831.00
2013-14	09.08.2014	637848.00
2014-15	08.08.2015	176748.50

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

None

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

The Company has in place Internal Complaints Committee for the Registered Office, Tea Division and Textile Division. The following is the summary of Sexual Harassment complaints received and disposed off during the year 2015-16.

No. of Complaints received : NIL

No. of Complaints Disposed off : NIL

### ACKNOWLEDGEMENT

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

For and on behalf of the Board  
**Bengal Tea & Fabrics Ltd.**

ADARSH KANORIA  
Managing Director  
DIN : 00027290

KAILASH PRASAD KHANDELWAL  
Whole-time Director  
DIN : 00914834

Place : Kolkata  
Dated : 20th May, 2016





## MANAGEMENT DISCUSSION & ANALYSIS REPORT

ANNEXURE - "A"

(Forming part of Directors' Report for the financial year ended 31st March, 2016)

### TEXTILE DIVISION

**Industry Structure and Developments :** Indian Textile Industry has an overwhelming presence in the economic life of the country. Apart from providing one of the basic necessities of life, the textile industry plays a pivotal role through its contribution to industrial output, employment generation and export earnings of the country. Textile industry provides employment to 45 million people, which makes it the 2nd largest employment provider in the country after agriculture. Globally, India has the 2nd largest textile manufacturing capacity with 24% of spindle capacity, 8% of rotor capacity and 2nd largest no. of looms. India is the 2nd largest textile exporter in the world. The size of the Indian textiles and apparel industry is expected to reach USD 223 billion by 2021.

Recently, the Government of India has announced "AMENDED TECHNOLOGY UPGRADATION FUND SCHEME" for textile industry for a period of 7 years. It is expected to attract investment to the tune of ₹ 1 lakh crores and create over 30 lakhs job with budgetary provision of ₹ 17822 crores. The Government's focus on the textile sector as part of the "Make in India" program is expected to boost the industry.

**Opportunities and Threats :** The expanding middle class and rising disposable income are expected to create greater domestic demand for textile products. The decreasing cost competitiveness of China, weak Indian currency etc. are likely to give positive impetus to the Indian exports. Thus, the Indian textile industry is set for strong growth, buoyed by both strong domestic consumption as well as overseas demand.

Foreign exchange fluctuation, volatility in cotton prices, continued global economic slow down etc. may pose threat to the textile industry in India.

### Product-wise Performance :

**Cloth:** Both production and sales volume has increased mainly because of increase in the production and sales of knitted fabric. Average realization has decreased mainly due to (i) change in product mix i.e. proportion of knitted fabric (unprocessed cloth) is increased and (ii) selling prices has also decreased due to sluggish demand and lower raw material prices.

**Yarn:** Both production and sales volume of saleable yarn has increased mainly due to more purchases of yarn from outside for manufacturing of cloth and change of product-mix. Average realization is lower due to sluggish demand in the market and lower raw material prices.

	Cloth			Yarn		
	Production (Lac Mtrs.)	Sales (Lac Mtrs.)	Average Realisation (₹ Per Mtr.)	Production (Lac Kgs.)	Sales (Lac Kgs.)	Average Realisation (₹ Per Kg.)
2015-16	139.72	139.84	58.94	41.37	42.51	175.41
2014-15	131.03	130.22	63.69	38.56	38.88	198.05
Change	6.63%	7.39%	(7.46%)	7.29%	9.34%	(11.43%)

**Outlook :** In the mid to long term, the textile industry is expected to grow very strongly with growth being balanced from both domestic consumption as well as exports demand. With the revival of overall economy and improvement in purchasing power of Indian consumers, the domestic demand of textile products is expected to grow strongly. After two consecutive years of deficient rainfall (2014 & 2015), the Indian Metrological Department (IMD) has indicated above average rainfall in 2016-17 which would boost farm production. This may result into a good crop and thereby result into higher demand of textile products from rural areas of the country. India is moving towards a low interest rate regime as Reserve Bank of India is continuously reducing policy rate. The Division is concentrating on increasing production of fabric which offers better returns due to value addition. In view of above, the Division is hopeful of a better year ahead.

**Risks and Concerns :** Fluctuation in foreign exchange rate, volatility in cotton prices, increase in labour and power cost are main causes of concerns.



## MANAGEMENT DISCUSSION & ANALYSIS REPORT (Contd.)

### TEA DIVISION

**Industry Structure & Developments :** India is the largest Black Tea producer in the world producing approximately 1191 million kgs during the calendar year 2015. Despite strong consumption growth and low inventory, the market remained sluggish during the year particularly for low/medium quality tea.

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

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

**Product-wise Performance :** During the year under review, the production of Black Tea was higher as compared to previous year. Strong demand for quality tea persisted and the average realization of the tea sold by the Company was over 7 % higher as compared to the previous year. The gist of performance of the division during the financial year 2015-2016 is as under:

Black Tea			
	Production (Lac Kgs.)	Sales (Lac Kgs.)	Average Realisation (₹ Per Kg.)
2015-16	22.17	21.39	215.33
2014-15	20.59	21.00	200.28
Change (%)	7.67	1.83	7.52

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

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

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

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

**Information regarding Human Resources/Industrial Relations :** The relationships at both the Divisions were cordial with the employees throughout the year. The total numbers of manpower employed by the Textile and Tea Divisions as on 31st March, 2016 were 537 and 1375 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

**Bengal Tea & Fabrics Ltd.**

ADARSH KANORIA

Managing Director

DIN : 00027290

KAILASH PRASAD KHANDELWAL

Whole-time Director

DIN : 00914834

Place : Kolkata

Dated : 20th May, 2016



## REPORT ON CORPORATE GOVERNANCE

ANNEXURE - "B"

(Forming part of Directors' Report for the financial year ended 31st March, 2016)

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

Corporate governance is about maximizing shareholders value legally, ethically and on a sustainable basis, while ensuring fairness to every stakeholder- the Company's clients, employees, investors, the Government of the land and the community. Thus corporate governance is a reflection of a company's culture, policies, its relationship with stakeholders and its commitment to value. The Company adopts the principle of governance so that it covers all aspects of dealing and reporting in a transparent and fair manner.

We believe Corporate Governance is not just a destination but a journey to constantly improve sustainable value creation. It is an upward-moving target that we collectively strive towards achieving. In addition to compliance with regulatory requirements, the Company endeavors to ensure that the highest standards of ethical and responsible conduct are met throughout the organization.

### 2. BOARD OF DIRECTORS

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

The Board of Directors comprises of nine members (consisting of three independent non-executive directors) having experience in business, finance etc. The composition of the Board of Directors and their attendance during the financial year 2015-2016 is as under:

Name of the Directors	Category of Director	No. of other Directorships <sup>1</sup>	No. of other Board Committee(s) <sup>2</sup> in which he is		Attendance at last AGM held on 08.08.2015	Attendance at Board Meetings
			Member	Chairman		
Mr. Adarsh Kanoria <sup>3</sup>	Promoter-Executive	7	—	—	Yes	4
Mr. Kailash Prasad Khandelwal	Executive	1	—	—	Yes	4
Mr. Golam Momen - Chairman	Independent-Non-Executive	13	3	—	No	3
Mr. Dharendra Kumar	Independent-Non-Executive	10	1	—	Yes	4
Mr. Abhijit Datta	Independent-Non-Executive	5	—	2	Yes	4
Mr. Samveg A. Lalbhai	Non-Executive	9	—	—	Yes	1
Mr. Ashutosh Bhagat	Non-Executive	8	—	—	Yes	3
Mrs. Shubha Kanoria <sup>3</sup>	Non-Executive	3	—	—	Yes	4
Mr. Navin Nayar	Non-Executive	8	1	2	Yes	4

1. Also includes directorships other than Public Limited Companies.

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

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

#### Meetings of the Board

During the Financial Year 2015-2016, the Board of Directors met 4 (four) times on the following dates: 8th May, 2015, 8th August, 2015, 7th November, 2015 and 6th February, 2016.



## REPORT ON CORPORATE GOVERNANCE (Contd.)

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

Mrs. Shubha Kanoria (DIN: 00036489) retires by rotation at the ensuing Annual General Meeting and being eligible, offer herself, for re-appointment in compliance with the provisions of the Companies Act, 2013.

The Board of Directors on 20th May, 2016 have proposed to re-appoint Mr. Adarsh Kanoria (DIN: 00027290) as Managing Director and Mr. Kailash Prasad Khandelwal (DIN: 00914834) as the Whole-time Director of the Company w.e.f. 1st January, 2017 for a period of 3 years subject to the approval of the Members in the 33rd Annual General Meeting.

Mr. Ashutosh Bhagat (DIN: 00059842) and Mr. Navin Nayar (DIN : 00136057) Directors of the Company, are being proposed to be appointed as Independent Directors for five consecutive years as per the provisions of Section 149 and other applicable provisions of Companies Act, 2013. The Company has received requisite notices in writing from them proposing their appointment as Independent Directors. The Board recommends their appointment as Independent Directors.

Brief resume of the Directors, nature of their expertise in specific functional areas and details of their directorship and membership/chairmanship of Board/ Committees, as stipulated under Regulation 34 (3) of the SEBI (LODR) Regulations, 2015 has been provided in the Explanatory Statement and Annexure to the Notice of the 33rd AGM of the Company.

### 3. AUDIT COMMITTEE

The Audit Committee comprises of 4 (four) non-executive Directors of whom the Chairman and 2 (Two) members are Independent Directors. The committee has been meeting at regular intervals. The Chairman and the members of the Audit Committee have in-depth knowledge in the areas of Finance and Accounts. The Audit Committee acts as a link between the Internal and Statutory Auditors and the Board of Directors. The Committee provides the Board with additional assurance as to the adequacy of the Company's internal control systems and financial disclosures.

#### Terms of Reference

The Audit Committee assists the Board in its responsibility of overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company and its compliance with the legal and regulatory requirements. The Committee provides the Board with additional assurance as to the adequacy of the Company's internal control systems and financial disclosures. The Committee's purpose is to review with the Management and/or Statutory Auditors and/or Internal Auditors the following areas:

- i) Overview of the Company's financial reporting process and financial information disclosures;
- ii) Review with the Management, the annual and quarterly financial statements/results before submission to the Board;
- iii) Review with the Management, the Internal Audit Reports and the adequacy of internal control systems;
- iv) Review the adequacy and effectiveness of accounting and financial controls of the Company, compliance with the Company's policies and applicable laws and regulations;
- v) Recommending and reviewing the appointment, independence, performance and removal of Auditors and fixation of audit terms;
- vi) Review the Company's risk management policies;
- vii) Review of utilization of proceeds raised from Public/Rights issues.

The terms of reference of Audit Committee cover the areas mentioned under Part C of Schedule II of the SEBI (LODR) Regulations, 2015 as well as Section 177 of the Companies Act, 2013.

#### Composition, Meetings & Attendance

Name of the Members	Category of Directors	No. of Meetings attended	Dates on which Meetings held
Mr. Abhijit Datta - Chairman	Independent & Non-Executive	4	08.05.2015 08.08.2015 07.11.2015 06.02.2016
Mr. Golam Momen	Independent & Non-Executive	3	
Mr. Dharendra Kumar	Independent & Non-Executive	4	
Mr. Navin Nayar	Non-Executive	4	



## REPORT ON CORPORATE GOVERNANCE (Contd.)

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

### 4. NOMINATION AND REMUNERATION COMMITTEE

#### Composition, Meeting & Attendance

Name of the Members	Category of Director	No. of Meetings attended	Date on which Meeting held
Mr. Dharendra Kumar – Chairman	Independent & Non-Executive	1	The meeting of Remuneration Committee was held on 06.02.2016
Mr. Golam Momen	Independent & Non-Executive	1	
Mr. Abhijit Datta	Independent & Non-Executive	1	
Mr. Samveg A. Lalbhai	Non-Executive	—	

#### Remuneration to Directors paid during the financial year 2015-2016 and other disclosures :

Name of the Directors	Salary (₹)	Benefits (₹)	Contribution to PF Gratuity, and other funds (₹)	Commission Paid (₹)	Meeting Fees (₹)	Service Contract/ Tenure	Notice Period	Number of Shares held
Mr. Adarsh Kanoria	39,00,000	8,77,336	6,55,500	—	—	01-01-2014 to 31-12-2016	3 Months*	5,36,137
Mr. Kailash Prasad Khandelwal	18,45,000	4,57,885	6,71,400	—	—	01-01-2014 to 31-12-2016	3 Months*	—
Mr. Golam Momen	—	—	—	—	1,10,000	NA	NA	750
Mr. Abhijit Datta	—	—	—	—	1,40,000	NA	NA	—
Mr. Dharendra Kumar	—	—	—	—	1,50,000	NA	NA	—
Mr. Samveg A. Lalbhai	—	—	—	—	20,000	NA	NA	—
Mr. Ashutosh Bhagat	—	—	—	—	60,000	NA	NA	—
Mrs. Shubha Kanoria	—	—	—	—	80,000	NA	NA	4,49,216
Mr. Navin Nayar	—	—	—	—	1,20,000	NA	NA	—

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

#### Nomination and Remuneration Policy

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

#### Scope or Terms of Reference

The NR Committee has inter alia, the following responsibilities:

1. The NR Committee should evaluate the performance of employees and identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every Directors performance.



