Annual Report 2016-17

Bengal Tea & Fabrics Ltd.

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CORPORATE INFORMATION

BOARD OF DIRECTORS	**Mr. Adarsh Kanoria** *Chairman & Managing Director* **Mr. Kailash Prasad Khandelwal** *Whole-time Director* **Mr. Golam Momen** *Independent Director* **Mr. Dhirendra Kumar** *Independent Director* **Mr. Abhijit Datta** *Independent Director* **Mr. Samveg A. Lalbhai** *Non-Executive Director* **Mr. Navin Nayar** *Independent Director* **Mrs. Shubha Kanoria** *Non-Executive Director* **Mr. Ashutosh Bhagat** *Independent Director*
CHIEF FINANCIAL OFFICER	**Mr. Atul Doshi**
COMPANY SECRETARY	**Mrs. Sunita Shah**
AUDITORS	**M/s. Jain & Co.**, *Chartered Accountants*
BRANCH AUDITORS	**M/s. Sorab S. Engineer & Co.**, *Chartered Accountants*
COST AUDITORS	**M/s. N. D. Birla & Co.**, *Cost Accountants* **M/s. D. Radhakrishnan & Co.**, *Cost Accountants*
INTERNAL AUDITORS	**M/s. Madan Lal Sharma & Co.**, *Chartered Accountants* **M/s. Kishorpuria Lakhotia & Co.**, *Chartered Accountants*
SECRETARIAL AUDITOR	**M/s. H. M. Chororia & Co.**, *Practising Company Secretaries*
BANKERS	State Bank of India Punjab National Bank IDBI Bank
TEA DIVISION	**Ananda Tea Estate** P.O. Pathalipam 787 056 Dist. North Lakhimpur (Assam)
TEXTILE DIVISION	**Asarwa Mills** Asarwa Road, Ahmedabad 380 016 (Gujarat)
REGISTERED OFFICE	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
REGISTRAR & SHARE TRANSFER AGENT	**C. B. Management Services (P) Ltd.** 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 34th Annual General Meeting (AGM) of the Members of Bengal Tea & Fabrics Limited will be held at "Kalakunj", 48, Shakespeare Sarani, Kolkata 700 017 on Saturday, the 29th day of July, 2017 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, 2017 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, 2017 including the Audited Balance Sheet as at 31st March, 2017 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. **Re-appointment of Director retiring by rotation**

   To appoint a Director in place Mr. Samveg A. Lalbhai (DIN: 00009278) who retires by rotation in terms of Section 152 (6) of Companies Act, 2013 and being eligible, offers himself for re-appointment and to pass the following resolution as an **Ordinary Resolution** :

   "**RESOLVED THAT** Mr. Samveg A. Lalbhai (DIN: 00009278) who retires by rotation in terms of Section 152 (6) of Companies Act, 2013 and being eligible, offered himself 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."

3. **Appointment of Auditors**

   To appoint M/s. Singhi & Company, Chartered Accountants (Firm Regn. No. 302049E) as Statutory Auditors of the Company from the conclusion of the 34th AGM until the conclusion of the 39th AGM, to fix their remuneration and to pass the following resolution as an **OrdinaryResolution** :

   "**RESOLVED THAT** pursuant to the provisions of Section 139, 142 and all other applicable provisions of Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) and the recommendations of the Audit Committee of the Board of Directors, M/s Singhi & Co., Chartered Accountants, (Firm Regn. No. 302049E), be and are hereby appointed as the Statutory Auditors of the Company for a term of 5 (five) years from conclusion of the 34th Annual General Meeting of the Company till the conclusion of the 39th Annual General Meeting be and is hereby confirmed at a remuneration of ₹ 85000/- 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."

SPECIAL BUSINESS

4. **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 34th 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.

NOTICE (Contd.)

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."

5. **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, 2018, be paid the remuneration of ₹ 40,000 /- p.a. plus out of pocket expenses and taxes, if any.

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

6. **Fixation of Remuneration of Cost Auditors of the 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, 2018, be paid the remuneration of ₹ 25000/- 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."

Registered Office :
Century Towers, 4th Floor
45, Shakespeare Sarani, Kolkata 700 017
Dated : 12th May, 2017

By Order of the Board

SUNITA SHAH
Company Secretary

NOTES :

1. A statement setting out material facts pursuant to Section 102 of the Companies Act, 2013 with respect to Item Nos. 4 to 6 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.

NOTICE (Contd.)

3. The Register of Members and Share Transfer Books of the Company shall remain closed from 23rd July, 2017 (Sunday) to 29th July, 2017 (Saturday) (both days inclusive) for the purpose of the 34th Annual General Meeting.
4. The Notice of the 34th AGM and Annual Report for the year ended 2016 - 17 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 Friday, 23rd June, 2017. 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 or may request for a copy of the same by writing to the Company at investor@bengaltea.com or the Company's RTA at 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. 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.
10. **Members still possessing the share certificates issued prior to 25th July, 1998 are requested to surrender the said share certificates for the reduced shareholdings as only the new share certificates are eligible for demat.**
11. Members holding shares in the physical form and desirous of making/changing nomination in respect of their shareholding in the Company, as permitted under Section 72 of the Companies Act, 2013 and Rules made there under are requested to submit the prescribed Form No. SH-13 and SH-14, as applicable for this purpose to the Company's Registrars and Share Transfer Agent, C. B. Management Services (P) Ltd., who will provide the Form on request.
12. **Members are hereby informed that Securities and Exchange Board of India (SEBI) in terms of Circular No.CIR/MRD/DP/10/2013 dated 21st March, 2013 has made it mandatory for all Listed Companies to make cash payments through electronic modes to the investors. It is further directed that in case electronic payment is rejected or returned, the Company shall mandatorily print the bank account details of the investor on payment instrument. Members are requested to provide their updated Bank account particulars to enable the Company to electronically credit dividend directly in their respective bank accounts.**

    Members holding shares in demat mode are requested to send correct bank details (including MICR No., IFSC Code, Account Type etc.) to their respective Depository Participant. Members holding shares in physical form are requested to send such bank details along with a cancelled cheque to our Registrars M/s C.B. Management Services Pvt. Ltd.
13. Members are also requested to inform their correct email address, if any, to the Depositories (if shares held in demat form) and to our Registrars by visiting Website namely "www.cbmsl.com/green.php" (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.

NOTICE (Contd.)

14. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / C B Management Services (P) Ltd (RTA).

15. The Shareholders, who are still holding shares in physical form are requested to take immediate action to demat their shares to avail easy liquidity since trading of shares of the Company are under compulsory Demat mode as per the regulation of SEBI and also to prevent any loss of physical Share Certificate.

16. The Shareholders who have not encashed their Dividend Warrants are requested to send their Warrants for revalidation otherwise the amount will be transferred to the Central Government Account i.e. IEPF on expiry of 7 years from the date of transfer of dividend amount to unclaimed dividend account.

17. **Pursuant** to the provision of Section 124 (6) read with Rule 6 of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 **(the "IEPF Rules")** as amended, provides that **all shares in respect of which dividend has/have remained unpaid or unclaimed for consecutive seven years the corresponding shares shall also be transferred in the name of Demat Account of IEPF Authority**.

    Adhering to the various requirements set out in the Rules, the company has communicated individually to the concerned shareholders whose shares are liable to be transferred to Demat Account of IEPF Authority at their last recorded address with the Company for taking appropriate action. The full details of such shareholders having unencashed dividends and shares due for transfer has been given on the website of the Company www.bengaltea.com.

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 34th Annual General Meeting.**

19. The brief profile of the Director seeking re-appointment including relevant particulars relating to him is furnished in the 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 34th 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 during the voting period.

    (ii) Click on "Shareholders" tab.

NOTICE (Contd.)

(iii) Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(iv) Next enter the Image Verification as displayed and Click on Login.

(v) If you are holding shares in Demat form and had logged on to www.evotingindia.com 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.

NOTICE (Contd.)

(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 23rd June, 2017. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(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 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.
- 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 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 Wednesday, 26th July, 2017 ‹9.00a.m.› and ends on Friday, 28th July, 2017 ‹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 22nd July, 2017 (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 34th AGM and holds shares as of the cut-off date of 22nd July, 2017 (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

(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 29th July, 2017 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 under help section or write an email to 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 22nd July, 2017 (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 and on the website of CDSL within three days of passing of the resolutions at the AGM of the Company. The results will also be communicated to BSE Limited where the shares of the Company are listed.

NOTICE (Contd.)

23. **Explanatory Statements pursuant to Section 102(1) of the Companies Act, 2013 in respect of Item Nos. 4-6 of the Notice are as under:**

In respect of Item No. 4

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 for 5 years.

In terms of Section 177 (4) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Audit Committee have recommended the ratification of appointment of M/s. Sorab S. Engineer & Co., Chartered Accountants, as Branch Auditors from the conclusion of the 34th 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. 4.

In respect of Item No. 5

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, 2018 on 12th May, 2017.

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 being sought for passing an Ordinary Resolution for approval of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2018.

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. 5.

In respect of Item No. 6

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s. 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, 2018 on 12th May, 2017.

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 being sought for passing an Ordinary Resolution for approval of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2018.

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

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

Registered Office :
Century Towers, 4th Floor
45, Shakespeare Sarani, Kolkata 700 017
Dated : 12th May, 2017

By Order of the Board

SUNITA SHAH
Company Secretary

NOTICE (Contd.)

ANNEXURE TO NOTICE OF 34th ANNUAL GENERAL MEETING

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

Mr. Samveg A. Lalbhai, Non executive Director of the Company, aged about 55 years retires at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. He has about 35 years of vast experience in the business of Textiles and is an eminent personality of Textile Industry. Mr. Lalbhai is a Managing Director of Atul Limited since December 2001. Mr. Lalbhai is associated with a number of Chambers/Organisations, including Indian Cotton Mills Federation, Gujarat Chamber of Commerce & Industries, Ahmedabad Textile Mills Association, Ahmedabad Textile Industries and Research Association etc. A brief resume, experience and functional expertise and membership on various Board and Committee for Mr. Samveg A. Lalbhai, proposed to be re-appointed at Serial No. 2 of the Notice convening the 34th Annual General Meeting , as per the provisions of SEBI (Listing Obligations and Disclosure Requirements) {"SEBI (LODR)"} Regulations, 2015 are furnished below:

Date of Birth	04.06.1961
Date of first appointment	06.05.2004
Qualification	Graduate in Commerce from Gujarat University
Experience in specific functional areas	35 years of vast experience in the business of Textiles and an eminent personality of Textile Industry
Directorship in other Companies apart from this company	1. Atul Ltd. 2. The Anup Engineering Ltd. 3. Arvind Overseas (M) Ltd. 4. Arvind Farms Pvt. Ltd. 5. Saumya Farms & Organic Prod. Pvt. Ltd. 6. Sneh Farms Pvt. Ltd. 7. National Design Business Incubator 8. Arvind Worldwide Inc. USA 9. Arvind Worldwide (M) Inc.
*Chairman/Member of the Committee in which he is a Director apart from this company	Nil
Shares of the company held by him Equity : a) Own b) Beneficiary basis	 Nil Nil

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

NOTICE (Contd.)