## REPORT ON CORPORATE GOVERNANCE (Contd.)

2. The Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration for the Directors, Key Managerial Personnel's and other Senior Management Personnel's. Other than evaluation of every directors' performance, the performance of Key Managerial Personnel's and other Senior Management Personnel's is to be appraised by the Nomination and Remuneration Committee.

### Policy for Selection and Appointment of Directors

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

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

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

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

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

The Committee will also identify persons who are qualified to be appointed in the position of Key Managerial Personnel and Senior Management. Selection of the personnel is based on qualification, experience in the industry, previous employment and positions already held.

### Remuneration Criteria

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

- a) Remuneration paid to Non-Executive Directors:

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

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

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

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

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

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

### Evaluation mechanism of Directors

As per the requirement of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and/or any modifications/substitution thereto, the Independent Directors will evaluate the performance of the other directors and the Board as a whole on such criteria as they deem fit. The Board will evaluate the performance of the Independent Directors, Key Managerial Personnel and other Senior Management Personnel and all Board level Committees from time to time.





## REPORT ON CORPORATE GOVERNANCE (Contd.)

### Succession to the Board and Senior Management level

The appointments to the Board of Directors and /or Senior Management level is considered as per the requirement of Law and the NR Committee will examine the requirements of the Company and the qualification, experience and other criteria as they deem fit of the person to be appointed as the Member of the Board of Director and /or Senior Management Level, where required and recommend the same to the Board of Directors for their consideration.

### Evaluation of Board & Committee

As per the requirement of Companies Act, 2013 and the SEBI (LODR) Regulations, 2015, the Independent Directors have evaluated the performance of the other directors and the Board as a whole and the Board has evaluated the performance of the Independent Directors and all Board level Committees. The same was found to be satisfactory.

### Board Evaluation criteria

As per the requirement of Companies Act, 2013 and the SEBI(LODR) Regulations, 2015, the Independent Directors have carried out a performance review of the Board as a whole on the following parameters:

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

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

### Familiarisation programme for Independent Directors

The Company has formulated a module to familiarise the independent directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the company, etc., through programmes in compliance of SEBI(LODR) Regulations, 2015. The details of the same was placed before the Board and noted by them. The weblink for the same is [http://bengaltea.com/pdf/BTFL\\_Familiarisation\\_Programme-7.02.2015.pdf](http://bengaltea.com/pdf/BTFL_Familiarisation_Programme-7.02.2015.pdf)

## 5. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee is being headed by Mr. Golam Momen, an Independent Non-Executive Director of the Company.



## REPORT ON CORPORATE GOVERNANCE (Contd.)

### Composition of the Committee

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

Mrs. Sunita Shah, Company Secretary, is the Compliance Officer of the Company. This Committee considers and resolves the grievances of the security holders of the company. Apart from routine matters which were resolved /replied to the satisfaction of the shareholders and the status of investor complaints with regulatory authorities are as follows:

Sl No.	INVESTOR COMPLAINTS	Number
1.	Number of Investor Complaints Received during the year	3
2	Number of complaints resolved during the year till 31st March, 2016	3
3.	Number not solved to the satisfaction of the shareholders till 31st March, 2016	Nil
4.	Number of complaints pending as at 31st March, 2016	Nil

### 6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

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

The Committee met on 8th August, 2015 in the financial year 2015-16. The details of the CSR Policy of the Company alongwith the CSR expenditure have been given in **Annexure- "F"** to the Directors Report.

### 7. INDEPENDENT DIRECTORS MEETING

During the year under review, the Independent Directors of the company met on 6th February, 2016 inter alia, to:

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

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

### 8. GENERAL BODY MEETINGS

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

	Date of Meeting	Venue	Time
30th AGM	03.08.2013	Kalakunj, 48, Shakespeare Sarani, Kolkata 700 017	10.30 A.M.
31st AGM	09.08.2014	Kalakunj, 48, Shakespeare Sarani, Kolkata 700 017	10.30 A.M.
32nd AGM	08.08.2015	Kalakunj, 48, Shakespeare Sarani, Kolkata 700 017	10.30 A.M.

No Special Resolution was proposed in 30th AGM and 32nd AGM. Special Resolutions were passed in the 31st AGM.



## REPORT ON CORPORATE GOVERNANCE (Contd.)

### 9. DISCLOSURES

During the year under review, the Company had not entered into any materially significant transaction with any related party that have potential conflict with the interests of the Company at large. The transactions with related parties, in the normal course of business, have been disclosed separately in the Notes on Accounts. The Company has formulated a policy on Related Party Transactions. The link of the policy is [http://bengaltea.com/pdf/BTFL\\_RELATED\\_PARTY\\_TRANSACTION\\_POLICY\\_8.11.2014.pdf](http://bengaltea.com/pdf/BTFL_RELATED_PARTY_TRANSACTION_POLICY_8.11.2014.pdf).

The Omnibus Approval of the Audit Committee is taken for all proposed Related Party Transactions and the details of all Related Party Transactions actually entered into in the preceding quarter are placed before them.

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

#### Vigil Mechanism

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

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

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

#### Risk Management Policy

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

#### Commodity price risk or foreign exchange risk and hedging activities

During the year, the Company had managed the foreign exchange risk and hedged its exposures against exports and imports as it deemed appropriate. The Management monitors the commodities/ raw materials whose prices are volatile and suitable steps are taken to minimize the risk.

#### Mandatory requirements adopted by the Company

The Company has complied with all the mandatory requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.

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

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

### 10. MEANS OF COMMUNICATION

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

Unaudited Financial Results For three months ended	Newspaper Published In	
	Business Standard ( English)	Arthik Lipi (Bengali)
30.06.2015	10.08.2015	10.08.2015
30.09.2015	09.11.2015	09.11.2015
31.12.2015	08.02.2016	08.02.2016



## REPORT ON CORPORATE GOVERNANCE (Contd.)

### 11. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A "Management Discussion and Analysis Report" has been included as a part of the Directors' Report to the shareholders for the year ended 31st March, 2016.

### 12. GENERAL SHAREHOLDER INFORMATION

**Annual General Meeting** : Date : Monday, 1st August, 2016  
 Time : 10.30 A.M.  
 Venue : Kalakunj, 48, Shakespeare Sarani, Kolkata 700 017

**Financial Year** : 1st April, 2015 to 31st March, 2016

**Date of Book Closure** : 26th July, 2016 to 1st August, 2016 (Both days inclusive)

**Dividend Payment Date** : Within 30 days of approval at the AGM, if approved at AGM.

#### Listing on Stock Exchanges & Stock Code

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

The Company has paid the listing fees for the financial year 2016-2017.

#### Market Price Data and Number of Shares traded at BSE Ltd during the Financial Year 2015-2016

	April	May	June	July	August	September	October	November	December	January	February	March
High	47.75	44.00	40.50	50.00	49.50	41.00	43.90	61.00	69.30	79.50	62.00	48.60
Low	39.40	33.35	30.00	38.00	34.10	33.60	37.10	40.55	49.00	50.10	37.00	39.25
Volume	31419	22604	24717	100938	77379	20325	75306	245119	380850	288616	61952	86346

#### Performance in comparison to broad based indices

	31.03.2016	31.03.2015	Change (%)
Share Prices of BTFL (₹)	41.25	41.35	(-) 0.24%
V/s BSE Sensex	24,883.59	26,117.54	(-) 4.72%

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

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

#### Distribution of Shareholding as on 31st March, 2016

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	10,247	77.57	4,79,733	5.33
2	51-100	1,219	9.23	1,14,928	1.28
3	101-500	1,262	9.55	3,41,996	3.80
4	501-1000	236	1.79	1,92,739	2.14
5	1001-2000	114	0.86	1,75,530	1.95
6	2001-3000	45	0.34	1,11,845	1.24
7	3001-4000	17	0.13	61,446	0.68
8	4001-5000	17	0.13	80,252	0.89
9	5001-10000	24	0.18	1,83,059	2.03
10	10001 & above	29	0.22	72,64,457	80.66
	<b>Total</b>	<b>13,210</b>	<b>100.00</b>	<b>90,05,985</b>	<b>100.00</b>



## REPORT ON CORPORATE GOVERNANCE (Contd.)

### Shareholding Pattern as on 31st March, 2016

Sl. No.	Category	Number of Shares held	Percentage of Shareholding(%)
1	Promoters	66,08,712	73.38
2	Institutional Investors (Financial Institutions, Insurance Companies, Banks, Mutual Funds etc)	42,293	0.47
3	Body Corporates (other than above)	1,06,149	1.18
4	Resident Public	22,10,219	24.54
5	NRIs' / Foreign Nationals	12,812	0.14
6	The Official Trustee of West Bengal	11,520	0.13
7	Clearing Members	14,280	0.16
	<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. 84,25,201 of the total equity shares have been dematerialised upto 31st day of March, 2016. 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

**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

**Bengal Tea & Fabrics Ltd.**

Place : Kolkata

Dated : 20th May, 2016

ADARSH KANORIA

Managing Director

DIN : 00027290

KAILASH PRASAD KHANDELWAL

Whole-time Director

DIN : 00914834

### Annual Compliance with the Code of Conduct for the Financial Year 2015-2016

Pursuant to Para D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that the Company has received affirmations on compliance with the Code of Conduct for the financial year ended 31st March, 2016 from all the Board Members and Senior Management Personnels.

For Bengal Tea & Fabrics Ltd.

ADARSH KANORIA

Managing Director

(DIN : 00027290)

Place : Kolkata

Dated : 20th May, 2016



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

### **CERTIFICATE ON CORPORATE GOVERNANCE**

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

We have examined the compliance of regulations of Corporate Governance by Bengal Tea & Fabrics Limited for the year ended 31st March, 2016, as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchange for the period 1st April, 2015 to 30th November, 2015 and as per the relevant provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") for the period 1st December, 2015 to 31st March, 2016.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement/Listing Regulations, as applicable.

We have been explained that no investor grievances are pending as on 31st March, 2016 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 : 20th day of May, 2016

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





**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**

ANNEXURE - "C"

**as on the Financial Year ended on 31st March, 2016**

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

**I. REGISTRATION AND OTHER DETAILS**

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

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

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

Sl. No.	Name and Description of main products/services	NIC Code of the Product/service	(% ) to total turnover of the Company
1	Black Tea	0902 / 4020	20.71
2	Cloth Cotton Fabrics	5208 / 1230	46.23
3	Synthetic Yarn	5509 / 5300	33.06

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

Sl. No.	Name and Address of the Company	CIN/ GLN	Holding/Subsidiary/ Associates	% of shares held	Applicable Section
NONE					



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

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

## i) Category-wise Share Holding :

Category of Shareholders	No. of Shares held at the beginning of the year (As at 01-04-2015)				No. of Shares held at the end of the year (As at 31-03-2016)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/HUF	1547842	—	1547842	17.19	1547842	—	1547842	17.19	—
b) Central Govt.	—	—	—	—	—	—	—	—	—
c) State Govt.(s)	—	—	—	—	—	—	—	—	—
d) Body Corporate	5060870	—	5060870	56.19	5060870	—	5060870	56.19	—
e) Banks / FI	—	—	—	—	—	—	—	—	—
f) Any Other	—	—	—	—	—	—	—	—	—
<b>Sub-total (A) (1)</b>	<b>6608712</b>	<b>—</b>	<b>6608712</b>	<b>73.38</b>	<b>6608712</b>	<b>—</b>	<b>6608712</b>	<b>73.38</b>	<b>—</b>
(2) Foreign									
a) NRIs — Individuals	—	—	—	—	—	—	—	—	—
b) Other - Individuals	—	—	—	—	—	—	—	—	—
c) Bodies Corporate	—	—	—	—	—	—	—	—	—
d) Banks / FI	—	—	—	—	—	—	—	—	—
e) Any Other	—	—	—	—	—	—	—	—	—
<b>Sub-total (A) (2)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>6608712</b>	<b>—</b>	<b>6608712</b>	<b>73.38</b>	<b>6608712</b>	<b>—</b>	<b>6608712</b>	<b>73.38</b>	<b>—</b>
<b>B. Public Shareholding</b>									
(1) Institutions									
a) Mutual Funds	—	4627	4627	0.05	—	4627	4627	0.05	—
b) Banks / FI	—	—	—	—	—	—	—	—	—
c) Central Govt.	—	11520	11520	0.13	—	11520	11520	0.13	—
d) State Govt.	—	—	—	—	—	—	—	—	—
e) Venture Capital Funds	—	—	—	—	—	—	—	—	—
f) Insurance Companies	55299	—	55299	0.61	37666	—	37666	0.42	(0.19)
g) FIs	—	—	—	—	—	—	—	—	—
h) Foreign Venture Capital	—	—	—	—	—	—	—	—	—
i) Others (Specify)	—	—	—	—	—	—	—	—	—
<b>Sub-total (B)(1)</b>	<b>55299</b>	<b>16147</b>	<b>71446</b>	<b>0.79</b>	<b>37666</b>	<b>16147</b>	<b>53813</b>	<b>0.60</b>	<b>(0.19)</b>