Transfer of shares to Investor Education and Protection Fund (IEPF)

Dear Shareholders,

Pursuant to the provision of Section 124 (6) read with Rule 6 of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 **(the "IEPF Rules")** as amended, which inter-alia provides that **all shares in respect of which dividend has/have remained unpaid or unclaimed for consecutive seven years the corresponding shares shall also be transferred in the name of Demat Account of IEPF Authority.**

Please note that those share holders whose dividend for the financial year 2009-10 (Final) onwards has remained unpaid / unclaimed and therefore the corresponding shares of the face value of Rs 10/- each as stated in the subject line will also be due to be transferred to Demat Account of IEPF Authority on **31st July, 2017**. The Company shall accordingly transfer the said shares within 30days thereof in the following manner:

a. In case of shares held in Physical form, by issuance of Duplicate Share certificate and thereafter transferring the shares to Demat Account of IEPF Authority. Accordingly, the original share certificate(s), which stand registered in your name would stand automatically cancelled and be deemed non-negotiable.

b. In case of shares held in Demat Form, by transfer of shares directly to Demat Account of IEPF Authority through the Depository participants as per Rules.

It may also please be noted that all subsequent corporate benefits that may accrue in relation to the above shares will also be credited to the said Demat Account of IEPF Authority.

In case you have any lawful reservation / objection in complying with the above provisions of law in transferring your aforesaid shares to Demat Account of IEPF Authority then we request you to comply with the following on or before **20th July, 2017** in the following manner:

- Claim unclaimed/unpaid dividend for the financial year 2009-10 and onwards by making an application to the Company's Registrars and Share Transfer Agent, C B Management Services (P) Ltd. P-22, Bondel Road, Kolkata 700 019, Tel No. 033-4011-6700/16/17/24/28/42, Fax No. 033-4011-6739, E-mail: rta@cbmsl.com with a **self-attested copy** of the following:
    - a. ID Proof (a self attested copy of your PAN card);
    - b. Address Proof (Aadhar Card / Passport / Utility Bill (not more than 3 months old); and
    - c. Unsigned & cancelled cheque leaf of the bank where you are maintaining your active core banking account so that we can credit all subsequent dividends directly into your bank account.

Please also attach the photocopy of your share certificate (both sides) and also quote your Folio no. as provided above in all your documents /communication in case your holding is in Physical mode or send relevant client master list in case your holding is in Demat mode.

The Company has sent individual notices through registered post to the latest addresses of the shareholders whose dividends are lying unclaimed since 2009-10 for the last 7 consecutive years, advising them to claim the dividends expeditiously.

You may also take note that in terms of Section 124 (6) of the Companies Act, 2013 and Rule 7 of the IEPF Rules, you may claim the said shares from Demat Account of IEPF Authority after the same are transferred by making online application in Form IEPF 5 which shall be available at **www. iepf.gov.in**.

In view of the forgoing you are advised to do the needful immediately without any delay and before 20th July, 2017 failing which the corresponding shares will be transferred to the above fund established by the Central Government. Thereupon, no claim shall lie against the Company in respect of the shares transferred to the said DEMAT Account pursuant to the said Rules.

Registered Office :
Century Towers, 4th Floor
45, Shakespeare Sarani, Kolkata 700 017
Dated : 12th May, 2017

By Order of the Board

SUNITA SHAH
Company Secretary

DIRECTORS' REPORT

Dear Members,

The Directors of the Company present their 34th Annual Report and Company's Audited Accounts for the year ended 31st March, 2017.

FINANCIAL SUMMARY/HIGHLIGHTS

The financial results for the year ended 31st March, 2017 and the corresponding figures for the last year are as under:

(Amount in ₹ Lakhs)

		2016-2017		2015-2016	
Profit before Interest, Depreciation and Tax			**987**		2083
Less :	Finance Cost	**548**		617	
	Depreciation & Amortization Expense	**1195**	**1743**	1228	1845
(Loss) / Profit after Interest & Depreciation			**(756)**		238
Less :	Tax Expense for Current Year (Net of MAT Credit Entitlement)	**—**		81	
	Income Tax for earlier years	**(20)**		6	
	Deferred Tax Provision/(Written Back)	**(283)**	**(263)**	(36)	51
(Loss) / Profit after Tax			**(493)**		187
Add : Balance Brought Forward from Last Account			**2345**		2312
Less : Transferred to General Reserve			**—**		100
Less : Proposed Dividend & Tax thereon			**—**		54
Credit balance carried to Balance Sheet			**1852**		2345

RESERVES & SURPLUS

The Balance in Reserves & Surplus stands at ₹ 9419 Lakhs (Previous year ₹ 9921 Lakhs). The Company has transferred ₹ Nil to General Reserve.

DIVIDEND

In view of the losses incurred by the Company, your Directors have not recommended any dividend for the financial year ended 31st March, 2017.

OPERATIONS

TEA DIVISION

During the year under review, your Company achieved a production of 21.92 lakh kgs of Black Tea as compared to 22.17 lakh kgs in the previous year. The production of own green tea leaves was lower by 6.71%, the Company procured more outsourced leaves than last year by 6.06%.

The performance of the Tea Division was adversely affected by both lower output and sales realization due to restricted demand for quality teas.

The average sale price for CTC tea in auction centre's was lower as compared to previous year and accordingly the average realisation of your tea estate was also lower by about ₹ 20/- per kg. 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. Further, there has been increase in Wage and salary cost following industry vide agreement with unions.

Good quality CTC tea being in short supply is likely to attract premium and considering the above scenario, the performance of tea division is expected to be satisfactory. However, overall tea market is expected to remain range bound, due to expected good crop in India

DIRECTORS' REPORT (Contd.)

TEXTILE DIVISION

PERFORMANCE AND REVIEW OF OPERATION:

During the year under review, the Division has incurred loss before tax of ₹ 1311 lakhs against ₹ 893 lakhs in the previous year. The Division has achieved turnover of ₹ 16179 lakhs against ₹ 16802 lakhs in the previous year. The continued sluggish demand, increase in cotton prices and increase in power cost have mainly adversely affected the bottom line of the Division. The Division could hardly pass on about half of the impact of increase in cotton prices to the market.

The division could not pass on increase in various costs as the demand was tepid. Further the newly set up units under Gujarat Textile Policy, 2012 enjoy various subsidies and therefore are more competitive.

With a view to improve profitability of the Division, the management is taking all efforts to increase production of value added items like processed fabric which have better margins The Division has decided to curtail yarn production wherein margins were negative.

In order to capture loss in profitability, the division implemented the following steps:

a. the Division has closed 6336 spindles w.e.f. 01.10.2016.

b. during the current year also, the Division has closed 9600 spindles w.e.f. 01.05.2017.

The above steps coupled with reduction in fixed costs like interest and depreciation is expected to improve the profitability of the division in the near future.

MODERNISATION AND PROSPECTS

In line with the policy of producing value added goods, the Textile Division, during the year under review has installed one(1) 400 kgs/hour Jet Dyeing Machine in Fabric Process Department re-placing old model of 200 Kgs/hour Jet Dyeing Machine. This would increase the productivity and quality of dyed fabrics.

The introduction of GST Act during the year is expected to boost the overall Indian economy and to have positive impact on country's GDP. The Indian economy is expected to keep growing by about 7-8% for next few years. Good rain and good crop in consecutive second year is expected to increase the demand of textile products. The world economy is also on revival path. In view of this and of various steps taken by the management , the Textile Division is expected to give better performance in coming years.

RECENT DEVELOPMENTS & FUTURE PLANS

Tea Division

The Company is contemplating to introduce packet tea for domestic market.

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

During the current year, the Textile Division of the Company located at Asarwa Mills, Ahmedabad has closed 9600 spindles along with back process and winding in spinning section w.e.f. 1st May, 2017. The said reduction in capacity would result in reduction in the top line of the Company by about ₹ 30 Crores on an annualized basis. The sale proceeds of the machineries to be scrapped would be utilized for payment of retrenchment compensation to workers and balance for augmentation of working capital and repayment of term loans of the Textile Division of the Company. Due to this step, 74 permanent workers of the Textile Division will be retrenched.

Apart from this, there have been no other material changes and commitments, 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"**.

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"**.

DIRECTORS' REPORT (Contd.)

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 20th May, 2016, 1st August, 2016, 5th November, 2016 and 4th February, 2017.

Apart from meeting of the Board of Directors different committees met several times during financial year ended 31st March, 2017.

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

The Directors hereby confirm that –

a) in the preparation of the annual accounts for the Financial Year ended 31st March, 2017, the applicable accounting standards had been followed along with proper explanation relating to material departures;

b) 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 loss of the Company for that period;

c) they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) they had prepared the annual accounts on a going concern basis;

e) they had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

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

DECLARATION BY INDEPENDENT DIRECTORS

Independent Directors namely, Mr. Golam Momen (DIN: 00402662), Mr. Dhirendra Kumar (DIN: 00153773), Mr. Abhijit Datta (DIN: 00790029) Mr. Navin Nayar (DIN: 00136057) and Mr. Ashutosh Bhagat (DIN: 00059842) have given declaration confirming that they comply with the requirements of Section 149(6) of the Companies Act, 2013.

DIRECTORS

Mr. Samveg A Lalbhai (DIN: 00009278) retires by rotation at the ensuing Annual General Meeting and being eligible, offer himself, for re-appointment in compliance with the provisions of the Companies Act, 2013.

Brief resume of the Director, nature of his expertise in specific functional areas and details of his 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 34th 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, 2017 are mentioned in the Extracts of the Annual Return attached as **Annexure 'C'** and forms part of this Report of the Directors.

DIRECTORS' REPORT (Contd.)

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 4th February, 2017 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 2016 - 2017, your Company did not accept/renew any deposits and as such, no amount of principal or interest was outstanding as on 31st March, 2017.

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. Their term is expiring at the ensuing AGM.

The Directors have proposed to appoint M/s Singhi & Co. in terms of the first proviso to Section 139(1) of the Companies Act, 2013 as the Statutory Auditors of the Company in place of the retiring Statutory Auditors at their meeting held on 12th May, 2017 for a period of 5 years from the conclusion of the 34th AGM to the conclusion of the 39th AGM of the Company subject to the approval of the Shareholders at the 34th AGM of the Company. The matter relating to appointment of M/s Singhi & Co., as the Statutory Auditors of the Company has been placed for approval by members.

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

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, 2017.

PARTICULARS OF RELATED PARTY TRANSACTIONS

During the year there were 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%20PARTY%20TRANSACTION%20POLICY_8.11.2014.pdf*

DIRECTORS' REPORT (Contd.)

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 provided in the Notes to the Accounts. No material related party transactions were entered during the Financial Year 2016-17 by your Company. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) 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 Cost Auditors 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 2016-17

The Company has appointed the following Cost Auditors for Tea & Textile Division for the year ended 31st March, 2017:

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

PARTICULARS OF EMPLOYEES

The Company had no employee who were in receipt of more than ₹ 1.02 Crores per annum during the year ended 31st March, 2017 or of more than ₹ 8.5 Lakhs per month during any part thereof. However the information required pursuant to Section 197 of the Companies Act, 2013 read with Rule 5(1) and 5 (2) 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 losses and all transactions are authorized, recorded and reported correctly. The internal control systems of the Company are 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 has formed a CSR Committee and formulated a CSR Policy. The details of the same together with the CSR expenditure have been annexed in the prescribed format as **Annexure – "G"**.

TRANSFER OF UNPAID DIVIDEND AND SHARES 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.

DIRECTORS' REPORT (Contd.)

The Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 1st August, 2016 (date of last Annual General Meeting) on the Company's website (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 31.03.2017
2009-10	31.07.2010	417439.50
2010-11	06.08.2011	425319.00
2011-12	NIL	NIL
2012-13	03.08.2013	323381.00
2013-14	09.08.2014	636848.00
2014-15	08.08.2015	176373.50
2015-16	01.08.2016	191034.00

Pursuant to the provision of Section 124 (6) read with Rule 6 of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 **(the "IEPF Rules")** as amended, provides that **all shares in respect of which dividend has/have remained unpaid or unclaimed for consecutive seven years the corresponding shares shall also be transferred in the name of Demat Account of IEPF Authority.**

Please note that those share holders whose dividend for the financial year 2009-10 (Final) onwards has remained unpaid / unclaimed and therefore the corresponding shares of the face value of ₹ 10/- each, will also be due to be transferred to Demat Account of IEPF Authority on 31st July, 2017.