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

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

Category of Shareholders	No. of Shares held at the beginning of the year (As at 01-04-2015)				No. of Shares held at the end of the year (As at 31-03-2016)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Non-Institutions									
a) Bodies Corporate									
i) Indian	181208	3689	184897	2.05	102460	3689	106149	1.18	(0.87)
ii) Overseas	—	—	—	—	—	—	—	—	—
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	1014498	549982	1564480	17.38	1078484	543778	1622262	18.01	0.64
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	541297	12850	554147	6.15	575107	12850	587957	6.53	0.37
c) Others (Specify)									
i) Foreign National	—	—	—	—	—	—	—	—	—
ii) Non-Resident Individual	5647	4320	9967	0.11	8492	4320	12812	0.14	0.03
iii) Clearing Member	12336	—	12336	0.14	14280	—	14280	0.16	0.02
<b>Sub-total (B)(2)</b>	<b>1754986</b>	<b>570841</b>	<b>2325827</b>	<b>25.82</b>	<b>1778823</b>	<b>564637</b>	<b>2343460</b>	<b>26.02</b>	<b>0.19</b>
<b>Total Public Shareholding (B) = (B)(1)+(B)(2)</b>	<b>1810285</b>	<b>586988</b>	<b>2397273</b>	<b>26.62</b>	<b>1816489</b>	<b>580784</b>	<b>2397273</b>	<b>26.62</b>	<b>—</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Grand Total (A+B+C)</b>	<b>8418997</b>	<b>586988</b>	<b>9005985</b>	<b>100.00</b>	<b>8425201</b>	<b>580784</b>	<b>9005985</b>	<b>100.00</b>	<b>—</b>



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

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

#### ii) Shareholding of Promoters :

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01-04-2015)			Shareholding at the end of the year (As on 31-03-2016)			% of Change in shareholding during the year
		No. of Shares	% of total shares of the Company	% of shares pledged/encumbered to total shares	No. of Shares	% of total shares of the Company	% of shares Pledged/encumbered to total shares	
1	Samrat Industrial Resources Limited	2083518	23.13	—	2083518	23.13	—	—
2	Rydak Enterprises & Investment Limited	1806720	20.06	—	1806720	20.06	—	—
3	Eskay Udyog Limited	1170632	13.00	—	1170632	13.00	—	—
4	Adarsh Kanoria	536137	5.95	—	536137	5.95	—	—
5	Shubha Kanoria	449216	4.99	—	449216	4.99	—	—
6	Kushagra Kanoria	292489	3.25	—	292489	3.25	—	—
7	Adarsh Kanoria A/c Varennya Kanoria (Minor)	270000	3.00	—	270000	3.00	—	—
	<b>Total</b>	<b>6608712</b>	<b>73.38</b>	<b>—</b>	<b>6608712</b>	<b>73.38</b>	<b>—</b>	<b>—</b>

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

Sl. No.		Shareholding at the beginning of the year (As on 01.04.2015)/ end of the year (31.03.2016)		Cumulative Shareholding during the year (01.04.2015 to 31.03.2016)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	6608712	73.38	—	—
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	—	—	—	—
	At the end of the year	6608712	73.38	6608712	73.38



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

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

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

Sl. No.	Name	Shareholding		Date	Increase/Decrease in shareholding	Reason	Cumulative shareholding during the year (01.04.2015 to 31.03.2016)	
		No. of shares at the beginning (01.04.2015)/ end of the year (31.03.2016)	% of total shares of the Company				No. of shares	% of total shares of the Company
1	Santosh Sitaram Goenka	123,507	1.37	April 01, 2015				
				July 10, 2015	12,508	Transfer	136,015	1.51
				July 17, 2015	1,100	Transfer	137,115	1.52
				September 30, 2015	(137,115)	Transfer	—	—
				October 09, 2015	137,115	Transfer	137,115	1.52
				December 04, 2015	29,982	Transfer	167,097	1.86
				December 18, 2015	34,898	Transfer	201,995	2.24
				December 24, 2015	(515)	Transfer	201,480	2.24
				December 31, 2015	(4,522)	Transfer	196,958	2.19
				January 01, 2016	(1,777)	Transfer	195,181	2.17
				January 08, 2016	(3,636)	Transfer	191,545	2.12
				March 04, 2016	5,600	Transfer	197,145	2.19
		197,145	2.19	March 31, 2016			197,145	2.19
2	Sunita Santosh Goenka	48,195	0.54	April 01, 2015				
				July 10, 2015	4,539	Transfer	52,734	0.59
				July 17, 2015	1,711	Transfer	54,445	0.60
				July 24, 2015	1,045	Transfer	55,490	0.62
				August 14, 2015	471	Transfer	55,961	0.62
				August 21, 2015	2,005	Transfer	57,966	0.64
				September 04, 2015	(55,490)	Transfer	2,476	0.03
				September 11, 2015	55,490	Transfer	57,966	0.64
				October 16, 2015	4,173	Transfer	62,139	0.69
				December 24, 2015	(2,913)	Transfer	59,226	0.66
				January 22, 2016	2,000	Transfer	61,226	0.68
				February 05, 2016	426	Transfer	61,652	0.68
				March 18, 2016	667	Transfer	62,319	0.69
		62,319	0.69	March 31, 2016			62,319	0.69



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

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

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

Sl.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative share- holding during the year (01.04.2015 to 31.03.2016)	
		No. of shares at the beginning (01.04.2015)/ end of the year (31.03.2016)	% of total shares of the Company				No. of shares	% of total shares of the Company
3	Supriya Santosh Goenka	45,196	0.50	April 01, 2015				
				June 26, 2015	30	Transfer	45,226	0.50
				June 30, 2015	403	Transfer	45,629	0.51
				July 24, 2015	1,050	Transfer	46,679	0.52
				October 09, 2015	(46,679)	Transfer	—	—
				October 16, 2015	46,679	Transfer	46,679	0.52
				November 06, 2015	(2)	Transfer	46,677	0.52
				December 18, 2015	(1,800)	Transfer	44,877	0.50
				December 31, 2015	(882)	Transfer	43,995	0.49
				January 29, 2016	595	Transfer	44,590	0.50
				February 05, 2016	2,069	Transfer	46,659	0.52
				March 31, 2016			46,659	0.52
		46,659	0.52					
4	R N Rubesh	34,830	0.39	April 01, 2015	Nil Movement during the year			
		34,830	0.39	March 31, 2016			34,830	0.39
5	Deepa Bagla#	—	—	April 01, 2015				
				June 26, 2015	1,803	Transfer	1,803	0.02
				July 03, 2015	2,095	Transfer	3,898	0.04
				July 10, 2015	896	Transfer	4,794	0.05
				July 31, 2015	2,390	Transfer	7,184	0.08
				August 07, 2015	80	Transfer	7,264	0.08
				August 21, 2015	2,500	Transfer	9,764	0.11
				August 28, 2015	1,274	Transfer	11,038	0.12
				September 04, 2015	6,825	Transfer	17,863	0.20
				September 11, 2015	2,375	Transfer	20,238	0.22
				November 06, 2015	7,219	Transfer	27,457	0.30
				November 13, 2015	1,177	Transfer	28,634	0.32
				November 20, 2015	500	Transfer	29,134	0.32
				December 31, 2015	(708)	Transfer	28,426	0.32
				March 18, 2016	2,408	Transfer	30,834	0.34
				March 25, 2016	2,591	Transfer	33,425	0.37
				March 31, 2016			33,425	0.37
		33,425	0.37					





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

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

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

Sl.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative share- holding during the year (01.04.2015 to 31.03.2016)	
		No. of shares at the beginning (01.04.2015)/ end of the year (31.03.2016)	% of total shares of the Company				No. of shares	% of total shares of the Company
6	Kishor Shah	23,547	0.26	April 01, 2015				
				October 09, 2015	23,547	Transfer	47,094	0.52
				December 04, 2015	(12,952)	Transfer	34,142	0.38
		33,142	0.38	December 11, 2015 March 31, 2016	(1,000)	Transfer	33,142 33,142	0.38 0.38
7	Rajendra Prasad Agarwal	31,566	0.35	April 01, 2015	Nil Movement during the year			
		31,566	0.35	March 31, 2016			31,566	0.35
8	Avninder Kumar#	14,979	0.17	April 01, 2015				
				October 23, 2015	7,000	Transfer	21,979	0.24
				November 20, 2015	(1,000)	Transfer	20,979	0.23
				November 27, 2015	(1,000)	Transfer	19,979	0.22
				December 24, 2015	(1,000)	Transfer	18,979	0.21
				January 15, 2016	500	Transfer	19,479	0.22
				January 22, 2016	1,698	Transfer	21,177	0.24
				March 31, 2016	3,485	Transfer	24,662	0.27
		24,662	0.27	March 31, 2016			24,662	0.27
9	The New India Assurance Company Limited	22,666	0.25	April 01, 2015	Nil Movement during the year			
		22,666	0.25	March 31, 2016			22,666	0.25
10	Rajesh Damodar Wadhvani#	20,588	0.23	April 01, 2015				
				April 17, 2015	250	Transfer	20,838	0.23
				September 11, 2015	411	Transfer	21,249	0.24
				October 16, 2015	4	Transfer	21,253	0.24
				December 24, 2015	500	Transfer	21,753	0.24
		21,753	0.24	March 31, 2016			21,753	0.24
11	Rukmani International Pvt. Ltd.	22,873	0.25	April 01, 2015				
				August 28, 2015	(4,271)	Transfer	18,602	0.21
		18,602	0.21	March 31, 2016			18,602	0.21
12	Pramila Shah *	22,021	0.24	April 01, 2015				
				November 13, 2015	12,819	Transfer	34,840	0.39
				December 04, 2015	(14,644)	Transfer	20,196	0.22
				December 11, 2015	(3,000)	Transfer	17,196	0.19
				December 18, 2015	(1,000)	Transfer	16,196	0.18



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

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

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

Sl.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative share- holding during the year (01.04.2015 to 31.03.2016)	
		No. of shares at the beginning (01.04.2015)/ end of the year (31.03.2016)	% of total shares of the Company				No. of shares	% of total shares of the Company
	Pramila Shah *			December 24, 2015	(3,000)	Transfer	13,196	0.15
	(Contd.)			December 31, 2015	(2,100)	Transfer	11,096	0.12
				March 31, 2016	1,649	Transfer	12,745	0.14
		12,745	0.14	March 31, 2016			12,745	0.14
13	Indrajit Saha *	21,979	0.24	April 01, 2015				
				April 10, 2015	100	Transfer	22,079	0.25
				April 30, 2015	(944)	Transfer	21,135	0.23
				May 15, 2015	400	Transfer	21,535	0.24
				August 28, 2015	(1,980)	Transfer	19,555	0.22
				December 11, 2015	(4,347)	Transfer	15,208	0.17
				December 18, 2015	4,792	Transfer	20,000	0.22
				December 31, 2015	(10,000)	Transfer	10,000	0.11
				February 12, 2016	2,815	Transfer	12,815	0.14
				February 19, 2016	185	Transfer	13,000	0.14
				March 04, 2016	2,000	Transfer	15,000	0.17
		15,000	0.17	March 31, 2016			15,000	0.17
14	Sunglow Capital Services Ltd.*	62,264	0.69	April 01, 2015				
				June 26, 2015	(250)	Transfer	62,014	0.69
				June 30, 2015	(1,164)	Transfer	60,850	0.68
				July 24, 2015	(5,427)	Transfer	55,423	0.62
				July 31, 2015	(5,500)	Transfer	49,923	0.55
				October 16, 2015	(49,848)	Transfer	75	—
				December 24, 2015	(75)	Transfer	—	—
		—	—	March 31, 2016			—	—

# Not in the top 10 Shareholders as on 1st April, 2015. The same has been reflected above since the Shareholders were among one of the Top 10 Shareholder as on 31st March, 2016.

\* Ceased to be in the list of Top 10 Shareholders as on 31st March, 2016. The same has been reflected above since the Shareholders were amongst one of the Top 10 Shareholder as on 1st April, 2015.