Adhering to the various requirements set out in the Rules, the company has communicated individually to the concerned shareholders whose shares are liable to be transferred to Demat Account of IEPF Authority at their last recorded addresses with the Company for taking appropriate action. The full details of such shareholders having unencashed dividends and shares due for transfer has been given on the website of the Company www.bengaltea.com.

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 2016-17.

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 : 12th May, 2017

MANAGEMENT DISCUSSION & ANALYSIS REPORT

ANNEXURE - "A"

(Forming part of Directors' Report for the financial year ended 31st March, 2017)

TEA DIVISION

Industry Structure and Developments : India is the largest Black Tea producer in the world producing approximately 1239 million kgs during the calendar year 2016. Despite strong consumption growth and low inventory, the market for good quality tea remained sluggish during the year.

Opportunities and 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 lower as compared to previous year. Subdued demand for quality tea persisted and the average realization of the tea sold by the Company was over 9.5% lower as compared to the previous year. The gist of performance of the division during the financial year 2016-2017 is as under:

	Black Tea		
	Production (Lakh Kgs)	Sales (Lakh Kgs)	Average Realisation (₹ /Kgs)
2016-17	21.92	22.70	194.60
2015-16	22.17	21.39	215.33
Change (%)	(1.12%)	6.12%	(9.63%)

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

Risks and Concerns : Besides climatic conditions, global production, the strategy of bought leaf and shortage of labor during peak season along with increase in wages and other costs 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 but due to inclement weather and restricted demand for quality tea the prices have remained lower resulting into lower profitability for the year under review.

TEXTILE DIVISION

Industry Structure and Developments:

India is the world's second largest producer and exporter of textiles and garments. The Indian textile industry accounts for about 24% of the world's spindle capacity, 8% of global rotor capacity, highest loom capacity (including hand looms) with 63% of the world's market share.

The textiles industry provides direct employment to over 45 million people and to 60 million people indirectly and is second largest provider of employment after agriculture. The sector contributes about 14% to overall Index of Industrial Production(IIP), 5% to GDP, and about 11% of the total exports. India is the second largest textile & clothing exporter in the world, contributing around 5% to the global textile and clothing trade.

Opportunities and threats:

With consumerism and disposable income on rise, the retail sector has experienced a rapid growth in the past decade with several international players having entered the Indian market. The organized apparel segment is expected to grow at CAGR of more than 13% over a 10-year period. The Central and various State Governments are also taking various initiatives to boost the textile industry. Thus, the textile industry is set to grow at reasonable rate in coming years.

Scarcity of trained manpower, escalating energy costs, high transportation costs, changes in wage structure , lack of economies of scale, uncertainty in cotton prices and other raw materials, fluctuation in exchange rates etc are some of the threats faced by the textile industry.

MANAGEMENT DISCUSSION & ANALYSIS REPORT (Contd.)

Product-wise performance:

Cloth : Both production and sales volume has decreased mainly because of decrease in the production and sales of knitted and grey fabric. Average realization has increased mainly due to (i) change in product mix; (ii) increase in proportion of finished fabric; (iii) increase in selling prices, etc.

Yarn : Both production and sales volume of saleable yarn has decreased mainly due to reduction in yarn spinning capacity . Average realization is more due to increase in selling prices.

	Cloth (Processed, Knitted and Grey)			Yarn		
	Production (Lakh Mtrs.)	Sales (Lakh Mtrs.)	Average Realisation (₹ Per Mtr.)	Production (Lakh Kgs.)	Sales (Lakh Kgs.)	Average Realisation (₹ Per Kg.)
2016-17	126.70	125.98	64.40	36.98	36.92	190.00
2015-16	139.72	139.84	58.93	41.37	42.51	175.40
Change	(9.32)	(9.91)	9.28	(10.61)	(13.15)	8.33

Outlook

The Indian Metrological Department (IMD) has forecasted that India would have a good rainfall in the year 2017-18 which would boost farm production. This may result into a good crop of cotton. This may help cotton prices remain at reasonable level and stable during 2017-18 which, in turn, may be favourable for the cotton textile industry. The Government is all set to implement GST Act in 2017-18 which is expected to have positive impact on the overall economy of the country. The Textile Division is trying to increase the production of value added items like processed fabric wherein margins are better and also trying to reduce production of yarn wherein margins are under strain. In view of above, the Division is taking all steps to improve performance.

Risk and Concerns:

Fluctuation in foreign exchange rate, volatility in cotton prices, increase in labor cost, power cost and other raw materials, competition from the other low cost neighboring countries like China, which attract more business from the international market because of lower production costs, ease in doing business and easier trade routes are main causes of concerns.

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, 2017 were 480 and 1354 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 : 12th May, 2017

REPORT ON CORPORATE GOVERNANCE

ANNEXURE - "B"

(Forming part of Directors' Report for the financial year ended 31st March, 2017)

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 five independent non-executive directors) having experience in business, finance etc. The composition of the Board of Directors and their attendance during the financial year 2016-2017 is as under:

Name of the Directors	Category of Director	No. of other Directorships[1]	No. of other Board Committee(s)[2] in which he is		Attendance at last AGM held on 01.08.2016	Attendance at Board Meetings
			Member	Chairman		
Mr. Adarsh Kanoria[3] Chairman[4]	Promoter-Executive	8	–	–	Yes	4
Mr. Kailash Prasad Khandelwal	Executive	1	–	–	Yes	4
Mr. Golam Momen	Independent-Non-Executive	13	3	–	No	3
Mr. Dhirendra Kumar	Independent-Non-Executive	10	–	–	Yes	4
Mr. Abhijit Datta	Independent-Non-Executive	5	–	2	Yes	3
Mr. Samveg A. Lalbhai	Non-Executive	9	–	–	Yes	1
Mr. Navin Nayar[5]	Independent-Non-Executive	9	1	2	Yes	4
Mrs. Shubha Kanoria[3]	Non-Executive	3	–	–	Yes	4
Mr. Ashutosh Bhagat[5]	Independent-Non-Executive	8	–	–	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.
4. Mr. Adarsh Kanoria was appointed as the Chairman of the Company w.e.f. 5th November, 2016
5. Mr. Navin Nayar and Mr. Ashutosh Bhagat were appointed as Independent Directors w.e.f. 1st August, 2016.

REPORT ON CORPORATE GOVERNANCE (Contd.)

Meetings of the Board

During the Financial Year 2016-2017, the Board of Directors met 4 (four) times on the following dates: 20th May, 2016, 1st August, 2016, 5th November, 2016 and 4th February, 2017.

Information about the Directors seeking appointment/re-appointment

Mr. Samveg A. Lalbhai (DIN: 00009278) retires by rotation at the ensuing Annual General Meeting and being eligible, offer himself, for re-appointment in compliance with the provisions of the Companies Act, 2013.

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

3. AUDIT COMMITTEE

The Audit Committee comprises of 4 (four) non-executive Directors of whom the Chairman and 3 (Three) 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 Director	No. of Meetings attended	Dates on which Meetings held
Mr. Abhijit Datta - Chairman	Independent & Non-Executive	3	20.05.2016 01.08.2016 05.11.2016 04.02.2017
Mr. Golam Momen	Independent & Non-Executive	3	
Mr. Dhirendra Kumar	Independent & Non-Executive	4	
Mr. Navin Nayar	Independent & 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. Dhirendra Kumar – Chairman	Independent & Non-Executive	2	The meeting of Nomination & Remuneration Committee were held on 20.05.2016 and 04.02.2017
Mr. Golam Momen	Independent & Non-Executive	2	
Mr. Abhijit Datta	Independent & Non-Executive	2	
Mr. Samveg A. Lalbhai	Non-Executive	–	

Remuneration to Directors paid during the financial year 2016-2017 and other disclosures :

Name of the Directors	Salary (₹)	Benefits (₹)	Contribution to PF Gratuity, and other funds (₹)	Commis-sion Paid (₹)	Meeting Fees (₹)	Service Contract/ Tenure	Notice Period	Number of Shares held
Mr. Adarsh Kanoria	39,75,000	8,88,446	#	–	–	01-01-2017 to 31-12-2019	3 Months*	5,36,137
Mr. Kailash Prasad Khandelwal	20,25,000	5,01,241	#	–	–	01-01-2017 to 31-12-2019	3 Months*	–
Mr. Golam Momen	–	–	–	–	1,30,000	NA	NA	750
Mr. Abhijit Datta	–	–	–	–	1,20,000	NA	NA	–
Mr. Dhirendra Kumar	–	–	–	–	1,60,000	NA	NA	–
Mr. Samveg A. Lalbhai	–	–	–	–	20,000	NA	NA	–
Mr. Ashutosh Bhagat	–	–	–	–	80,000	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.
# Contribution made to the funds is within prescribed limts.

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 director's 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

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 Board 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%20Programme-7.02.2015.pdf

5. STAKEHOLDERS RELATIONSHIP COMMITTEE

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

REPORT ON CORPORATE GOVERNANCE (Contd.)

Composition of the Committee

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

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. The status of investor complaints with the regulatory authorities are as follows:

Sl. No.	INVESTOR COMPLAINTS	Number
1.	Number of Investor Complaints Received during the year	2
2	Number of complaints resolved during the year till 31st March, 2017	2
3.	Number not solved to the satisfaction of the shareholders till 31st March, 2017	Nil
4.	Number of complaints pending as at 31st March, 2017	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. Dhirendra Kumar	Independent & Non-Executive
Mr. Golam Momen	Independent & Non-Executive

The Committee met on 5th November, 2016 in the financial year 2016-17. The details of the CSR Policy of the Company along with the CSR expenditure have been given in **Annexure- "G"** to the Directors Report.

7. INDEPENDENT DIRECTORS MEETING

During the year under review, the Independent Directors of the company met on 4th February, 2017 inter alia, to:

(a) Evaluate and review the performance of non-independent directors and the Board as a whole;

(b) Evaluate and assess the quality, quantity and timeliness of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

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

8. GENERAL BODY MEETINGS

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

	Date of Meeting	Venue	Time
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.
33rd AGM	01.08.2016	Kalakunj, 48, Shakespeare Sarani, Kolkata 700 017	10.30 A.M.

No Special Resolutions were passed at the 32nd AGM. However, Special Resolutions were passed at the 31st and 33rd 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%20PARTY%20TRANSACTION%20POLICY_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.

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. During the year under review, the official news had also been displayed on the Company's website but no presentation was made to institutional investors or analysts.

Unaudited Financial Results For three months ended	Newspaper Published In	
	Business Standard	Arthik Lipi
	(English)	(Bengali)
30.06.2016	02.08.2016	02.08.2016
30.09.2016	07.11.2016	07.11.2016
31.12.2016	06.02.2017	06.02.2017

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, 2017.

12. GENERAL SHAREHOLDER INFORMATION

Annual General Meeting : Date : Saturday, 29th July, 2017
Time : 10.30 A.M.
Venue : Kalakunj, 48, Shakespeare Sarani, Kolkata 700 017

Financial Year : 1st April, 2016 to 31st March, 2017

Date of Book Closure : 23rd July, 2017 to 29th July, 2017 (Both days inclusive)

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 2017-2018.

Market Price Data and Number of Shares traded at BSE Ltd during the Financial Year 2016-2017

	April	May	June	July	August	September	October	November	December	January	February	March
High	52.80	56.00	56.80	63.50	61.35	58.00	62.00	61.45	54.40	58.25	56.00	53.90
Low	42.95	43.00	40.60	50.00	46.25	44.50	44.00	46.10	43.05	48.40	49.00	46.60
Volume	65990	84063	98139	96642	100393	67189	108982	98576	58650	61585	59329	64300

Performance in comparison to broad based indices

	31.03.2017	31.03.2016	Change (%)
Share Prices of BTFL (₹)	52.40	41.25	27.03%
V/s BSE Sensex	29620.50	25338.58	16.90%

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, 2017

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	10,072	78.51	4,71,220	5.23
2	51-100	1,150	8.96	1,08,621	1.21
3	101-500	1,190	9.28	3,17,406	3.52
4	501-1000	205	1.60	1,65,124	1.83
5	1001-2000	96	0.75	1,46,861	1.63
6	2001-3000	30	0.23	77,296	0.86
7	3001-4000	17	0.13	59,276	0.66
8	4001-5000	17	0.13	78,574	0.87
9	5001-10000	19	0.15	1,38,811	1.54
10	10001 & above	33	0.26	74,42,796	82.65
	Total	**12829**	**100.00**	**9005985**	**100.00**

REPORT ON CORPORATE GOVERNANCE (Contd.)

Shareholding Pattern as on 31st March, 2017

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)	1,51,065	1.68
4	Resident Public	21,81,126	24.22
5	NRIs' / Foreign Nationals	7,373	0.08
6	The Official Trustee of West Bengal	11,520	0.13
7	Clearing Members	3,896	0.04
	Total	**90,05,985**	**100.00**

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. 84,30,467 of the total equity shares have been dematerialised upto 31st day of March, 2017. 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.: 033 2283-6416/17, E-mail : investor@bengaltea.com
Website: www.bengaltea.com

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

	ADARSH KANORIA	KAILASH PRASAD KHANDELWAL
Place : Kolkata	*Managing Director*	*Whole-time Director*
Dated : 12th May, 2017	DIN : 00027290	DIN : 00914834

Annual Compliance with the Code of Conduct for the Financial Year 2016-2017

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, 2017 from all the Board Members and Senior Management Personnels.

For Bengal Tea & Fabrics Ltd.
ADARSH KANORIA
Managing Director
(DIN : 00027290)

Place : Kolkata
Dated : 12th May, 2017

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, 2017, as per the stipulated provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

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 Regulations.

We have been explained that no investor grievances are pending as on 31st March, 2017 against the Company as per the records maintained by the Company.

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

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

P-21/22, Radhabazar Street
Kolkata 700 001
Dated : 12th day of May, 2017

ANNEXURE - "C"

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the Financial Year ended on 31st March, 2017

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

I. REGISTRATION AND OTHER DETAILS

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products/services	NIC Code of the Product/service	(%) to total turnover of the Company
1	Growing of Tea & Processing and blending of tea including manufacture of instant tea	01271 & 10791	20.57
2	Weaving, manufacture of cotton and cotton mixture fabrics	13121	24.06
3	Preparation and spinning of cotton fibre including blended cotton	13111	32.85

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 01-04-2016)				No. of Shares held at the end of the year (As at 31-03-2017)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(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	–	–	–	–	–	–	–	–	–
Sub-total (A) (1)	**6608712**	**–**	**6608712**	**73.38**	**6608712**	**–**	**6608712**	**73.38**	**–**
(2) Foreign									
a) NRIs – Individuals	–	–	–	–	–	–	–	–	–
b) Other – Individuals	–	–	–	–	–	–	–	–	–
c) Bodies Corporate	–	–	–	–	–	–	–	–	–
d) Banks / FI	–	–	–	–	–	–	–	–	–
e) Any Other	–	–	–	–	–	–	–	–	–
Sub-total (A) (2)	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total shareholding of Promoter (A) =(A)(1)+(A)(2)	**6608712**	**–**	**6608712**	**73.38**	**6608712**	**–**	**6608712**	**73.38**	**–**
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	–	4627	4627	0.05	–	4627	4627	0.05	–
b) Banks / FI	–	–	–	–	–	–	–	–	–
c) Central Govt.	–	–	–	–	–	–	–	–	–
d) State Govt.	–	11520	11520	0.13	–	11520	11520	0.13	–
e) Venture Capital Funds	–	–	–	–	–	–	–	–	
f) Insurance Companies	37666	–	37666	0.42	37666	–	37666	0.42	–
g) FIIs	–	–	–	–	–	–	–	–	–
h) Foreign Venture Capital	–	–	–	–	–	–	–	–	–
i) Others (Specify)	–	–	–	–	–	–	–	–	–
Sub-total (B)(1)	**37,666**	**16147**	**53813**	**0.60**	**37666**	**16147**	**53813**	**0.60**	**–**

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 01-04-2016)				No. of Shares held at the end of the year (As at 31-03-2017)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Non-Institutions									
a) Bodies Corporate									
i) Indian	102460	3689	106149	1.18	147376	3689	151065	1.68	0.50
ii) Overseas	–	–	–	–	–	–	–	–	–
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	1078484	543778	1622262	18.01	951034	538512	1489546	16.54	(1.47)
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	575107	12850	587957	6.53	678730	12850	691580	7.68	1.15
c) Others (Specify)									
i) Foreign National	–	–	–	–	–	–	–	–	–
ii) Non-Resident Individual	8492	4,320	12812	0.14	3053	4320	7373	0.08	(0.06)
iii) Clearing Member	14280	–	14280	0.16	3896	–	3896	0.04	(0.12)
Sub-total (B)(2)	**1778823**	**564637**	**2343460**	**26.02**	**1784089**	**559371**	**2343460**	**26.02**	**–**
Total Public Shareholding (B) =(B)(1)+(B)(2)	**1816489**	**580784**	**2397273**	**26.62**	**1821755**	**575518**	**2397273**	**26.62**	**–**
C. Shares held by Custodian for GDRs & ADRs	–	–	–	–	–	–	–	–	–
Grand Total (A+B+C)	**8425201**	**580784**	**9005985**	**100.00**	**8430467**	**575518**	**9005985**	**100.00**	**–**

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 01-04-2016)			Shareholding at the end of the year (As on 31-03-2017)			% of Change in share-holding during the year
		No. of Shares	% of total shares of the Company	% of shares pledged/ encumbered to total shares	No. of Shares	% of total shares of the Company	%of shares Pledged/ encumbered to total shares	
1	Samrat Industrial Resources Limited	2083518	23.13	–	2083518	23.13	–	–
2	Rydak Enterprises & Investment Limited	1806720	20.06	–	1806720	20.06	–	–
3	Eskay Udyog Limited	1170632	13.00	–	1170632	13.00	–	–
4	Adarsh Kanoria	536137	5.95	–	536137	5.95	–	–
5	Shubha Kanoria	449216	4.99	–	449216	4.99	–	–
6	Kushagra Kanoria	292489	3.25	–	292489	3.25	–	–
7	Adarsh Kanoria A/c Varenya Kanoria (Minor)	270000	3.00	–	270000	3.00	–	–
	Total	**6608712**	**73.38**	**–**	**6608712**	**73.38**	**–**	**–**

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 01.04.2016)/ end of the year (31.03.2017)		Cumulative Shareholding during the year (01.04.2016 to 31.03.2017)	
		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 share-holding during the year (01.04.2016 to 31.03.2017)	
		No. of shares at the beginning (01.04.2016)/ end of the year (31.03.2017)	% of total shares of the Company				No. of shares	% of total shares of the Company
1	Santosh Sitaram Goenka	196845	2.19	April 01, 2016				
				August 05, 2016	4379	Transfer	201224	2.23
				November 11, 2016	1700	Transfer	202924	2.25
		202924	2.25	March 31, 2017			202924	2.25
2	Deepa Bagla							
		33,425	0.37	April 01, 2016				
				April 22, 2016	1000	Transfer	34,425	0.38
				April 29, 2016	621	Transfer	35,046	0.39
				May 13, 2016	500	Transfer	35,546	0.39
				June 03, 2016	2573	Transfer	38,119	0.42
				June 10, 2016	850	Transfer	38,969	0.43
				June 17, 2016	2340	Transfer	41,309	0.46
				June 24, 2016	9743	Transfer	51,052	0.57
				June 30, 2016	5274	Transfer	56,326	0.63
				August 12, 2016	26864	Transfer	83,190	0.92
				August 19, 2016	4778	Transfer	87,968	0.98
				August 26, 2016	2681	Transfer	90,469	1.00
				November 11, 2016	2225	Transfer	92,874	1.03
				December 16, 2016	12160	Transfer	105,034	1.17
				December 23, 2016	6594	Transfer	111,628	1.24
				December 30, 2016	10697	Transfer	122,325	1.36
				January 06, 2017	3545	Transfer	125,870	1.40
				February 24, 2017	500	Transfer	126,370	1.40
		1,26,370	1.40	March 31, 2017			126,370	1.40

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 (01.04.2016 to 31.03.2017)	
		No. of shares at the beginning (01.04.2016)/ end of the year (31.03.2017)	% of total shares of the Company				No. of shares	% of total shares of the Company
3	Sunita Santosh Goenka							
		62319	0.69	April 01, 2016				
				April 08, 2016	1000	Transfer	63319	0.70
		63319	0.70	March 31, 2017			63319	0.70
4	Supriya Santosh Goenka							
		46659	0.52	April 01, 2016				
				July 29, 2016	690	Transfer	47349	0.53
		47349	0.53	March 31, 2017			47349	0.53
5	Aryav Securities Pvt. Ltd#	–	–	April 01, 2016				
				June 24, 2016	7326	Transfer	7326	0.08
				June 30, 2016	5311	Transfer	12637	0.14
				July 08, 2016	1727	Transfer	14364	0.16
				July 22, 2016	1858	Transfer	16222	0.18
				July 29, 2016	3657	Transfer	19879	0.22
				August 05, 2016	15908	Transfer	35787	0.40
				September 16, 2016	60	Transfer	35847	0.40
		35847	0.40	March 31, 2017			35847	0.40
6	R N Rubesh							
		34830	0.39	April 01, 2016	Nil Movement during the year	NA		
		34830	0.39	March 31, 2017			34830	0.39
7	Kishor Shah							
		33142	0.37	April 01, 2016	Nil Movement during the year	NA		
		33142	0.37	March 31, 2017			33142	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 (01.04.2016 to 31.03.2017)	
		No. of shares at the beginning (01.04.2016)/ end of the year (31.03.2017)	% of total shares of the Company				No. of shares	% of total shares of the Company
8	Rajendra Prasad Agarwal *	31566	0.35	April 01, 2016	Nil Movement during the year	NA		
		31566	0.35	March 31, 2017			31566	0.35
9	Velji Bhavanji Visaria HUF#	15000	0.17	April 01, 2016				
				October 14, 2016	6000	Transfer	21000	0.23
				October 21, 2016	2000	Transfer	23000	0.26
				October 28, 2016	7000	Transfer	30000	0.33
		30000	0.33	March 31, 2017			30000	0.33
10	AvninderKumar							
		24662	0.27	April 01, 2016				
				April 08, 2016	(1000)	Transfer	23662	(0.27)
				April 22, 2016	(479)	Transfer	23183	(0.26)
				May 13, 2016	(144)	Transfer	23039	(0.26)
				May 27, 2016	1190	Transfer	24229	0.27
				June 17, 2016	(1000)	Transfer	23229	(0.26)
				October 21, 2016	(46)	Transfer	23183	(0.26)
		23183	0.26	March 31, 2017			23183	0.26
11	The New India Assurance Company Limited*	22666	0.25	April 01, 2016	Nil Movement during the year	NA		
		22666	0.25	March 31, 2017			22666	0.25

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 (01.04.2016 to 31.03.2017)	
		No. of shares at the beginning (01.04.2016)/ end of the year (31.03.2017)	% of total shares of the Company				No. of shares	% of total shares of the Company
12	Rajesh Damodar Wadhwani*	21753	0.24	April 01, 2016				
				May 20, 2016	600	Transfer	22353	0.25
		22353	0.25	March 31, 2017			22353	0.25

Not in the top 10 Shareholders as on 1st April, 2016. The same has been reflected above since the Shareholders were among one of the Top 10 Shareholder as on 31st March, 2017

* Ceased to be in the list of Top 10 Shareholders as on 31st March, 2017. The same has been reflected above since the Shareholders were amongst one of the Top 10 Shareholder as on 1st April, 2016.