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

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

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

Sl. No.	Name	Shareholding		Date	Increase/Decrease in the share-holding	Reason	Cumulative Shareholding during the year (01.04.2015 to 31.03.2016)	
		No. of shares at the beginning (01.04.2015)/ end of the year (31.03.2016)	% of total shares of the Company				No. of shares	% of total shares of the Company
1	Golam Momen	750	0.01	April 01, 2015	Nil Movement during the year		750	0.01
		750	0.01	March 31, 2016				
2	Mamoona Momen	750	0.01	April 01, 2015	Nil Movement during the year		750	0.01
		750	0.01	March 31, 2016				

### V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year (01-04-2015)</b>				
i) Principal Amount	6,724	—	—	6,724
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	—	—	—	—
<b>Total (i+ii+iii)</b>	<b>6,724</b>	<b>—</b>	<b>—</b>	<b>6,724</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	161	—	—	161
Reduction	(1,362)	—	—	(1,362)
<b>Net Change</b>	<b>(1,201)</b>	<b>—</b>	<b>—</b>	<b>(1,201)</b>
<b>Indebtedness at the end of the financial year (31-03-2016)</b>				
i) Principal Amount	5,523	—	—	5,523
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	—	—	—	—
<b>Total (i+ii+iii)</b>	<b>5,523</b>	<b>—</b>	<b>—</b>	<b>5,523</b>



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

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

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		Adarsh Kanoria	Kailash Prasad Khandelwal	
1	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	39	23	62
	(b) Value of Perquisites u/s 17(2) of the Income Tax Act, 1961	9	*	9
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	—	—	—
2	Stock Option	—	—	—
3	Sweat Equity	—	—	—
4	Commission			
	– as % of Profit	—	—	—
	– others, specify	—	—	—
5	Others, please specify	—	—	—
	<b>Total (A)</b>	<b>48</b>	<b>23</b>	<b>71</b>
	Ceiling as per the Act	84	84	168

\* Below rounding off norms of the Company

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

Sl. No.	Particulars of Remuneration	Name of Directors							Total Amount
		Golam Momen	Abhijit Datta	Dhirendra Kumar	Samveg A. Lalbhai	Ashutosh Bhagat	Navin Nayar	Shubha Kanoria	
<b>I</b>	<b>Independent Directors –</b>								
1	Fee for attending board / committee meetings	1	1	2	—	—	—	—	4
2	Commission	—	—	—	—	—	—	—	—
3	Others, please specify	—	—	—	—	—	—	—	—
	<b>Total (I)</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>4</b>
<b>II</b>	<b>Other Non-Executive Directors –</b>								
1	Fee for attending board / committee meetings	—	—	—	*	1	1	1	3
2	Commission	—	—	—	—	—	—	—	—
3	Others, please specify	—	—	—	—	—	—	—	—
	<b>Total (II)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>3</b>
	<b>Total (B)=(I+II)</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>*</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>7</b>
	<b>Total Managerial Remuneration (A+B)</b>								<b>78</b>
	Overall Ceiling as per the Act								172#

\* Below rounding off norms of the Company

# Overall ceiling limit is calculated as per provisions of Companies Act, 2013 which includes ₹ 4 Lakhs that can be paid to other Non-executive Directors, however no remuneration apart from sitting fees have been paid to the other Non-executive Directors.



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

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

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1	Gross Salary	Not Applicable			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961		5	17	22
	(b) Value of Perquisites u/s 17(2) of the Income Tax Act, 1961		—	*	—
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961		—	—	—
2	Stock Option		—	—	—
3	Sweat Equity		—	—	—
4	Commission		—	—	—
	- % of profit		—	—	—
	- others, specify		—	—	—
5	Others, please specify		—	—	—
	<b>Total</b>	—	<b>5</b>	<b>17</b>	<b>22</b>

\* Below rounding off norms of the Company

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

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



**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**

**ANNEXURE - "D"**

**FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2016**

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

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

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

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Bengal Tea & Fabrics Limited for the financial year ended on 31st March, 2016 according to the provisions of :

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.
  - (i) SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015
  - (j) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015



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

(vi) We further report that after considering the compliance system prevailing in the Company, and after carrying out test checks of the relevant records and documents maintained by the Company, it has complied with the following laws that are applicable specifically to the Company :

- (a) The Tea Act, 1953
- (b) Assam Tea Plantation Labour Act, 1951
- (c) Food Safety Standard Act, 2006 and
- (d) Directions given by the Office of the Textile Commission and rules made thereunder.

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

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

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

**We further report that :**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There is no change in the composition of the Board of Directors during the period under review.

Adequate notice is given to all directors to schedule the Board Meetings which were sent at least seven days in advance, agenda and detailed notes on agenda were sent in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through at the meetings of the Board and Committees and the dissenting members views, if any, are captured and recorded as part of the minutes of respective meetings.

**We further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

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

Place : Kolkata  
Date : 14.05.2016

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

**(H M Choraria)**  
Proprietor  
FCS No. 2398  
C P No.: 1499



## ANNEXURE - "E"

## PARTICULARS OF EMPLOYEES

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

Requirements of Rule 5(1)	Details
(i) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year	Mr. Adarsh Kanoria - MD - 27.29 : 1 Mr. Kailash Prasad Khandelwal - WTD - 17.56 : 1 Mr. Golam Momen - (N.A.)* Mr. Dharendra Kumar - (N.A.)* Mr. Samveg A. Lalbhai - (N.A.)* Mr. Abhijit Datta - (N.A.)* Mr. Navin Nayar - (N.A.)* Mr. Ashutosh Bhagat - (N.A.)* Mrs. Shubha Kanoria - (N.A.)*
(ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	<b>Directors :</b> Mr. Adarsh Kanoria - MD - NIL Mr. Kailash Prasad Khandelwal - WTD - 8.94% Mr. Golam Momen - (N.A.)* Mr. Dharendra Kumar - (N.A.)* Mr. Samveg A. Lalbhai - (N.A.)* Mr. Abhijit Datta - (N.A.)* Mr. Navin Nayar - (N.A.)* Mr. Ashutosh Bhagat - (N.A.)* Mrs. Shubha Kanoria - (N.A.)* <b>Key Managerial Personnel :</b> Mr. Atul Doshi - CFO - Nil** Mrs. Sunita Shah - CS - 28.77%
(iii) The percentage increase in the median remuneration of employees in the financial year	About 1.78%
(iv) The number of permanent employees on the rolls of the Company	1912 employees as on 31.03.2016
(v) The explanation on the relationship between average increase in remuneration and Company performance	The increase in the remuneration of all employees is based partly on the results of the Tea & Textile division of the Company and partly on the individual employee's performance. During the Year ended 31.03.2016, average increase in the remuneration of all employees were 12.46% and 6.84% in Tea & Textile Divisions, respectively against the decline in profit after tax of 3.61% from ₹ 194 Lacs to ₹ 187 Lacs.
(vi) Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company	Overall increase in the remuneration of KMP is 4.86% against the decline in profit after tax of 3.61% from Rs. 194 Lacs to ₹ 187 lacs. There was no increase in the Managing Director's remuneration during the year.



## ANNEXURE - "E"

## PARTICULARS OF EMPLOYEES (Contd.)

Requirements of Rule 5(1)	Details
(vii) Variation in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase/decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer	<p>The market capitalization as on 31st March 2016 was ₹ 3714.97 Lacs (₹ 3723.97 lacs as on 31st March, 2015). Price Earning ratio was 19.55 as at 31st March, 2016 and was 19.23 as at 31st March 2015. The market quotation of the shares of the Company as on 31st March 2016 was ₹ 41.25 (₹ 41.35 as on 31st March, 2015). The market price of the shares were reasonably stable during the year.</p> <p>The Company has not made any Public Issue or Rights Issue of securities in the last 10 years. Hence no Comparison have been made of the current share price with Public Offer Price.</p>
(viii) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	<p>Average Salary increase of the employees were 12.46% in the Tea Division and 6.84% in the Textile Division, respectively.</p> <p>Average salary increase of the Managerial personnel were 4.86% as compared to other employees of the Company, which is reasonably comparable and hence need no justification.</p>
(ix) Comparison of the remuneration of each of the Key Managerial Personnel against the performance of the Company	Each KMP is granted salary based on his qualification, experience, nature of job, industry benchmark, earlier salary and many other factors. Hence comparison of one against the other is not feasible.
(x) The key parameters for any variable component of remuneration availed by the directors	<p>Managing Director is entitled to commission subject to maximum of 3% of the profits of the Company and within the permissible limits specified in the Companies Act, 2013. Other components of remuneration are not variable during a particular year.</p> <p>For non-executive directors, only Sitting fees of ₹ 20000/- and ₹ 10000/- per Board Meeting and Committee Meetings attended is paid. Total remuneration of all non-executive directors are limited to 1% of net profit of the Company for that financial year.</p>
(xi) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year	<p>The Managing Director is the highest paid director.</p> <p>No employee received remuneration higher than the Managing Director.</p>
(xii) Affirmation that the remuneration is as per the remuneration policy of the Company	Remuneration paid during the year ended 31st March, 2016 is as per the Remuneration Policy of the Company

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

\*\* Mr. Atul Doshi, CFO had joined on 9th February, 2015 and hence the percentage of increase in salary is not comparable with the last year earnings for the part period.



## ANNEXURE - "F"

## ANNEXURE TO DIRECTORS' REPORT

INFORMATION AS PER SECTION 134 (3) (m) OF THE COMPANIES ACT, 2013 READ WITH THE RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016

## A. CONSERVATION OF ENERGY :

## (i) The steps taken or impact on conservation of energy:

## 1. The Company has taken following steps to conserve the energy :

## TEXTILE DIVISION :

- (a) Thermax Oil Boiler with fluidise base with Bas filter installed. Installation of LED tube lights in spinning preparatory department;
- (b) Installation of inverters in humidification plant and in stenter fan (process house);
- (c) Installation of 1 no. 30 HP motor replacing 2 nos. of 25 HP motors for pump running in compressor;
- (d) Reefed Bucket & vibrating screen with 5 HP motors each stopped in 6 TPH boiler;
- (e) Installation of rolling shutter to prevent coal losses due to wind and rain;
- (f) Installed energy efficient bore.

## TEA DIVISION :

- (a) 2 units of Coal Feeding Controlling System, has been installed which will monitor and optimize the use of Coal in the Heaters.

## 2. Pollution Control

- (a) Decanter (Heallar make) installed for better handling of ETP sludge.
- (b) Installation of rolling shutter at ash storage area for better air environment near boiler area.

## (ii) The steps taken by the company for utilizing alternate sources of energy : Nil

## (iii) The Capital Investment on energy conservation equipment : ₹ 18.82 Lacs

## B. TECHNOLOGY ABSORPTION :

## (i) Specific areas in which R &amp; D carried out by the Company:

## Tea Division:

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

## Textile Division:

- (a) Installation of 1 high speed LK64Z comber;
- (b) Installation of 1 high speed Lap Former;
- (c) Installation of MAG HVT 1201 make High Volume Fiber Testing Equipment in Laboratory;
- (d) Installation of Automatic TPI (Twist per Inch) Tester;
- (e) Installation of 1 no. high speed LK64Z comber and 1 no. high speed lap former along with its waste collection compacting system in spinning preparatory department;
- (f) Installation of MAG HVT 1201 make High Volume Fiber Testing Equipment in laboratory;
- (g) Installation of new "COMPUTWIST" automatic TPI tester by replacing old manual TPI tester.

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

## Tea Division:

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

## Textile Division:

- (a) The additional high speed comber will help in optimizing the process in comber department by reducing noil (waste) % and thereby improving yarn yield %;
- (b) The replacement of old lap former by new high speed lap former will give better and breakdown free working and will increase production of comber;
- (c) The High Volume Fiber Testing Equipment ensures accurate fiber testing and help taking appropriate decision for cotton selection;
- (d) The new TPI tester helps in testing of TPI of final yarn and helps reducing TPI variation and thereby improves quality of yarn;
- (e) Improvement in quality of products;
- (f) Better working of machineries in subsequent processes.

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

- Not Applicable

## (iv) The expenditure incurred on Research &amp; Development : ₹ 135.51 Lacs

## C. FOREIGN EXCHANGE EARNINGS AND OUTGO :

During the year 2015-16, the Company had contributed about ₹ 1649 lacs (net of outgo) to the exchequer in the form of valuable foreign exchange money.