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 (01.04.2016 to 31.03.2017)	
		No. of shares at the beginning (01.04.2016)/ end of the year (31.03.2017)	% of total shares of the Company				No. of shares	% of total shares of the Company
1	Golam Momen	750	0.01	April 01, 2016	Nil Movement during the year	NA		
		750	0.01	March 31, 2017			750	0.01
2	Mamoona Momen	750	0.01	April 01, 2016	Nil Movement during the year	NA		
		750	0.01	March 31, 2017			750	0.01

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (01-04-2016)				
i) Principal Amount	5,523	–	–	5,523
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	–	–	–
Total (i+ii+iii)	**5,523**	**–**	**–**	**5,523**
Change in Indebtedness during the financial year				
Addition	199	–	–	199
Reduction	(859)	–	–	(859)
Net Change	**(660)**	**–**	**–**	**(660)**
Indebtedness at the end of the financial year (31-03-2017)				
i) Principal Amount	4,863	–	–	4,863
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	–	–	–
Total (i+ii+iii)	**4,863**	**–**	**–**	**4,863**

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 Lakhs)

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	40	24	64
	(b) Value of Perquisites u/s 17(2) of the Income Tax Act, 1961	9	1	10
	(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	–	–	–
	Total (A)	**49**	**25**	**74**
	Ceiling as per the Act	84	42	126

B. Remuneration to other directors (₹ in Lakhs)

Sl. No.	Particulars of Remuneration	Name of Directors							Total Amount
		Golam Momen	Abhijit Datta	Dhirendra Kumar	Samveg A. Lalbhai	Ashutosh Bhagat	Navin Nayar	Shubha Kanoria	
I	**Independent Directors –**								
1	Fee for attending board / committee meetings	1	1	2	–	1	1	–	6
2	Commission	–	–	–	–	–	–	–	–
3	Others, please specify	–	–	–	–	–	–	–	–
	Total (I)	**1**	**1**	**2**	**–**	**1**	**1**	**–**	**6**
II	**Other Non-Executive Directors –**								
1	Fee for attending board / committee meetings	–	–	–	– *	–	–	1	1
2	Commission	–	–	–	–	–	–	–	–
3	Others, please specify	–	–	–	–	–	–	–	–
	Total (II)	–	–	–	–*	–	–	**1**	**1**
	Total (B)=(I+II)	**1**	**1**	**2**	–*	**1**	**1**	**1**	**7**
	Total Managerial Remuneration (A+B)								**81**
	Overall Ceiling as per the Act								126#

* Below rounding off norms of the Company

\# Overall ceiling limit is calculated as per provisions of Companies Act, 2013, however no remuneration apart from sitting fees have been paid to the other Directors .

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

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

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO	Total
1	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	7	19	26
	(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	–	–	–
	Total	**7**	**19**	**26**

* 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)
A.	**COMPANY** Penalty Punishment Compounding	NIL			
B.	**DIRECTORS** Penalty Punishment Compounding				
C.	**OTHER OFFICERS IN DEFAULT** Penalty Punishment Compounding				

ANNEXURE - "D"

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2017

[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, 2017 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, 2017 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 (Issue of Capital and Disclosure Requirements) Regulations, 2009;

(c) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

(d) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(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 Obligations and Disclosure Requirements) Regulation, 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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provision of the Act.

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

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

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

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

H M Choraria & Co.
Practising Company Secretaries

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

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

Place : Kolkata
Date : 10.05.2017

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 - 25.57 : 1 Mr. Kailash Prasad Khandelwal - WTD - 15.61 : 1 Mr. Golam Momen - N.A.* Mr. Dhirendra Kumar - N.A.* Mr. Samveg A. Lalbhai - N.A.* Mr. Abhijit Datta - N.A.* Mr. Navin Nayar - N.A.* Mr. Ashutosh Bhagat - N.A.* Mrs. Shubha Kanoria - N.A.*
(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	**Directors :** Mr. Adarsh Kanoria - MD - 1.92% Mr. Kailash Prasad Khandelwal - WTD - 9.58% Mr. Golam Momen - N.A. Mr. Dhirendra Kumar - N.A. Mr. Samveg A. Lalbhai - N.A. Mr. Abhijit Datta - N.A. Mr. Navin Nayar - N.A. Mr. Ashutosh Bhagat - N.A. Mrs. Shubha Kanoria - N.A. **Key Managerial Personnel :** Mr. Atul Doshi - CFO - 12.21% Mrs. Sunita Shah - CS - 31.30%
(iii)	The percentage increase in the median remuneration of employees in the financial year	About 10.87%
(iv)	The number of permanent employees on the rolls of the Company	1834 employees as on 31.03.2017
(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 31.03.2017, average increase in the remuneration of all employees were 9.77% and 9.70% in Tea & Textile Divisions, respectively against the loss of ₹ 493 lakhs during the year compared to profit of ₹ 187 Lakhs.
(vi)	Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company	Overall increase in the remuneration of KMP is 7.50% against the loss of ₹ 493 Lakhs during the year compared to profit of ₹ 187 Lakhs.
(vii)	Variation in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase/decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer.	The market capitalization as on 31st March 2017 was ₹ 4719.14 Lakhs (₹ 3714.97 lakhs as on 31st March, 2016). Price Earning for the year ended 31st March, 2017 cannot be worked out in view of loss. However, P/E Ratio for the year ended 31st March, 2016 was 19.55 . The market quotation of the shares of the Company as on 31st March, 2017 was ₹ 52.40 (₹ 41.25 as on 31st March, 2016). The market price of the shares were reasonably stable during the year. 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.

ANNEXURE - "E"

PARTICULARS OF EMPLOYEES *(Contd.)*

	Requirements of Rule 5(1)	Details
	(viii) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	Average Salary increase of the employees were 9.77% in the Tea Division and 9.70% in the Textile Division, respectively. Average salary increase of the Managerial personnel were 7.50% as compared to other employees of the Company, which is reasonably comparable and hence need no justification.
(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	Managing Director is entitled to commission subject to maximum of 3% of the profits of the Company and within the permissible limits specified in the Companies Act, 2013. Other components of remuneration are not variable during a particular year. For non-executive directors, only Sitting fees of ₹ 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.
(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	The Managing Director is the highest paid director. No employee received remuneration higher than the Managing Director.
(xii)	Affirmation that the remuneration is as per the remuneration policy of the Company	Remuneration paid during the year ended 31st March, 2017 is as per the Remuneration Policy of the Company

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

Information pursuant to Rule 5 (2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended displaying the names of the top ten employees in terms of remuneration drawn during the year:

Sl. No.	Name of employees	Designation	Remuneration (₹ in Lakhs)
1.	Adarsh Kanoria	Managing Director	53.40
2.	Kailash Prasad Khandelwal	Whole-Time Director	27.69
3.	Radhey Shyam Saraogi	President	26.30
4.	Atul Doshi	Chief Financial Officer	22.34
5.	Ashok Shah	VP-Finance	20.72
6.	Anil Kumar Tiwari	General Manager -Garden	17.13
7.	Rajkumar Basotia	VP - Marketing	15.22
8.	Sharad Kumar Choudhury	VP - Purchase	14.32
9.	Bhavin D.Lakhani	Weaving Manager	13.29
10.	Arunkumar Kar	GM -Spinning	12.51

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, 2017

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) Installation of power saving inverter on 21 nos. LR9AX Autodoffing Ringframes and water spray pumps of Humidification plant..

(b) Installation of LED Tube lights

2. Pollution Control

TEXTILE DIVISION :

(a) The Division has upgraded Aeration System in ETP tank No. 1 and 2 for better air flow in Aeration tank.

(b) Air Pre Heater has been installed on 6 TPH Thermax Boiler to control heavy particle pollutant from boiler outlet.

(c) Maintenance frequency of ESP of 6 TPH boiler has been increased from inside the ESP which ultimately reduces air pollution.

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

(iii)The Capital Investment on energy conservation equipment : ₹ 14.29 Lakhs

B. TECHNOLOGY ABSORPTION :

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

Tea Division:

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

Textile Division:

(a) Installation of 1 Jet Dyeing Machine in Process Department

(b) Installation of 1 no. 400 Kg/hour Jet Dyeing Machine in Process Department replacing old model of 200 Kg/hour Jet Dyeing Machine

(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) Improvement in quality and productivity of dyed fabrics.

(b) The new Jet Dyeing Machine will help in increasing productivity and quality of dyed fabrics.

(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) - Not Applicable

(iv) The expenditure incurred on Research & Development : ₹ 42.77 Lakhs

C. FOREIGN EXCHANGE EARNINGS AND OUTGO :

During the year 2016-17, the Company had contributed about ₹ 1520 lacs (net of outgo) to the exchequer in the form of valuable foreign exchange money.

i) Foreign Exchange Earnings : ₹ 1636 Lakhs

ii) Foreign Exchange Outgo : ₹ 116 Lakhs

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** and **http://bengaltea.com/pdf/CSR%20Policy.pdf**.
2. The Composition of the CSR Committee : Mr. Adarsh Kanoria, Managing Director (DIN : 00027290)
   Mr. Dhirendra Kumar (DIN : 00153773)
   Mr. Golam Momen (DIN : 00402662)
3. Average net profit of the Company for last three financial years : ₹ 877 Lakhs
4. Prescribed CSR Expenditure (two per cent of the amount as in Item 3 above) : ₹ 17.60 Lakhs
5. Details of CSR spent during the financial year
   (a) Total amount to be spent for the financial year : ₹ 17.60 Lakhs
   (b) Amount unspent, if any : ₹ 4.00 Lakhs
   (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.	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	₹ 13.63 Lakhs	An amount of ₹ 8.63 Lakhs by way of contribution to **"Vivekananda Mission Asram"**, having its office at Viveknagar, P.O. Chaitnyapur (Haldia) Distt. Purba Medinipur, West Bengal, Pincode -721 645 who are setting up Toilet block for boys and girls at VMA Extn. Campus	₹ 13.63 Lakhs (including ₹ 5 Lakhs spent in the F.Y. 2015-16)	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.

ANNEXURE - "G"

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
2.	Installation of Fire & Life safety arrangements in the Vidyalaya Bhawan and development of Pond and proper fencing for life safety of children of the School 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	₹ 9 Lakhs	An amount of ₹ 5 Lakhs by way of contribution to **"Vivekananda Mission Asram"**, having its office at Viveknagar, P.O. Chaitnyapur (Haldia) Distt. Purba Medinipur, West Bengal, Pincode -721 645	₹ 5 Lakhs	Amount being 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			₹ 22.63 Lakhs	₹ 13.63 Lakhs	₹ 18.63 Lakhs	

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 : Balance amount of ₹ 4 Lakhs remained unspent as on 31st March, 2017, out of the prescribed CSR Expenditure calculated as two per cent of the average net profit of the last three financial years amounting to ₹ 17.60 lakhs as the project for Installation of Fire & Life safety arrangements in the Vidyalaya Bhawan and development of Pond and proper fencing for life safety of children of the School at VMA Extn. Campus at Village- Chandi, District of 24 Pgs. (S) by **"Vivekananda Mission Asram"**, (VMA) was under implementation. However, the Company had subsequently spent ₹ 4 lakhs for the aforesaid project.