- i) Foreign Exchange Earnings : ₹ 1796 Lacs
- ii) Foreign Exchange Outgo : ₹ 147 Lacs



## ANNEXURE - "G"

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

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or program:  
Bengal Tea & Fabrics Ltd. believes in practicing its corporate values through its commitment to grow in a socially and environmentally responsible way, while meeting the interests of its stakeholders and the community at large.  
The Company has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013 and the same is placed on the Company's website and the weblink for the same is [www.bengaltea.com](http://www.bengaltea.com) and <http://bengaltea.com/pdf/CSR%20Policy.pdf>.
2. The Composition of the CSR Committee : Mr. Adarsh Kanoria, Managing Director (DIN : 00027290)  
Mr. Dharendra Kumar (DIN : 00153773)  
Mr. Golam Momen (DIN : 00402662)
3. Average net profit of the Company for last three financial years : ₹ 1034 Lacs
4. Prescribed CSR Expenditure (two per cent of the amount as in Item 3 above) : ₹ 21 Lacs
5. Details of CSR spent during the financial year
  - (a) Total amount to be spent for the financial year : ₹ 21 Lacs
  - (b) Amount unspent, if any : NIL
  - (c) Manner in which the amount spent during the financial year is detailed below:

1	2	3	4	5	6	7	8
Sl. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1):Local area or other (2)Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2)Overheads	Cumulative expenditure upto the reporting period	Amount spent : Direct or through implementing agency
1.	The Company is undertaking its CSR activity through Rajasthan Go Kalyan which is Setting up a Bio Gas plant	Protection of fauna and welfare of animal and conservation of natural resources	Area: Santoshpur Near Barasat 24 Parganas West Bengal	₹ 27 Lacs	An amount of ₹ 16 Lacs by way of contribution to Rajasthan Go Kalyan, who have set up a Bio Gas Plant which runs on cow dung.	₹ 27 Lacs (including ₹ 11 Lacs spent in F.Y. 2014-15)	Amount spent through Rajasthan Go Kalyan, a Registered Trust engaged in protection and welfare of cows
2.	Construction of Toilet block for boys and girls comprising of Septic tank, Drainage system, Soak Well, Inspection pit, Sinking of Deep tubewell, water reservoir at VMA Extn. Campus at Village- Chandi, District of 24 Pgs. (S) by "Vivekananda Mission Asram" (VMA)	Promoting preventive health care and sanitation and making available safe drinking water.	Area: VMA Extn. Campus at Village- Chandi, District of 24 Pgs. (S) West Bengal	₹ 13.26 Lacs	An amount of ₹ 5 Lacs by way of contribution to "Vivekananda Mission Asram", who are setting up Toilet block for boys and girls at VMA Extn. Campus	₹ 5 Lacs	Amount spent through "Vivekananda Mission Asram", a Registered Trust which has been providing valuable services through its own temple complex, Eye Hospital, Ophthalmic Training Institute, Degree College and Schools, Charitable Dispensaries, Community Welfare Centre, Research and Rehabilitation Centre for Blind and various other Charitable causes.
	TOTAL			₹ 40.26 Lacs	₹ 21 Lacs	₹ 32 Lacs	



**ANNEXURE - "G"**

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

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

ADARSH KANORIA  
(Managing Director & Chairman - CSR Committee)  
DIN : 00027290

KAILASH PRASAD KHANDELWAL  
(Whole-time Director)  
DIN : 00914834





## **INDEPENDENT AUDITORS' REPORT**

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

#### **REPORT ON THE STANDALONE FINANCIAL STATEMENTS**

We have audited the accompanying standalone financial statements of BENGAL TEA & FABRICS LIMITED, ("the Company") which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standard specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **AUDITOR'S RESPONSIBILITY**

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statement that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

#### **OPINION**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016 and its profit and its cash flows for the year ended on that date.

#### **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub section (11) of Section 143 of the Act, we give in the Annexure "A", a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that :
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

**INDEPENDENT AUDITORS' REPORT (Contd.)****TO THE MEMBERS OF BENGAL TEA & FABRICS LIMITED**

- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of written representations received from the directors as on 31st March, 2016 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- g) With respect to other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note no.30(B) to the financial statements.
  - (ii) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
  - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

Dated : 20th day of May, 2016

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

**ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT**

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

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

1.
  - a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - b) As explained to us some of the fixed assets have been physically verified by the management at reasonable intervals. We have been informed that no material discrepancies were noticed on such verification.
  - c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
2.
  - a) As explained to us, inventory has been physically verified during the year by the management at reasonable intervals.
  - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.



## ANNEXURE “A” TO THE INDEPENDENT AUDITORS’ REPORT (Contd.)

- c) No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
3. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 189 of the Act. Consequently, the provisions of clauses iii (a) and iii (b) of the order are not applicable to the Company.
  4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to loans and investments made.
  5. The Company has not accepted deposits from the public covered within the meaning of directives issued by the Reserve Bank of India and provisions of Sections 73 to Section 76 or any other relevant provisions of the Act and rules framed there under are not applicable.
  6. As per information & explanation given by the management, maintenance of cost records has been specified by the Central Government under sub section (1) of Section 148 of the Act and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
  7. a) According to the records of the company, undisputed statutory dues including Provident Fund, Employees State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax and Cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31st of March, 2016 for a period of more than six months from the date they became payable.
  - b) According to the information and explanations given to us and on the basis of the documents and records the disputed statutory dues which have not been deposited with the appropriate authorities are as under:

Sl. No.	Name of Statute	Nature of Dues	Financial year to which the matter pertains	Amount in ₹ (lacs)	Forum where dispute is pending
1	Employees State Insurance	E.S.I. Contribution	2004-2005	1.86	High Court, Ahmedabad
2	The Central Excise Act, 1944	Cenvat Credit on Capital Goods	2011-2012	0.22	The Commissioner of Central Excise (Technical), Ahmedabad
3	West Bengal Value Added Tax Act, 2003	VAT	2011-2012	1.18	West Bengal Commercial Tax Appellate & Revisional Board

8. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of loans or borrowings to a financial institution, bank, government or dues to debenture holders during the year.
9. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year.
10. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.
11. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the said Act.
12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company.



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

13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him.
16. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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

P-21/22, Radha Bazar Street  
Kolkata 700 001  
Dated : 20th day of May, 2016

## ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

REFERRED TO IN PARAGRAPH 2(f) UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE.

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (i) OF SUB SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

We have audited the internal financial controls over financial reporting of **BENGAL TEA & FABRICS LIMITED** ("the Company") as of 31st March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.



## ANNEXURE “B” TO THE INDEPENDENT AUDITORS’ REPORT (Contd.)

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

### Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition use or disposition of the company’s assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

P-21/22, Radha Bazar Street  
Kolkata 700 001  
Dated : 20th day of May, 2016

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

**BALANCE SHEET as at 31st March, 2016**

(Amount in ₹ Lacs)

	Notes	As at 31st March, 2016		As at 31st March, 2015	
<b>EQUITY AND LIABILITIES</b>					
<b>Shareholders' Funds</b>					
Share Capital	1	901		901	
Reserves & Surplus	2	9921	10822	13335	14236
<b>Non-Current Liabilities</b>					
Long Term Borrowings	3	2687		3518	
Deferred Tax Liabilities (Net)	4	518		554	
Other Long Term Liabilities	5	7		5	
Long Term Provisions	6	91	3,303	106	4183
<b>Current Liabilities</b>					
Short Term Borrowings	7	1977		2124	
Trade Payables	8				
- Payable to Micro & Small Enterprises		—		5	
- Other Payables		1741		1321	
Other Current Liabilities	9	1376		1577	
Short Term Provisions	10	162	5256	163	5190
TOTAL			19381		23609
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
Property, Plant and Equipments	11	10892		15452	
Intangible Assets	12	8		7	
		10900		15459	
Capital Work-in-Progress		10	10910	—*	15459
Long Term Loans and Advances	13		827		836
Other Non-Current Assets	14		23		2
Total Non-Current Assets			11760		16297
<b>Current Assets</b>					
Current Investments	15	685		510	
Inventories	16	4516		4339	
Trade Receivables	17	965		1082	
Cash and Bank Balances	18	61		150	
Short Term Loans and Advances	19	1070		1046	
Other Current Assets	20	324	7621	185	7312
TOTAL			19381		23609

\* Below rounding off norms adopted by the Company

**Other Notes to Financial Statements** 30

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

As per our report of even date.

For JAIN &amp; CO.

Chartered Accountants

Firm Registration No.302023E

CA M. K. JAIN

Partner

(Membership No. 055048)

P-21/22, Radhabazar Street

Kolkata 700 001

Dated : 20th day of May, 2016

A. KANORIA *Managing Director*

(DIN : 00027290)

K. P. KHANDELWAL *Whole-time Director*

(DIN : 00914834)

A. DOSHI *Chief Financial Officer*S. SHAH *Company Secretary*



## STATEMENT OF PROFIT & LOSS for the year ended 31st March, 2016

	Notes	For the year ended 31st March, 2016		(Amount in ₹ Lacs) For the year ended 31st March, 2015	
<b>INCOME</b>					
Revenue from Operations	21	22340		22310	
Less: Excise Duty		9	22331	10	22300
Other Income	22		232		413
<b>TOTAL REVENUE</b>			<b>22563</b>		<b>22713</b>
<b>EXPENSES</b>					
Cost of Material Consumed	23		10753		11194
Purchase of Stock-in-Trade	24		25		39
Changes in inventories of Finished goods, Work-in-progress and Stock-in-Trade	25		157		268
Employee Benefits Expense	26		3272		3003
Finance Costs	27		617		754
Depreciation and Amortization Expenses	28	1231		1021	
Less : Transferred to Revaluation Reserve		3	1228	3	1018
Other Expenses	29		6262		6194
<b>TOTAL EXPENSES</b>			<b>22314</b>		<b>22470</b>
<b>Profit before exceptional item and Tax</b>			<b>249</b>		<b>243</b>
Less : Exceptional item {Refer Note No. 30(Q)}			(11)		—
<b>Profit before Tax</b>			<b>238</b>		<b>243</b>
<b>Tax Expense</b>					
Current Tax		81		49	
Less : MAT Credit Entitlement		—	81	—	49
Less : Short Provision of Taxation for earlier year			6		4
Deferred Tax Provision/(Written Back)			(36)		(4)
<b>Profit for the year after Tax</b>			<b>187</b>		<b>194</b>
Earnings per Equity Share (Basic & Diluted) (in ₹)			<b>2.08</b>		<b>2.15</b>
Nominal Value ₹ 10/- per share	30(J)				
(Previous Year ₹ 10/-)					
<b>Other Notes to Financial Statements</b>	30				

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

As per our report of even date.  
For JAIN & CO.  
Chartered Accountants  
Firm Registration No.302023E  
CA M. K. JAIN  
Partner  
(Membership No. 055048)  
P-21/22, Radhabazar Street  
Kolkata 700 001  
Dated : 20th day of May, 2016

A. KANORIA *Managing Director*  
(DIN : 00027290)  
K. P. KHANDELWAL *Whole-time Director*  
(DIN : 00914834)  
A. DOSHI *Chief Financial Officer*  
S. SHAH *Company Secretary*



**CASH FLOW STATEMENT for the year ended 31st March, 2016**

	For the year ended 31st March, 2016	(Amount in ₹ Lacs) For the year ended 31st March, 2015
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit Before Tax & after Exceptional Items	238	243
Wealth Tax Provision	—	1
Finance Cost	617	754
Depreciation	1228	1018
Interest Received	(7)	(10)
Rent Received	(1)	(3)
Profit on Property, Plant and Equipment sold/discarded (Net)	(81)	(69)
Net Loss/(Gain) on sale of Investments	(25)	(61)
<b>Operating Profit/ (Loss) before Working Capital Changes</b>	<b>1969</b>	<b>1873</b>
<b>ADJUSTMENT FOR :</b>		
Increase in Trade Receivables	117	385
(Increase)/ Decrease in other Current /Non-Current Assets	(152)	108
(Increase)/ Decrease in Inventories	(177)	1174
Increase in Trade Payables	415	437
(Decrease) in Other Current/Non-Current Liabilities	(215)	(380)
<b>Cash Generated from Operations</b>	<b>1957</b>	<b>3597</b>
Income Tax Paid (Net)	(81)	(80)
<b>Net Cash Flow from Operating Activities</b>	<b>1876</b>	<b>3517</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant and Equipment	(371)	(1576)
Sale of Property, Plant and Equipment (including subsidy received)	225	278
Purchase of Investments	(600)	(735)
Sale of Investments	450	1024
Interest Received	7	10
Rent Received	1	3
<b>Net Cash used in Investing Activities</b>	<b>(288)</b>	<b>(996)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Decrease in Short Term Borrowings from Banks	(147)	(1296)
Decrease in Long Term Borrowings	(831)	(204)
Finance Cost	(617)	(754)
Dividend Paid	(45)	(180)
Dividend Distribution Tax paid	(9)	(31)
<b>Net Cash used in Financing Activities</b>	<b>(1649)</b>	<b>(2465)</b>
<b>Net (Decrease)/Increase in Cash and Cash Equivalents</b>	<b>(61)</b>	<b>56</b>
<b>Cash and Cash Equivalents at the beginning of the year</b>	<b>101</b>	<b>45</b>
<b>Cash and Cash Equivalents at the end of the year</b>	<b>40</b>	<b>101</b>

**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 (Accounts) Rules, 2014.
- Cash flow from operating activities for the year ended March 31, 2016 is after considering CSR expenditure of ₹ 21 lacs (Previous year ₹ 11 lacs).
- Cash and Cash Equivalents includes other bank balances also.
- Previous Year's figures have been re-grouped/re-arranged wherever necessary.

As per our report of even date.

For JAIN &amp; CO.

Chartered Accountants

Firm Registration No.302023E

CA M. K. JAIN

Partner

(Membership No. 055048)

P-21/22, Radhabazar Street

Kolkata 700 001

Dated : 20th day of May, 2016

A. KANORIA

(DIN : 00027290)

Managing Director

K. P. KHANDELWAL

(DIN : 00914834)

Whole-time Director

A. DOSHI

Chief Financial Officer

S. SHAH

Company Secretary



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Amount in ₹ Lacs)

## NOTE NO. "1"

## SHARE CAPITAL

## a) Details of Authorised, Issued, Subscribed and

As at  
31st March, 2016As at  
31st March, 2015

## Fully Paid up Shares

## Authorised

1,50,00,000	(Previous Year 1,50,00,000) Equity Shares of ₹ 10/- each	1500	1500
5,00,000	(Previous Year 5,00,000) Redeemable Preference Shares of ₹ 100/- each	500	500
		<b>2000</b>	<b>2000</b>

## Issued, Subscribed and Fully Paid up

90,05,985	(Previous Year 90,05,985) Equity Shares of ₹ 10/- each fully paid up	901	901
	Add : Amount received on Forfeited Shares*	—	—
	* Below rounding off norms adopted by the Company	<b>901</b>	<b>901</b>

## b) Reconciliation of Paid up Share Capital

Equity Share Capital	2015-2016		2014-2015	
	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	<b>90,05,985</b>	<b>901</b>	<b>90,05,985</b>	<b>901</b>

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

Name of the Shareholders	As at 31.03.2016		As at 31.03.2015	
	No. of Shares held	%	No. of Shares held	%
Samrat Industrial Resources Limited	20,83,518	23.13	20,83,518	23.13
Rydak Enterprises & Investment Limited	18,06,720	20.06	18,06,720	20.06
Eskay Udyog Limited	11,70,632	13.00	11,70,632	13.00
Mr. Adarsh Kanoria	5,36,137	5.95	5,36,137	5.95

## d) Rights, Preferences and Restrictions attached to Shares

## Equity Shares :

The Company has one class of shares referred to as equity shares having a par value of ₹ 10 each. Each shareholder is entitled to one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

## Dividend :

The Board has recommended a Dividend of ₹ 0.50/- per Equity Share on the face value of ₹ 10/- each being 5% for the year ended 31st March, 2016.

## NOTE NO. "2"

## RESERVES AND SURPLUS

## Securities Premium Reserve

As at  
31st March, 2016As at  
31st March, 2015

## Revaluation Reserve

Opening Balance	7896		414	
(Less)/Add : Due to Revaluation of Land [Refer Note no. 11(c) & 30(O)]	(3544)		7515	
(Less): Due to change in Depreciation Method [Refer Note no. 30(P)]	—		(20)	
(Less): Transfer to Surplus in Statement of Profit & Loss due to change in Depreciation Method as on 01.04.2014 [Refer Note no.30(P)]	—		(10)	
(Less): Adjustment for depreciation on revalued assets	(3)		(3)	
Less: Adjustment on sale of assets	(1)	4348	—	7896
<b>General Reserve</b>				
Opening Balance	2826		2826	
Transferred From surplus in Statement of Profit & Loss	100		—	
Transferred From Revaluation Reserve	1	2927	—	2826
Carried Forward		<b>7576</b>		<b>11023</b>



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

		(Amount in ₹ Lacs)	
NOTE NO. "2"		As at	As at
RESERVES AND SURPLUS (Contd.)	31st March, 2016	31st March, 2015	
Brought Forward	7576	11023	
<b>Surplus in Statement of Profit &amp; Loss</b>			
Opening Balance	2312	2216	
Profit for the year after Tax	187	194	
Add : Transfer from Revaluation Reserve	—	10	
Less : Adjustment in Value of Property, Plant and Equipment due to implementation of New depreciation method [Refer Note no. 30(P)]	—	(54)	
Transfer to General Reserve	(100)	—	
Proposed Dividend	(45)	(45)	
Tax on Proposed Dividend	(9)	(9)	
	<u>2345</u>	<u>2312</u>	
	<u>9921</u>	<u>13335</u>	

NOTE NO. "3"	As at	As at
LONG TERM BORROWINGS	31st March, 2016	31st March, 2015
<b>Secured</b>		
Term Loans :		
From Banks	2687	3518
(excluding payable within one year)		
	<u>2687</u>	<u>3518</u>

### Nature of Security

Term Loans from Banks are secured by:

- First charge over all immovable properties excluding property at Dholka 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;
- Additionally secured by the Company's Bungalow situated at Asarwa House, Dr. Balwantrao Mehta Marg, Shahibaug, Ahmedabad;
- Loans are guaranteed by the Managing Director.

### b) Terms of Repayment

Particulars	Amount (₹ in lakhs)	Moratorium Period	Terms of Repayment	Rate of Interest (%)*	Commence- ment Date
<b>Secured Term Loans :</b>					
IDBI Rupee Term Loan	820	2 Years	32 quarterly installments of varying amount	12.75	23.03.2013
IDBI Rupee Term Loan	203	18 Months	32 quarterly installments of varying amount	14.25	01.04.2009
IDBI Rupee Term Loan	1,490	2 Years	20 quarterly installments of varying amount	12.75	14.03.2014
SBI Rupee Term Loan	887	6 Months	24 quarterly installments of varying amount	12.40	31.03.2015
BOI Rupee Term Loan	146	18 Months	32 quarterly installments of varying amount	13.90	31.03.2009

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

NOTE NO. "4"	As at	As at
DEFERRED TAX LIABILITIES (NET) *	31st March, 2016	31st March, 2015
<b>Deferred Tax Liabilities being the Tax impact on -</b>		
(i) Difference of Written Down Value of Property, Plant & Equipment as per Income Tax Laws & Books	760	830
	<u>760</u>	<u>830</u>



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

(Amount in ₹ Lacs)

	As at 31st March, 2016	As at 31st March, 2015
<b>NOTE NO. "4" (Contd.)</b>		
<b>DEFERRED TAX LIABILITIES (NET) *</b>		
<b>Deferred Tax Assets being the Tax impact on -</b>		
(i) Unabsorbed Depreciation/Losses Carried Forward as per Income Tax Laws	179	213
(ii) Expenses charged in books but allowance thereof deferred under Income Tax Laws	63	63
	<u>242</u>	<u>276</u>
<b>Net Deferred Tax Liability</b>	<u>518</u>	<u>554</u>

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

	As at 31st March, 2016	As at 31st March, 2015
<b>NOTE NO. "5"</b>		
<b>OTHER LONG TERM LIABILITIES</b>		
Other Payables		
Security Deposits	7	5
	<u>7</u>	<u>5</u>

<b>NOTE NO. "6"</b>		
<b>LONG TERM PROVISIONS</b>		
<b>Provision for Employee Benefits</b>		
For Gratuity	—	13
For Leave Encashment	91	93
	<u>91</u>	<u>106</u>

<b>NOTE NO. "7"</b>		
<b>SHORT TERM BORROWINGS</b>		
<b>Secured</b>		
Loans repayable on demand		
From Banks	1977	2124
	<u>1977</u>	<u>2124</u>

- Nature of Security**
- (A) Out of Loans repayable on demand of ₹ 1977 lacs, (Previous year ₹ 2124 Lacs) amount of ₹ 1413 lacs (Previous Year ₹ 1691 lacs) from Banks are secured by
- First charge over all tangible assets excluding property at Dholka including movable machinery, stock-in-trade, stores, book debts etc;
  - Additionally secured by Company's Bungalow situated at Asarwa House, Dr Balwantraai Mehta Marg, Shahibaug, Ahmedabad.
- (B) Balance amount of Loans repayable on demand of ₹ 564 lacs (Previous Year ₹ 433 lacs) from Bank is secured against hypothecation of green tea leaves, before and after plucking, tea in process, finished tea in stock/in-transit and /or lying with brokers/ agents, book debts (present and future), first charge over all current assets of the Tea Division (both present and future) and equitable mortgage of immovable properties and machineries of Tea Estates as additional security.
- (C) All Loans are guaranteed by the Managing Director.

**Rate of Interest**

- i) Loans from banks carry interest rates ranging from 10.45% to 13.25% per annum.

	As at 31st March, 2016	As at 31st March, 2015
<b>NOTE NO. "8"</b>		
<b>TRADE PAYABLES</b>		
i) Due to MSME Enterprises *	—	5
ii) Others	1741	1321
	<u>1741</u>	<u>1326</u>

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



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

(Amount in ₹ Lacs)

NOTE NO. "9"	As at 31st March, 2016	As at 31st March, 2015
<b>OTHER CURRENT LIABILITIES</b>		
(i) Current maturities of Long Term Debt - Secured *	859	1083
(ii) Unpaid Dividend Account**	21	22
(iii) <b>Other Payables</b>		
(a) Statutory Dues	48	44
(b) Payable in respect of Capital Goods	19	—
(c) Advance from Customers	6	49
(d) Payable to Employees	354	301
(e) Others	69	78
	<b>496</b>	<b>472</b>
	<b>1376</b>	<b>1577</b>

\* For nature of security refer Note No. 3

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

NOTE NO. "10"	As at 31st March, 2016	As at 31st March, 2015
<b>SHORT TERM PROVISIONS</b>		
(i) Provision for Employee Benefits	108	109
(ii) <b>Other Provisions</b>		
For Proposed Dividend	45	45
For Tax on Proposed Dividend	9	9
	<b>162</b>	<b>163</b>

NOTE NO. "11"  
PROPERTY, PLANT & EQUIPMENTS (Amount in ₹ Lacs)

PARTICULARS	GROSS BLOCK					DEPRECIATION					NET BLOCK	
	As at	Additions	Adjustments	Disposals	As at	Upto	For the	Adjustments	Sales/	Upto	As at	As at
	01.04.2015		(Note-a)	(Note-b)	31.03.2016	01.04.2015	Year		Adjustments	31.03.2016	31.03.2016	31.03.2015
<b>Own Assets</b>												
Land Freehold (Note- c)	5906	—	(3544)	—	2362	—	—	—	—	—	2362	5906
Land & Plantation	428	—	—	—	428	—	—	—	—	—	428	428
Building & Water												
Supply Installations	3528	67	—	—	3595	812	105	—	—	917	2678	2716
Plant & Equipment	13186	219	—	1041	12364	7086	1062	—	905	7243	5121	6100
Furniture & Fixtures	329	5	—		334	183	27	—	—	210	124	146
Vehicles	281	68	—	24	325	129	37	—	16	150	175	152
Office Equipments	16	1	—	—*	17	12	1	—	—*	13	4	4
Total	23674	360	(3544)	1065	19425	8222	1232	—	921	8533	10892	15452
Previous Year	17004	9221	33	2584	23674	7836	1147	(26)	735	8222	15452	

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

b) Amount of Disposal includes Subsidy received during the year ₹ 19 Lacs (Previous year ₹ 36 Lacs).

c) Includes write back of revaluation of Land at Kolkata by ₹ 3544 Lacs (Previous year Land at Kolkata was revalued up by ₹ 5902 Lacs).

\* Below rounding off norms adopted by the Company.