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, 2017, 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 RESPONSIBILTY 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, 2017 and its loss 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, 2017 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of 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.

(iv) The Company has duly provided requisite disclosures in its financial statements as to holdings as well as dealing in specified bank notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the Company.

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

P-21/22, Radha Bazar Street
Kolkata 700 001
Dated : 12th day of May, 2017

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.

   c) No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.

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

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, 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, 2017 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 ₹ (lakhs)	Forum where dispute is pending
1	Employees State Insurance	E.S.I. Contribution	2004-2005 2010-2011	1.86 1.04	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
4	The Central Sales Tax Act, 1956	CST	2013-14	0.01	Revision Petition

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 : 12th day of May, 2017

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 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal 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 2017, 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.

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 : 12th day of May, 2017

BALANCE SHEET as at 31st March, 2017

(Amount in ₹ Lakhs)

	Notes	As at 31st March, 2017		As at 31st March, 2016	
EQUITY AND LIABILITIES					
Shareholders' Funds					
Share Capital	1	**901**		901	
Reserves & Surplus	2	**9419**	**10320**	9921	10822
Non-Current Liabilities					
Long Term Borrowings	3	**1832**		2687	
Deferred Tax Liabilities (Net)	4	**235**		518	
Other Long Term Liabilities	5	**6**		7	
Long Term Provisions	6	**118**	**2191**	91	3,303
Current Liabilities					
Short Term Borrowings	7	**2176**		1977	
Trade Payables	8				
- Payable to Micro & Small Enterprises		**5**		–	
- Other Payables		**1615**		1741	
Other Current Liabilities	9	**1526**		1376	
Short Term Provisions	10	**109**	**5431**	162	5256
TOTAL			**17942**		19381
ASSETS					
Non-Current Assets					
Fixed Assets					
Property, Plant and Equipments	11	**9719**		10892	
Intangible Assets	12	**10**		8	
		9729		10900	
Capital Work-in-Progress		**75**		10	
In-tangible Assets under development		**4**	**9808**	–	10910
Long Term Loans and Advances	13		**812**		827
Other Non-Current Assets	14		**6**		23
Total Non-Current Assets			**10626**		11760
Current Assets					
Current Investments	15	**939**		685	
Inventories	16	**4089**		4516	
Trade Receivables	17	**920**		965	
Cash and Bank Balances	18	**258**		61	
Short Term Loans and Advances	19	**933**		1070	
Other Current Assets	20	**177**	**7316**	324	7621
TOTAL			**17942**		19381

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 & CO.
Chartered Accountants
Firm Registration No.302023E
CA M. K. JAIN
Partner
(Membership No. 055048)
P-21/22, Radhabazar Street
Kolkata 700 001
Dated : 12th day of May, 2017

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

STATEMENT OF PROFIT & LOSS for the year ended 31st March, 2017

(Amount in ₹ Lakhs)

	Notes	For the year ended 31st March, 2017		For the year ended 31st March, 2016	
INCOME					
Revenue from Operations	21	**21501**		22340	
Less: Excise Duty		**4**	**21497**	9	22331
Other Income	22		**157**		150
TOTAL REVENUE			**21654**		22481
EXPENSES					
Cost of Material Consumed	23		**11465**		10753
Purchase of Stock-in-Trade	24		**40**		25
Changes in inventories of Finished goods, Work-in-progress and Stock-in-Trade	25		**40**		157
Employee Benefits Expense	26		**3167**		3272
Finance Costs	27		**548**		617
Depreciation and Amortization Expenses	28		**1195**		1228
Other Expenses	29		**5955**		6180
TOTAL EXPENSES			**22410**		22232
(Loss)/Profit before exceptional item and Tax			**(756)**		249
Less : Exceptional item {Refer Note No. 30(P)}			**–**		(11)
(Loss)/Profit before Tax			**(756)**		238
Tax Expense					
Current Tax		**–**		81	
Less : MAT Credit Entitlement		**–**	**–**	–	81
Less : Short Provision of Taxation for earlier year			**20**		6
Deferred Tax Provision/(Written Back)			**(283)**		(36)
(Loss)/Profit for the year after Tax			**(493)**		187
Earnings per Equity Share (Basic & Diluted) (in ₹)			**(5.47)**		2.08
Nominal Value ₹ 10/- per share (Previous Year ₹ 10/-)	30(K)				
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 & CO.
Chartered Accountants
Firm Registration No.302023E
CA M. K. JAIN
Partner
(Membership No. 055048)
P-21/22, Radhabazar Street
Kolkata 700 001
Dated : 12th day of May, 2017

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

CASH FLOW STATEMENT for the year ended 31st March, 2017

(Amount in ₹ Lakhs)

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net (Loss) / Profit Before Tax & after Exceptional Items	**(756)**	238
Finance Cost	**548**	617
Depreciation	**1195**	1228
Interest Received	**(10)**	(7)
Rent Received	**(1)**	(1)
(Loss) /(Profit) on Property, Plant and Equipment sold/discarded (Net)	**4**	(81)
Net Loss/(Gain) on sale of Investments	**(9)**	(25)
Operating Profit/(Loss) before Working Capital Changes	**971**	1969
ADJUSTMENT FOR :		
Decrease in Trade Receivables	**45**	117
Decrease/(Increase) in other Current /Non-Current Assets	**264**	(152)
Decrease/(Increase) in Inventories	**427**	(177)
(Decrease)/Increase in Trade Payables	**(121)**	415
Increase/(Decrease) in Other Current/Non-Current Liabilities	**177**	(215)
Cash Generated from Operations	**1763**	1957
Income Tax received / (Paid) (Net)	**7**	(81)
Net Cash Flow from Operating Activities	**1770**	1876
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment	**(220)**	(371)
Sale of Property, Plant and Equipment (including subsidy received)	**115**	225
Purchase of Investments	**(495)**	(600)
Sale of Investments	**250**	450
Interest Received	**10**	7
Rent Received	**1**	1
Net Cash used in Investing Activities	**(339)**	(288)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase / (Decrease) in Short Term Borrowings from Banks	**199**	(147)
Decrease in Long Term Borrowings	**(855)**	(831)
Finance Cost	**(548)**	(617)
Dividend Paid	**(45)**	(45)
Dividend Distribution Tax paid	**(9)**	(9)
Net Cash used in Financing Activities	**(1258)**	(1649)
Net Increase / (Decrease) in Cash and Cash Equivalents	**173**	(61)
Cash and Cash Equivalents at the beginning of the year	**40**	101
Cash and Cash Equivalents at the end of the year	**213**	40

Notes:

1. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard (AS) 3 - on Cash Flow Statement referred to in the Companies (Accounts) Rules, 2014.
2. Cash flow from operating activities for the year ended March 31, 2017 is after considering CSR expenditure of ₹ 14 Lakhs (Previous year ₹ 21 Lakhs). [Ref. Note no. 30(Q)]
3. Cash and Cash Equivalents includes other bank balances also.
4. Previous Year's figures have been re-grouped/re-arranged wherever necesssary.

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 : 12th day of May, 2017

A. KANORIA *Managing Director*
(DIN : 00027290)
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A. DOSHI *Chief Financial Officer*
S. SHAH *Company Secretary*

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Amount in ₹ Lakhs)

NOTE NO. "1" SHARE CAPITAL	As at 31st March, 2017	As at 31st March, 2016
a) Details of Authorised, Issued, Subscribed and 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
	2000	2000
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		
	901	901

b) Reconciliation of Paid up Share Capital

Equity Share Capital	2016-2017 No. of shares	2016-2017 Amount	2015-2016 No. of shares	2015-2016 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	**90,05,985**	**901**	90,05,985	901

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

	As at 31.03.2017		As at 31.03.2016	
Name of the Shareholders	**No. of Shares held**	**%**	No. of Shares held	%
M/s Samrat Industrial Resources Limited	**20,83,518**	**23.13**	20,83,518	23.13
M/s Rydak Enterprises & Investment Limited	**18,06,720**	**20.06**	18,06,720	20.06
M/s Eskay Udyog Limited	**11,70,632**	**13.00**	11,70,632	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 does not recommend any dividend for the year in view of the losses incurred by the Company during the year.

NOTE NO. "2" RESERVES AND SURPLUS	As at 31st March, 2017		As at 31st March, 2016	
Securities Premium Reserve		**301**		301
Revaluation Reserve				
Opening Balance	**4348**		7896	
(Less): Due to Revaluation of Land - {Refer Note no. 11(a)}	**—**		(3,544)	
(Less): Adjustment for depreciation on revalued assets	**(9)**		(3)	
(Less): Adjustment on sale of assets	**—**	**4,339**	(1)	4,348
General Reserve				
Opening Balance	**2927**		2826	
Transferred From surplus in Statement of Profit & Loss	**—**		100	
Transferred From Revaluation Reserve	**—**	**2927**	1	2927
Carried Forward		**7567**		7576

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

(Amount in ₹ Lakhs)

NOTE NO. "2" RESERVES AND SURPLUS *(Contd.)*		As at 31st March, 2017		As at 31st March, 2016
Brought Forward		**7567**		7576
Surplus in Statement of Profit & Loss				
Opening Balance	**2345**		2312	
(Loss) / Profit for the year after Tax	**(493)**		187	
Transfer to General Reserve	**—**		(100)	
Proposed Dividend	**—**		(45)	
Tax on Proposed Dividend	**—**	**1852**	(9)	2,345
		9419		9,921

NOTE NO. "3"
LONG TERM BORROWINGS
Secured

Term Loans :		
From Banks	**1832**	2687
(excluding payable within one year)		
	1832	2687

Nature of Security

Term Loans from Banks are secured by:

i) First charge over all immovable properties both present and future ranking pari passu inter se and hypothecation of all movable properties both present and future (save and except book debts) including movable machinery, machinery spares, tools and accessories of the textile division subject to prior charge created and/or to be created in favour of Company's bankers for working capital facilities;

ii) Additionally secured by the Company's Bungalow situated at Asarwa House, Dr. Balwantrai Mehta Marg, Shahibaug, Ahmedabad;

iii) Loans are guaranteed by the Managing Director.

b) Terms of Repayment

Particulars	Amount (₹ in lakhs)	Moratorium Period	Terms of Repayment	Rate of Interest (%)*	Commence-ment Date
Secured Term Loans :					
IDBI Rupee Term Loan	690	2 Years	32 quarterly installments of varying amount	12.50	23.03.2013
IDBI Rupee Term Loan	1150	2 Years	20 quarterly installments of varying amount	12.50	14.03.2014
SBI Rupee Term Loan	847	6 Months	24 quarterly installments of varying amount	12.50	31.03.2015

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

NOTE NO. "4"	As at 31st March, 2017	As at 31st March, 2016
DEFERRED TAX LIABILITIES (NET) *		
Deferred Tax Liabilities being the Tax impact on -		
(i) Difference of Written Down Value of Property, Plant & Equipment as per Income Tax Laws & Books	**630**	760
	630	760

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

(Amount in ₹ Lakhs)

NOTE NO. "4" *(Contd.)*	As at 31st March, 2017	As at 31st March, 2016
DEFERRED TAX LIABILITIES (NET) *		
Deferred Tax Assets being the Tax impact on -		
(i) Unabsorbed Depreciation/Losses Carried Forward as per Income Tax Laws	**329**	179
(ii) Expenses charged in books but allowance thereof deferred under Income Tax Laws	**66**	63
	395	242
Net Deferred Tax Liability	**235**	518

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

NOTE NO. "5"		
OTHER LONG TERM LIABILITIES		
Other Payables		
Security Deposits	**6**	7
	6	7
NOTE NO. "6"		
LONG TERM PROVISIONS		
Provision for Employee Benefits		
For Gratuity	**14**	–
For Leave Encashment	**104**	91
	118	91
NOTE NO. "7"		
SHORT TERM BORROWINGS		
Secured		
Loans repayable on demand		
From Banks	**2176**	1977
	2176	1977

Nature of Security

(A) Out of Loans repayable on demand of ₹ 2176 Lakhs, (Previous year ₹ 1977 Lakhs) amount of ₹ 1569 Lakhs (Previous Year ₹ 1413 Lakhs) from Banks are secured by

(i) Pari-passu first charge over entire current assets and pari-passu second charge over entire movable fixed assets and whole of the immovable properties situated at Asarwa Mills.