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

### NOTE NO. "12"

(Amount in ₹ Lacs)

#### INTANGIBLE ASSETS

PARTICULARS	GROSS BLOCK					DEPRECIATION					NET BLOCK	
	As at 01.04.2015	Additions	Other Adjustments	Disposals	As at 31.03.2016	Upto 01.04.2015	For the Year	Other Adjustments	Sales/ Adjustments	Upto 31.03.2016	As at 31.03.2016	As at 31.03.2015
<b>Own Assets</b>												
Computer Software	19	1	—	—	20	12	—*	—	—	12	8	7
	19	1	—	—	20	12	—	—	—	12	8	7
Previous Year	13	6	—	—	19	8	4	—	—	12	7	

\* Below rounding off norms adopted by the Company

### NOTE NO. "13"

#### LONG TERM LOANS AND ADVANCES

(Unsecured, considered good unless otherwise stated)

	As at 31st March, 2016	As at 31st March, 2015
Capital Advances	2	11
Security Deposits	32	32
CENVAT Credit realizable from Excise Dept.	21	21
MAT Credit Entitlement	772	772
	<b>827</b>	<b>836</b>
	<b>827</b>	<b>836</b>

### NOTE NO. "14"

#### OTHER NON-CURRENT ASSETS

In Fixed Deposit held as Margin Money -

Under lien with Bank against Bank Guarantee

Lodged with Court for ESI Case

	23	—
	—	2
	<b>23</b>	<b>2</b>

### NOTE NO. "15"

#### CURRENT INVESTMENTS : UNQUOTED

##### Investments in Mutual Funds

(Valued at Cost or Market Value whichever is lower)

	Face Value ₹	As at 31st March, 2016		As at 31st March, 2015	
		Units	Amount	Units	Amount
Reliance Money Manager Fund - Direct Growth Plan - -Growth Option-LPAG	1000/-	20676.080	423	10,768.053	204
HDFC High Interest Fund-Dynamic Plan-Growth	10/-	248,018.048	100	248,018.048	100
Reliance Liquid Fund -Treasury Plan- Direct - Growth Option -LFAG	1000/-	4926.969	162	6,290.953	206
<b>Total Current Investments - Unquoted</b>			<b>685</b>		<b>510</b>
Aggregate amount of unquoted investments			<b>685</b>		<b>510</b>



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

	As at		(Amount in ₹ Lacs)	
	31st March, 2016		As at 31st March, 2015	
<b>NOTE NO. "16"</b>				
<b>INVENTORIES</b>				
<b>Raw Materials</b>				
Cotton	911		846	
Polyester Fibre	—		26	
Blended Yarn	7		—	
Filament Yarn	1		1	
Cotton Yarn	38	957	33	906
Stores & Spares		512		444
Stores in Transit		9		22
<b>Work in Progress</b>				
Cloth	364		356	
Yarn	311		355	
Others	28	703	42	753
<b>Manufactured Goods</b>				
Cloth	52		67	
Yarn	70		266	
Black Tea	290	412	174	507
<b>Stock in Trade</b>				
Black Tea*	—		—	
Land [Refer Note No. 30(O)]		1898		1670
Waste		25		37
		4516		4339

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

\* Below rounding off norms adopted by the Company

## NOTE NO. "17"

## TRADE RECEIVABLES (Unsecured)

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

Considered Good	28		—*	
Considered Doubtful	—		—	
Less: Provision made for Doubtful Debts	—	28	—	—
Others - Considered Good		937		1082
		965		1082

\*Below rounding off norms adopted by the Company

## NOTE NO. "18"

## CASH &amp; BANK BALANCES

## Cash and Cash Equivalents

Cash and Postage in hand	9		11	
--------------------------	---	--	----	--

## Balances with Banks

In Current Accounts	31	40	90	101
---------------------	----	----	----	-----

## Other bank balances

In Fixed Deposit held as Margin Money				
Under lien with Bank against Bank Guarantee		—		28
In Unpaid Dividend Account		21		21
		61		150





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

	As at 31st March, 2016	(Amount in ₹ Lacs) As at 31st March, 2015
<b>NOTE NO. "19"</b>		
<b>SHORT TERM LOANS &amp; ADVANCES</b>		
<b>(Unsecured, considered Good, unless otherwise stated)</b>		
Advance with Income Tax Authorities (Net of Provision)	58	63
Deposits with NABARD under Tea Development Scheme	46	41
Prepaid Expenses	46	26
Advances recoverable in Cash or in Kind or for value to be received		
- From Employees (Considered Good)	13	14
- From Others (Considered Good)	907	902
Less : Provision made for Doubtful Advances	—	—
	<b>920</b>	<b>916</b>
	<b>1070</b>	<b>1046</b>

### NOTE NO. "20"

#### OTHER CURRENT ASSETS

(i) Interest Accrued but not due	8	9
(ii) Export Incentives Receivables	17	25
(iii) Subsidy Receivable	234	151
(iv) Lodged with Court for ESI Case	2	—
(v) Insurance Claim Receivable	63	—
	<b>324</b>	<b>185</b>

### NOTE NO. "21"

#### REVENUE FROM OPERATIONS

##### Sale of Products

##### Manufactured Goods

Black Tea	4561	4143
Cloth	6761	7008
Yarn	7459	7706
Knitted Fabric	1486	1291
	<b>20267</b>	<b>20148</b>

##### Traded Goods

Black Tea	45	63
Waste	1104	1326
	<b>1149</b>	<b>1389</b>

##### Revenue from Sale of Products

**21416** **21537**

##### Other Operating Revenues :

Job Work Charges	863	703
Export Incentives	56	65
Profit on Tea Seed (Net)	5	773
	<b>924</b>	<b>773</b>

##### Total Revenue from Operations

**22340** **22310**



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

NOTE NO. "22"	Figures for the		(Amount in ₹ Lacs)	
	Current Year		Figures for the Previous Year	
<b>OTHER INCOME</b>				
<b>Interest</b>				
On Current Investments		7		10
<b>Net Gain on Sale of Investments</b>				
On Current Investments		25		61
<b>Other Non-operating Income</b>				
Rent	1		3	
Profit on Sale of Property, Plant and Equipment (Net)	81		69	
Net Gain on Foreign Currency Transactions	1		14	
Value Added Tax Refund	22		170	
Insurance Claim	3		—	
Sundry Balances Written Off (Net)	2		2	
Sale of Scrap	67		78	
Others	23		6	
	<u>200</u>		<u>342</u>	
	<u>232</u>		<u>413</u>	

### NOTE NO. "23"

#### COST OF MATERIALS CONSUMED

Cotton, Polyester, Filament Yarn and Staple Fibre

Stock at Commencement	906		1803	
Purchases	9832		9383	
	<u>10738</u>		<u>11186</u>	
Less : Stock at Close	957	9781	906	10280
Purchase of Green Tea Leaves		<u>972</u>		<u>914</u>
		<u>10753</u>		<u>11194</u>

#### a) Raw Material Consumed

Cotton	8358		9081	
Polyester Fibre	275		595	
Staple Fibre, Polyester, Filament Yarn etc.	966		397	
Blended Yarn	134		—	
Cloth	32		194	
Others	16		13	
Purchase of Green Tea Leaves	972		914	
	<u>10753</u>		<u>11194</u>	

#### b) Value of imported and indigenous materials consumed

	RAW MATERIALS				SPARE PARTS & COMPONENTS			
	31.03.2016		31.03.2015		31.03.2016		31.03.2015	
	₹	%	₹	%	₹	%	₹	%
Imported	—	—	—	—	64	19	56	21
Indigenous	10753	100	11194	100	268	81	206	79
	<u>10753</u>	<u>100</u>	<u>11194</u>	<u>100</u>	<u>332</u>	<u>100</u>	<u>262</u>	<u>100</u>

### NOTE NO. "24"

#### PURCHASE OF STOCK-IN-TRADE

	Figures for the	Figures for the
	Current Year	Previous Year
Black Tea	25	39
	<u>25</u>	<u>39</u>



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

(Amount in ₹ Lacs)

	Figures for the Current Year		Figures for the Previous Year	
NOTE NO. "25"				
CHANGE IN INVENTORIES OF FINISHED GOODS				
WORK-IN-PROGRESS AND STOCK-IN-TRADE				
Stock at the end of the year				
Manufactured Goods				
Cloth	52		67	
Yarn	70		266	
Black Tea	290	412	174	507
Work-in-Progress				
Cloth	392		398	
Yarn	311	703	355	753
Stock-in-Trade				
Black Tea	—*		—	
Waste	25		37	
	1140		1297	
Stock at the Beginning of the year				
Manufactured Goods				
Cloth	67		—	
Yarn	266		370	
Black Tea	174	507	215	585
Work-in-Progress				
Cloth	398		508	
Yarn	355	753	388	896
Stock-in-Trade				
Black Tea	—		—*	
Waste	37		84	
	1297		1565	
Decrease in Stocks	157		268	

\* Below rounding off norms adopted by the Company

**NOTE NO. "26"****EMPLOYEE BENEFITS EXPENSE**

Salaries and Wages	2747	2460
Contribution to Provident and Other Funds	362	396
Staff Welfare Expenses	163	147
	3272	3003

**NOTE NO. "27"****FINANCE COSTS**

Interest Expense	579	706
Other Borrowing Costs	38	48
	617	754

**NOTE NO. "28"****DEPRECIATION AND AMORTIZATION EXPENSES**

Depreciation on Tangible Assets	1232	1147
Amortization of Intangible Assets	—*	4
Less : Depreciation for earlier years Written Back	(1)	(130)
[Refer Note No. 30(P)]		
	1231	1021

\* Below rounding off norms adopted by the Company



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

NOTE NO. "29"	(Amount in ₹ Lacs)	
	Figures for the Current Year	Figures for the Previous Year
<b>OTHER EXPENSES</b>		
Consumption of Stores & Spares	1547	1440
Processing Charges	108	104
Power & Fuel	2789	2976
Rent	4	3
Repairs to Building	57	35
Repairs to Machinery	367	295
Repairs to other Assets	15	11
Insurance Charges	26	39
Rates & Taxes	74	87
Audit Fees		
a) Statutory & Branch Auditors : {including ₹ 3 lacs (Previous Year ₹ 2 lacs) to Branch Auditors}		
- For Audit Fees	3	3
- For Taxation matters including fees	1	1
- For Others (including reimbursement of expenses)	2	2
b) Cost Auditors :		
- Cost Audit Fees	1	1
Brokerage, Commission & Discount	317	312
Selling & Distribution Expenses	227	224
Donation	26	25
CSR Expenditures	21	11
Miscellaneous Expenses	677	625
	<b>6262</b>	<b>6194</b>

### NOTE NO. "30"

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

##### (A) SIGNIFICANT ACCOUNTING POLICIES

###### a) Basis of Preparation

- The financial statements have been prepared to comply in all materials respects with the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014 (as amended) and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared under historical cost convention on an accrual basis, other than certain Property, Plant and Equipment 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

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

###### c) Property, Plant and Equipment

- Leasehold Land :  
Premium on leasehold land is amortised over the period of lease.



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

NOTE NO. "30" (Contd.)

(Amount in ₹ Lacs)

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

- (ii) Property, Plant and Equipment other than revalued are stated at cost of acquisition or construction and net of subsidy/ cenvat less accumulated depreciation/amortisation/impairment, if any.

Subsequent expenditure related to an item of Property, Plant and Equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing Property, Plant and Equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the year during which such expenses are incurred. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

- (iii) Depreciation :

#### Property, Plant and Equipment

Depreciation on additions/deletions for Property, Plant and Equipment are charged under Straight Line Method (SLM) according to the useful life specified in Schedule II of the Companies Act, 2013 in terms of Section 123 of the Act, on pro-rata basis . Depreciation on significant components of property, plant and equipment having different useful lives are depreciated considering its useful life.

Depreciation on Property, Plant and Equipment is being provided on Straight Line Method basis as per useful lives specified in Schedule II of the Companies Act 2013.

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

#### Intangible

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

#### d) Impairment of Property, Plant & Equipment

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 Property, Plant and Equipment and Intangible Assets. Other revenue grants are credited to Statement of Profit and Loss 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.



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

NOTE NO. "30" (Contd.)

(Amount in ₹ Lacs)

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

- iii) Materials-in-Process is valued at cost on absorption basis or net realisable value, whichever is lower.
- iv) Yarn is valued at cost on absorption basis or net realisable value whichever is lower including excise duty.
- v) Cloth is valued at cost on absorption basis or net realisable value whichever is lower including excise duty.
- vi) Finished Tea is valued at net realisable value.
- vii) Waste is valued at estimated realisable value.
- viii) Materials-in-Transit is valued at cost to date of the Balance Sheet.
- ix) Land planned for development is converted into Stock-in-Trade at Fair Market Value (Cost) as at the date of conversion including expenditure relating to development of land. Cost of land and development is charged to statement of profit and loss proportional to the area sold and at the time when corresponding revenue is recognised.

#### h) Borrowing Cost

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

#### i) Exchange Fluctuation

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

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

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

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

#### 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 Statement of Profit & Loss 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 Statement of Profit and Loss as income or expense.

##### iii) Other Defined Benefits :

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



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

NOTE NO. "30" (Contd.)

(Amount in ₹ Lacs)

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

#### 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

	Figures for the Current Year	Figures for the Previous Year
<b>(B) Contingent Liabilities to the extent not provided for :</b>		
(a) Claims against the Company not acknowledged as debts	76 <sup>#</sup>	71
(b) Bills Discounted	179	42
(c) Guarantees given by Company's Banker	147	147
(d) Disputed Sales Tax Demands including interest and penalty under appeal	1	1
(e) Disputed Service Tax / Excise Matters *	—*	—*
<p># Pending clarification from Ministry of Finance regarding applicability of service tax on transportation of Tea, being "Agricultural Produce" - ₹ 4 lacs</p> <p>In view of stay granted by Honourable High Court of Gujarat on April 5, 2015 on retrospective implementation of Payment of Bonus (Amendment) Act Notified on January 8, 2016, the Textile Division have not provided for differential bonus liability of ₹ 19 lacs related to year 2014-15.</p> <p>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.</p> <p>* Below rounding off norms adopted by the Company.</p>		
<b>(C) Capital and Other Commitments</b>		
Capital Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	6	15
	6	15
<b>(D) Value of Imports on C.I.F. Basis</b>		
Spare Parts	76	65
Capital Goods	—	216
	76	281





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

NOTE NO. "30" (Contd.)