(ii) Additionally secured by Company's Bungalow situated at Asarwa House, Dr Balwantrai Mehta Marg, Shahibaug, Ahmedabad.

(B) Balance amount of Loans repayable on demand of ₹ 607 Lakh (Previous Year ₹ 564 Lakh) 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.

NOTE NO. "8"				
TRADE PAYABLES				
i) Due to Micro Enterprises and Small Enterprises *	**5**		–	
ii) Others	**1615**	**1620**	1741	1741
		1620		1741

* 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 ₹ Lakhs)

NOTE NO. "9"	As at 31st March, 2017		As at 31st March, 2016	
OTHER CURRENT LIABILITIES				
(i) Current maturities of Long Term Debt - Secured *		**855**		859
(ii) Unpaid Dividend Account**		**22**		21
(iii) **Other Payables**				
(a) Statutory Dues	**43**		48	
(b) Payable in respect of Capital Goods	**–**		19	
(c) Advance from Customers	**207**		6	
(d) Payable to Employees	**327**		354	
(e) Others	**72**	**649**	69	496
		1526		1376

* 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"				
SHORT TERM PROVISIONS				
(i) Provision for Employee Benefits		**109**		108
(ii) **Other Provisions**				
For Proposed Dividend		**–**		45
For Tax on Proposed Dividend		**–**		9
		109		162

NOTE NO. "11"

PROPERTY, PLANT & EQUIPMENTS (Amount in ₹ Lakhs)

PARTICULARS	GROSS BLOCK					DEPRECIATION					NET BLOCK	
	As at 01.04.2016	Additions	Adjustments (Note-a)	Disposals (Note-b)	**As at 31.03.2017**	Upto 01.04.2016	For the Year	Adjustments	Sales/ Adjustments	**Upto 31.03.2017**	**As at 31.03.2017**	As at 31.03.2016
Own Assets												
Land Freehold	2362	–	–	–	**2362**	–	–	–	–	**–**	**2362**	2362
Bearer Plants - (Plantations) {Refer Note -30A(c)(i)}	428	–	–	–	**428**	–	9	–	–	**9**	**419**	428
Building & Water Supply Installations	3595	19	–	–	**3614**	917	104	–	–	**1021**	**2593**	2678
Plant & Equipment	12364	114	–	419	**12059**	7243	1026	–	302	**7967**	**4092**	5121
Furniture & Fixtures	334	5	–	–	**339**	210	26	–	–	**236**	**103**	124
Vehicles	325	10	–	12	**323**	150	37	–*	11	**176**	**147**	175
Office Equipments	17	–*	–	–	**17**	13	1	–	–	**14**	**3**	4
Total	19425	148	–	431	**19142**	8533	1203	–	313	**9423**	**9719**	10892
Previous Year	23674	360	(3544)	1065	**19425**	8222	1232	–	921	**8533**	**10892**	

a) Land at Kolkata was revalued on 31st March, 2015 on account of development project, by an independent valuer for a sum of ₹ 5904 lakhs considering the prevailing average market rates. Subsequently, since the development project having been abandoned the revaluation reserve has been written back for a sum of ₹ 3544 lakh based on prevailing circle rates during the previous year

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

* Below rounding off norms adopted by the Company.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

NOTE NO. "12" *(Amount in ₹ Lakhs)*

INTANGIBLE ASSETS

PARTICULARS	GROSS BLOCK					DEPRECIATION					NET BLOCK	
	As at 01.04.2016	Additions	Other Adjustments	Disposals	**As at 31.03.2017**	Upto 01.04.2016	For the Year	Other Adjustments	Sales/ Adjustments	**Upto 31.03.2017**	**As at 31.03.2017**	As at 31.03.2016
Own Assets												
Computer Software	20	3	–	–	**23**	12	1	–	–	**13**	**10**	8
	20	3	–	–	**23**	12	1	–	–	**13**	**10**	8
Previous Year	19	1	–	–	**20**	12	–*	–		**12**	**8**	

* Below rounding off norms adopted by the Company

NOTE NO. "13"	**As at 31st March, 2017**		As at 31st March, 2016	
LONG TERM LOANS AND ADVANCES				
(Unsecured, considered good unless otherwise stated)				
Capital Advances	**–**		2	
Security Deposits	**33**		32	
CENVAT Credit realizable from Excise Dept.	**21**		21	
MAT Credit Entitlement	**758**	**812**	772	827
		812		827

NOTE NO. "14"				
OTHER NON-CURRENT ASSETS				
Prepaid Expenses		**3**		–
In Fixed Deposit held as Margin Money -				
Under lien with Bank against Bank Gurantee	**–**		23	
Lodged with Court for ESI Case	**3**	**3**	–	23
		6		23

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, 2017 Units**	**Amount**	As at 31st March, 2016 Units	Amount
Reliance Money Manager Fund - Direct Growth Plan- -Growth Option-LPAG	1000/-	**28783.777**	**627**	20676.080	423
HDFC High Interest Fund-Dynamic Plan-Growth	10/-	**248018.048**	**100**	248018.048	100
Reliance Liquid Fund -Treasury Plan- Direct - Growth Option -LFAG	1000/-	**4926.969**	**162**	4926.969	162
SBI Premier Liquid Fund -Regular Plan -Growth	1000/-	**2544.988**	**50**	–	–
Total Current Investments - Unquoted			**939**		685
Aggregate amount of unquoted investments			**939**		685

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

(Amount in ₹ Lakhs)

NOTE NO. "16" INVENTORIES	As at 31st March, 2017		As at 31st March, 2016	
Raw Materials				
Cotton	**479**		911	
Polyester Fibre	**—**		—	
Blended Yarn	**5**		7	
Filament Yarn	**3**		1	
Cotton Yarn	**73**		38	
Raw Material in Transit	**22**	**582**	—	957
Stores & Spares		**438**		512
Stores in Transit		**—**		9
Work in Progress				
Cloth	**373**		364	
Yarn	**345**		311	
Others	**—**	**718**	28	703
Manufactured Goods				
Cloth	**107**		52	
Yarn	**97**		70	
Black Tea	**165**	**369**	290	412
Stock in Trade				
Black Tea		**—***		—*
Land		**1969**		1898
Waste		**13**		25
		4089		4516

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	**18**		28	
Considered Doubtful	**—**		—	
Less: Provision made for Doubtful Debts	**—**	**18**	—	28
Others - Considered Good		**902**		937
		920		965

NOTE NO. "18" CASH & BANK BALANCES				
Cash and Cash Equivalents				
Cash and Postage in hand	**19**		9	
Balances with Banks				
In Current Accounts	**194**	**213**	31	40
Other bank balances				
In Fixed Deposit held as Margin Money				
Under lien with Bank against Bank Gurantee		**23**		—
In Unpaid Dividend Account		**22**		21
		258		61

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

(Amount in ₹ Lakhs)

	As at 31st March, 2017		As at 31st March, 2016	
NOTE NO. "19"				
SHORT TERM LOANS & ADVANCES				
(Unsecured, considered Good, unless otherwise stated)				
Advance with Income Tax Authorities (Net of Provision)		**44**		58
Deposits with NABARD under Tea Development Scheme		**41**		46
Prepaid Expenses		**30**		46
Advances recoverable in Cash or in Kind or for value to be received				
- From Employees (Considered Good)	**2**		13	
- From Others (Considered Good)	**816**		907	
Less : Provision made for Doubtful Advances	**—**	**818**	—	920
		933		1070

NOTE NO. "20"		
OTHER CURRENT ASSETS		
(i) Interest Accrued but not due	**6**	8
(ii) Export Incentives Receivables	**9**	17
(iii) Subsidy Receivable	**157**	234
(iv) Lodged with Court for ESI Case	**—**	2
(v) Insurance Claim Receivable	**—**	63
(vi) Amount in Gratuity Fund	**5**	—
	177	324

NOTE NO. "21"	Figures for the Current Year		Figures for the Previous Year	
REVENUE FROM OPERATIONS				
Sale of Products				
Manufactured Goods				
Black Tea	**4348**		4561	
Cloth	**6664**		6761	
Yarn	**7018**		7459	
Knitted Fabric	**1450**	**19480**	1486	20267
Traded Goods				
Black Tea		**69**		45
Waste		**1051**		1104
Revenue from Sale of Products		**20600**		21416
Other Operating Revenues :				
Job Work Charges	**843**		863	
Export Incentives	**52**		56	
Profit on Tea Seed (Net)	**6**	**901**	5	924
Total Revenue from Operations		**21501**		22340

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

(Amount in ₹ Lakhs)

NOTE NO. "22"	Figures for the Current Year		Figures for the Previous Year	
OTHER INCOME				
Interest				
On Current Investments		10		7
Net Gain on Sale of Investments				
On Current Investments		9		25
Other Non-operating Income				
Rent	1		1	
Value Added Tax Refund	22		22	
Insurance Claim	1		3	
Sundry Balances Written Back (Net)	2		2	
Sale of Scrap	58		67	
Others	54	138	23	118
		157		150

NOTE NO. "23"				
COST OF MATERIALS CONSUMED				
Cotton, Polyester, Filament Yarn and Staple Fibre				
Stock at Commencement	957		906	
Purchases	10106		9832	
	11063		10738	
Less : Stock at Close	581	10482	957	9781
Purchase of Green Tea Leaves		983		972
		11465		10753
a) Raw Material Consumed				
Cotton		8068		8358
Polyester Fibre		—		275
Staple Fibre, Polyester, Filament Yarn etc.		1509		966
Blended Yarn		772		134
Cloth		120		32
Others		13		16
Purchase of Green Tea Leaves		983		972
		11465		10753

b) Value of imported and indigenous materials consumed

	RAW MATERIALS				SPARE PARTS & COMPONENTS			
	31.03.2017		31.03.2016		31.03.2017		31.03.2016	
	₹	%	₹	%	₹	%	₹	%
Imported	—	—	—	—	69	5	64	19
Indigenous	11465	100	10753	100	1260	95	268	81
	11,465	100	10,753	100	1,329	100	332	100

NOTE NO. "24"	Figures for the Current Year	Figures for the Previous Year
PURCHASE OF STOCK-IN-TRADE		
Black Tea	40	25
	40	25

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

(Amount in ₹ Lakhs)

	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	**107**		52	
Yarn	**97**		70	
Black Tea	**165**	**369**	290	412
Work-in-Progress				
Cloth	**373**		392	
Yarn	**345**	**718**	311	703
Stock-in-Trade				
Black Tea		**—***		—*
Waste		**13**		25
		1100		1140
Stock at the Beginning 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
Decrease in Stocks		**40**		157