(Amount in ₹ Lacs)

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

	Figures for the Current Year	Figures for the Previous Year
<b>(E) Expenditure in Foreign Currency</b>		
Travelling Expenses	41	34
Bank Charges	5	6
Commission on Sales	22	23
Others	3	4
	<b>71</b>	<b>67</b>
<b>(F) Earnings in Foreign Currency</b>		
<b>F.O.B. Value of Exports</b>		
Direct	1796	2101
	<b>1796</b>	<b>2101</b>

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

#### a. Defined Contribution Plans :

Amount of ₹ 288 Lacs (Previous Year ₹ 272 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	
	2015-2016	2014-2015
a. Present Value of Defined Benefit Obligation at the beginning of the year	1169	1052
b. Interest Cost	92	94
c. Current Service Cost	59	51
d. Actuarial (Gains)/Losses	64	115
e. Benefits Paid	(150)	(143)
f. Present Value of Defined Benefit Obligation at the close of the year	1234	1169

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

	Gratuity	
	2015-2016	2014-2015
a. Fair value of Plan Assets at the beginning of the year	1081	1062
b. Add : Expected return on Plan Assets	83	92
c. (Less)/Add : Actuarial (Losses) / Gain	11	(4)
d. Add : Contributions	150	74
e. Less : Benefits Paid	(150)	(143)
f. Fair value of Plan Assets at the close of the year	1175	1081
Actual Return on Plan Assets	94	88

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	
	2015-2016	2014-2015
a. Present Value of Defined Benefit Obligation	1234	1169
b. Less: Fair value of Plan Assets	1175	1081
c. Present Value of unfunded Obligation	59	88
d. Net Liabilities / (Asset) recognised in the Balance Sheet	59	88



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

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

(Amount in ₹ Lacs)

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

	Gratuity	
	2015-2016	2014-2015
a. Current Service Cost	59	51
b. Interest Cost	92	94
c. Expected return on Plan Assets	(83)	(92)
d. Actuarial (Gains)/Loss	53	119
e. Past Service Costs	—	—
f. Effect of curtailment / settlement	—	—
g. Adjustments for earlier years	—	—
Recognised in the Statement of Profit and Loss	121	172

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

	Gratuity			
	31.03.2016		31.03.2015	
	Tea	Textile	Tea	Textile
a. Government of India/ State Government Securities	N. A.	34.00%	N. A.	47.00%
b. Public Sector Bonds	N. A.	65.00%	N. A.	52.00%
c. Fixed Deposit under Special Deposit Scheme	N. A.	1.00%	N. A.	1.00%
d. Insurer Managed Fund	100.00%	N. A.	100.00%	N. A.
	100.00%	100.00%	100.00%	100.00%

vii. Actuarial Assumptions as on the Balance Sheet date :

	Gratuity			
	31.03.2016		31.03.2015	
	Tea	Textile	Tea	Textile
a. Discount Rate	8.07%	7.70%	7.94%	7.80%
b. Expected rate of return on Plan Assets*	8.07%	7.80%	7.94%	8.75%
c. Salary Escalation rate — Management and Non-Management Staff	7.00%	4.20%	7.00%	4.50%

\* Closing expected rate of return taken as described in proposed IND AS 19 on Employee Benefits.

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

	Gratuity				
	2015-16	2014-15	2013-14	2012-13	2011-12
a. Present value of Defined Benefit obligation	1234	1169	1052	945	914
b. Less : Fair value of Plan Assets	1175	1081	1062	971	850
c. Surplus / (Deficit) in the plan	59	88	10	26	(64)
d. Experience Adjustments on plan liabilities losses/(gains)	83	44	(113)	24	26
e. Experience Adjustments on plan asset losses/ (gains)	5	4	(4)	5	(10)

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 ₹ 45 Lacs (Previous Year ₹ 41 Lacs).  
d) Short term payment of Leave Encashment amounting to ₹ Nil Lacs (Previous year ₹ 5 Lacs ) is charged to Employee Benefits Expense.



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

NOTE NO. "30" (Contd.)

(Amount in ₹ Lacs)

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

(H) Segment Reporting as per AS-17 notified by Companies (Accounts) Rules, 2014 (as amended) for the year ended 31st March, 2016

(A) Information about Primary (Business) Segment	Tea		Textile		Real Estate		Total	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
<b>SEGMENT REVENUE</b>								
External Sales & Other Income	4673	4280	17899	18443	—	—	22572	22723
Less: Excise Duty	—	—	(9)	(10)	—	—	(9)	(10)
Sales (Net of Excise Duty) and Other Income	4673	4280	17890	18433	—	—	22563	22713
Total Revenue	4673	4280	17890	18433	—	—	22563	22713
<b>SEGMENT RESULT</b>								
Segment Result	1143	886	(320)	40	—	—	823	926
<b>Unallocated Corporate Income</b>								
a) Net Gain/(Loss) on Sale of Investments							25	61
b) Interest Income							7	10
<b>Unallocated Corporate Expenses</b>								
Finance Cost							(617)	(754)
Income Taxes							(51)	(49)
Net Profit							187	194
<b>OTHER INFORMATION</b>								
Segment Assets	4884	8328	11027	12193	1898	1670	17809	22191
Unallocated Corporate Assets							1572	1418
<b>Total Assets</b>							19381	23609
Segment Liabilities	1144	909	4674	4338	—	—	5818	5247
Unallocated Corporate Liabilities							54	54
<b>Total Liabilities</b>							5872	5301
<b>Capital Expenditure</b>	148	163	223	1413	—	—	371	1576
<b>Depreciation &amp; Amortisation</b>	103	104	1129	1044	—	—	1232	1148
<b>Non-cash Expenses other than depreciation*</b>	—	—	—	—	—	—	—	—

(B) Information about Secondary (Geographical) Segment	India		Outside India		Total	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Segment Revenue	20767	20612	1796	2101	22563	22713
Segment Assets	19186	23567	195	42	19381	23609
Capital Expenditure	371	1576	—	—	371	1576

### Notes :

- The reportable primary segment is based on three businesses namely, Tea, Textile & Real Estate Division and the reportable secondary segment is based on geographical location of customers.
- 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. "30" (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 (Accounts) Rules, 2014 (as amended) for the year ended 31st March, 2016

##### (A) Relationships :

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

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

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

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

##### (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	
	2015-16	2014-15	2015-16	2014-15
(i) Rent received	—	—	1	1
(ii) Expenses reimbursed	—*	—	—*	—
(iii) Salary & other benefits	95	138	—	—
(iv) Dividend Paid	8	31	25	101
(v) Rent paid	—	—	—	—
(vi) Donation paid	—	—	—	—
(vii) Purchase of shares	—	—	—	—
(viii) Sale of Shares	—	—	—	196
(ix) Outstanding payable at the end of the financial year	—	—	—	—

\* Below rounding off norms adopted by the Company.

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

	2015-2016	2014-2015
Profit After Tax (₹ in lacs)	187	194
Weighted average number of Equity Shares of ₹ 10/- each fully paid up	90,05,985	90,05,985
Earning Per Share (in ₹ )(Basic & Diluted)	2.08	2.15

#### (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

	2015-2016	2014-2015
As Addition to Property, Plant and Equipment (other adjustment)	—	33
	—	33

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

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

	As At 31st March, 2016	As At 31st March, 2015
Receivable in respect of sale of goods :		
Amount in ₹	195	41
Amount in USD	3	1

#### (O) During the previous year the Textile division of the Company had converted the land at Dholka under Real Estate Development planned for sale, from Property, Plant and Equipment into Stock-in-Trade at fair value of ₹ 1670 Lacs as on the date of conversion.

In view of the Development Project, being abandoned, for Land at Kolkata, the revaluation reserve has been written back for a sum of ₹ 3544 Lacs.



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

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

(Amount in ₹ Lacs)

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

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

As a consequence of such change in the accounting policy, excess depreciation up to 31st March, 2014 amounting to ₹ 120 Lacs and a further sum of ₹ 10 Lacs on account of Capital Subsidy received has been adjusted with the previous year depreciation.

Had there not been any change in the policy of depreciation, depreciation for the year ended 31.03.2015 would have been lower by ₹ 16 Lacs.

**(Q)** During the year, fire broke out in cotton godown on November 7, 2015 and on January 26, 2016. The unit have lodged claim of ₹ 74 Lacs with the Insurance Company. Claim deductions are accounted as loss due to fire.

#### **(R) Details of Corporate Social Responsibility (CSR) Expenditure :**

	<u>2015-2016</u>	<u>2014-2015</u>
(a) Gross Amount required to be spent by the Company during the year	<b>21</b>	11
(b) Amount spent during the year on the following in Cash :		
(i) Construction/acquisition of any asset	—	—
(ii) On the purpose other than (i) above		
– Contribution towards preventive health care & sanitation	<b>5</b>	—
– Contribution for welfare of animal & conservation of natural resources	<b>16</b>	11
	<u><b>21</b></u>	<u>11</u>

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

As per our report of even date.  
For JAIN & CO.

Chartered Accountants

Firm Registration No.302023E

CA M. K. JAIN

Partner

(Membership No. 055048)

P-21/22, Radhabazar Street

Kolkata 700 001

Dated : 20th day of May, 2016

A. KANORIA *Managing Director*

(DIN : 00027290)

K. P. KHANDELWAL *Whole-time Director*

(DIN : 00914834)

A. DOSHI *Chief Financial Officer*

S. SHAH *Company Secretary*

# BENGAL TEA & FABRICS LTD.



CIN : L51909WB1983PLC036542

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

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

## PROXY FORM

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

Name of the Member(s) : \_\_\_\_\_  
Registered Address : \_\_\_\_\_  
E-mail ID : \_\_\_\_\_  
Folio No./Client ID : \_\_\_\_\_  
DP ID : \_\_\_\_\_

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

- (1) Name : \_\_\_\_\_ Address : \_\_\_\_\_  
E-mail ID : \_\_\_\_\_ Signature : \_\_\_\_\_ or failing him
- (2) Name : \_\_\_\_\_ Address : \_\_\_\_\_  
E-mail ID : \_\_\_\_\_ Signature : \_\_\_\_\_ or failing him
- (3) Name : \_\_\_\_\_ Address : \_\_\_\_\_  
E-mail ID : \_\_\_\_\_ Signature : \_\_\_\_\_

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 33rd Annual General Meeting of the Company to be held on Monday, 1st August, 2016 at 10:30 a.m. at Kalakunj, 48, Shakespeare Sarani, Kolkata – 700 017 and at any adjournment thereof in respect of resolutions as are indicated below :

Resolution No.	Resolution Proposed	Optional*	
		For	Against
	<b>Ordinary Business</b>		
1	Adoption of Audited Financial Statements, Reports of the Board of Directors and Auditors		
2	Declaration of Dividend on Equity Shares		
3	Reappointment of Mrs. Shubha Kanoria, Director, retiring by rotation		
4	Appointment of Statutory Auditors and fixing their remuneration		
	<b>Special Business</b>		
5	Alteration of Articles of Association of the Company		
6	Appointment of Mr. Ashutosh Bhagat as an Independent Director of the Company		
7	Appointment of Mr. Navin Nayar as an Independent Director of the Company		
8	Re-appointment of Mr. Adarsh Kanoria as the Managing Director of the Company		
9	Re-appointment of Mr. Kailash Prasad Khandelwal as the Whole-time Director of the Company		
10	Appointment of Branch Auditors and fixing their remuneration		
11	Fixation of Remuneration of Cost Auditors for the Textile Division		
12	Fixation of Remuneration of Cost Auditors for the Tea Division		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2016.

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

Affix  
Revenue  
Stamp

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

2. For the text of the Resolutions, Explanatory Statement & Notes, please refer to the Notice convening the 33rd Annual General Meeting dated 20th May, 2016.

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

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



**33rd Annual General Meeting of The Company**

**Date & Time :** Monday, 1st August, 2016 at 10:30 a.m.

**Venue :** Kalakunj, 48, Shakespeare Sarani, Kolkata – 700 017



**Map not to scale**





## BENGAL TEA & FABRICS LIMITED

CIN : L51909WB1983PLC036542

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

### ATTENDANCE SLIP

#### 33<sup>rd</sup> ANNUAL GENERAL MEETING

##### Envelope No.:

Name of the sole/ first named :  
Member(s)  
Registered Address of sole/first :  
named member

Name(s) of Joint Holders :

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

No. of Shares held :

I/We hereby record my/our presence at the 33<sup>rd</sup> Annual General Meeting of the Company held on Monday, 1<sup>st</sup> August, 2016 at 10.30 A.M. at Kala Kunj, 48, Shakespeare Sarani, Kolkata – 700 017.

\_\_\_\_\_  
Member's/Proxy's Name in Block Letters

\_\_\_\_\_  
Member's/Proxy's Signature

Note: Please complete the Attendance Slip and hand it over at the Attendance Verification Counter at the entrance of the Meeting Hall. Please also bring your copy of the Annual Report. Proxies are requested to carry a valid ID proof for verification at the time of attendance.