* Below rounding off norms adopted by the Company

NOTE NO. "26"		
EMPLOYEE BENEFITS EXPENSE		
Salaries and Wages	**2627**	2747
Contribution to Provident and Other Funds	**337**	362
Staff Welfare Expenses	**203**	163
	3167	3272
NOTE NO. "27"		
FINANCE COSTS		
Interest Expense	**494**	579
Other Borrowing Costs	**54**	38
	548	617
NOTE NO. "28"		
DEPRECIATION AND AMORTIZATION EXPENSES		
Depreciation on Tangible Assets	**1203**	1232
Amortization of Intangible Assets	**1**	—*
Less : Depreciation for earlier years Written Back	**—**	(1)
Less : Transferred to Revaluation Reserve	(9)	(3)
	1195	1228

* Below rounding off norms adopted by the Company

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

(Amount in ₹ Lakhs)

NOTE NO. "29"		Figures for the Current Year		Figures for the Previous Year
OTHER EXPENSES				
Consumption of Stores & Spares		**1516**		1547
Processing Charges		**78**		108
Power & Fuel		**2555**		2789
Rent		**5**		4
Repairs to Building		**47**		57
Repairs to Machinery		**380**		367
Repairs to other Assets		**12**		15
Insurance Charges		**39**		26
Loss/ (Profit) on Sale of Property, Plant and Equipment (Net)		**4**		(81)
Rates & Taxes		**79**		74
Audit Fees				
a) Statutory & Branch Auditors : {including ₹ 3 Lakhs (Previous Year ₹ 3 Lakhs) to Branch Auditors}				
- For Audit Fees	**4**		3	
- For Taxation matters including fees	**1**		1	
- For Others (including reimbursement of expenses)	**1**	**6**	2	6
b) Cost Auditors :				
- Cost Audit Fees		**1**		1
Brokerage, Commission & Discount		**323**		317
Selling & Distribution Expenses		**219**		227
Donation		**—**		26
CSR Expenditures		**14**		21
Net Loss/ (Gain) on Foreign Currency Transactions		**3**		(1)
Miscellaneous Expenses		**674**		677
		5955		6180

NOTE NO. "30"

SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES TO FINANCIAL STATEMENTS

(A) SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Preparation

i) The financial statements have been prepared to comply in all materials respects with the Accounting Standards (as amended) 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

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

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

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

c) Property, Plant and Equipment

(i) Bearer Plants or Plantation :

Cost of Plantations being Bearer Plants are valued on historical cost basis based on the cost incurred for new extension beginning from uprooting, planting, rejuvenation and maintenance etc till the time it started bearing Green Tea leaves. Till that time all cost incurred on plantation is shown under Capital Work in-progress in terms of Accounting standard (AS) -10 (Revised) for "Property, Plant and Equipment".

In case of Replantation, expenditure on uprooting and replanting of tea bushes, under Accounting Standard (AS) -10 (Revised) qualifies for capitalisation and has therefore been recognised as Capital Work-in-Progress or capitalised as "Bearer Plants" as the case may be.

(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 view of the Accounting Standard (AS) -10 (revised), life of the Bearer Plants is estimated to be 80 years. Accordingly depreciation is charged in the books including depreciation on replanted Bearer Plants from the date of capitalization over the remaining useful life.

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

(iv) Intangible

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

DEPRECIATION :

(b) Capitalised software costs is amortised on straight line basis over a period of five years as per Accounting Standard (AS) -26 as specified 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.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

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

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

f) Investments

Non-current investments are stated at cost and where applicable, provision is made in case of permanent dimunition 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, except in case of Green Tea Leaves in Tea Division which is valued at fair value being average price of green tea leaves purchased during the year.

ii) Stores, Coal, etc. are valued at cost. Costs of stores is arrived at on F.I.F.O. basis in Textile Division except coal which is valued on monthly average basis. At Tea Division, all stores are valued on monthly average basis.

iii) Materials-in-Process is valued at cost on absorption basis or net realisable value, whichever is lower.

iv) Yarn is valued at cost on absorption basis or net realisable value whichever is lower including excise duty.

v) Cloth is valued at cost on absorption basis or net realisable value whichever is lower including excise duty.

vi) Finished Tea is valued at net realisable value.

vii) Waste is valued at estimated realisable value.

viii) Materials-in-Transit is valued at cost to date of the Balance Sheet.

ix) Land planned for development is converted into Stock-in-Trade at Fair Market Value (Cost) as at the date of conversion 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.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

NOTE NO. "30" ***(Contd.)*** *(Amount in ₹ Lakhs)*

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

iii) **Other Defined Benefits :**

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

k) Provisions, Contingent Liabilities and Contingent Assets

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

l) Taxes on Income

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

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

OTHER NOTES TO THE FINANCIAL STATEMENTS

	Figures for the Current Year	Figures for the Previous Year
(B) Contingent Liabilities to the extent not provided for :		
(a) Claims against the Company not acknowledged as debts	**83#**	76#
(b) Bills Discounted	**—**	179
(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 *	**16**	—*

Pending clarification from Ministry of Finance regarding applicability of service tax on transporation of Tea, being "Agricultural Produce", ₹ 9 Lakh (Previous Year ₹ 4 Lakh)

In view of stay granted by Honourable High Court of Gujarat on April 5, 2016 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 Lakhs related to year 2014-15.

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.

* Below rounding off norms adopted by the Company.

(C) Capital and Other Commitments		
Capital Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	**6**	6
	6	6
(D) Value of Imports on C.I.F. Basis		
Spare Parts	**39**	76
	39	76

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

NOTE NO. "30" ***(Contd.)*** *(Amount in ₹ Lakhs)*

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

	Figures for the Current Year	Figures for the Previous Year
(E) Expenditure in Foreign Currency		
Travelling Expenses	**49**	41
Bank Charges	**5**	5
Commission on Sales	**20**	22
Others	**3**	3
	77	71
(F) Earnings in Foreign Currency		
F.O.B. Value of Exports		
Direct	**1636**	1796
	1636	1796

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

a. **Defined Contribution Plans :**

Amount of ₹ 282 Lakhs (Previous Year ₹ 288 Lakhs) 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	
	2016-2017	2015-2016
a. Present Value of Defined Benefit Obligation at the beginning of the year	**1234**	1169
b. Interest Cost	**97**	92
c. Current Service Cost	**63**	59
d. Actuarial (Gains)/Losses	**75**	64
e. Benefits Paid	**(113)**	(150)
f. Present Value of Defined Benefit Obligation at the close of the year	**1356**	1234

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

	Gratuity	
	2016-2017	2015-2016
a. Fair value of Plan Assets at the beginning of the year	**1175**	1081
b Add : Expected return on Plan Assets	**90**	83
c. (Less)/Add : Actuarial (Losses) / Gain	**37**	11
d. Add : Contributions	**92**	150
e. Less : Benefits Paid	**(113)**	(150)
f. Fair value of Plan Assets at the close of the year	**1281**	1175
Actual Return on Plan Assets	**127**	94

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	
	2016-2017	2015-2016
a. Present Value of Defined Benefit Obligation	**1356**	1234
b. Less: Fair value of Plan Assets	**1281**	1175
c. Present Value of unfunded Obligation	**75**	59
d. Net Liabilities / (Asset) recognised in the Balance Sheet	**75**	59

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

NOTE NO. "30"*(Contd.)* *(Amount in ₹ Lakhs)*

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

	Gratuity	
	2016-2017	2015-2016
a. Current Service Cost	**63**	59
b. Interest Cost	**97**	92
c. Expected return on Plan Assets	**(90)**	(83)
d. Actuarial (Gains)/Loss	**38**	53
e. Past Service Costs	**–**	–
f. Effect of curtailment / settlement	**–**	–
g. Adjustments for earlier years	**–**	–
Recognised in the Statement of Profit and Loss	**108**	121

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

	Gratuity			
	31.03.2017		31.03.2016	
	Tea	**Textile**	Tea	Textile
a. Government of India/ State Government Securities	**N. A.**	**32.00%**	N. A.	34.00%
b. Public Sector Bonds	**N. A.**	**68.00%**	N. A.	65.00%
c. Fixed Deposit under Special Deposit Scheme	**N. A.**	**N. A.**	N. A.	1.00%
d. Insurer Managed Fund	**100.00%**	**N. A.**	100.00%	N. A.
	100.00%	**100.00%**	100.00%	100.00%

vi. Actuarial Assumptions as on the Balance Sheet date :

	Gratuity			
	31.03.2017		31.03.2016	
	Tea	**Textile**	Tea	Textile
a. Discount Rate	**7.34%**	**7.20%**	8.07%	7.70%
b. Expected rate of return on Plan Assets*	**7.34%**	**7.70%**	8.07%	7.80%
c. Salary Escalation rate – Management and Non-Management Staff	**7.00%**	**4.20%**	7.00%	4.20%

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

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

	Gratuity				
	2016-17	2015-16	2014-15	2013-14	2012-13
a. Present value of Defined Benefit obligation	**1356**	1234	1169	1052	945
b. Less : Fair value of Plan Assets	**1281**	1175	1081	1062	971
c. Surplus / (Deficit) in the plan	**75**	59	88	10	26
d. Experience Adjustments on plan liabilities losses/(gains)	**7**	83	44	(113)	24
e. Experience Adjustments on plan asset losses/ (gains)	**36**	5	4	(4)	5

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 ₹ 39 Lakhs (Previous Year ₹ 45 Lakhs).

d) Short term payment of Leave Encashment amounting to ₹ Nil Lakhs (Previous year ₹ Nil Lakhs) is charged to Employee Benefits Expense.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

NOTE NO. "30" ***(Contd.)*** *(Amount in ₹ Lakhs)*

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, 2017

(A) Information about Primary (Business) Segment	Tea		Textile		Real Estate		Total	
	2016-17	2015-16	**2016-17**	2015-16	**2016-17**	2015-16	**2016-17**	2015-16
SEGMENT REVENUE								
External Sales & Other Income	4490	4672	17168	17818	–	–	21658	22490
Less: Excise Duty	–	–	(4)	(9)	–	–	(4)	(9)
Sales (Net of Excise Duty) and Other Income	4490	4672	17164	17809	–	–	21654	22481
Total Revenue	4490	4672	17164	17809	–	–	21654	22481
SEGMENT RESULT								
Segment Result	589	1143	(816)	(320)	–	–	(227)	823
Unallocated Corporate Income								
a) Net Gain/(Loss) on Sale of Investments							9	25
b) Interest Income							10	7
Unallocated Corporate Expenses								
a) Loss on sale of Investments							–	–
b) Finance Cost							(548)	(617)
c) Income Taxes							263	(51)
Net Profit							(493)	187
OTHER INFORMATION								
Segment Assets	4986	4884	9159	11027	1970	1898	16115	17809
Unallocated Corporate Assets							1827	1572
Total Assets							17942	19381
Segment Liabilities	1259	1144	4531	4674	–	–	5790	5818
Unallocated Corporate Liabilities							–	54
Total Liabilities							5790	5872
Capital Expenditure	161	148	59	223	–	–	220	371
Depreciation & Amortisation	109	103	1095	1129	–	–	1204	1232
Non-cash Expenses other than depreciation*	–	–	4	–	–	–	4	–

(B) Information about Secondary (Geographical) Segment	India		Outside India		Total	
	2016-17	2015-16	**2016-17**	2015-16	**2016-17**	2015-16
Segment Revenue	**20018**	20685	**1636**	1796	**21654**	22481
Segment Assets	**17942**	19186	**–**	195	**17942**	19381
Capital Expenditure	**220**	371	**–**	–	**220**	371

Notes :

i) 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.

ii) The segment revenue, results, assets & liabilities include respective amounts identifiable to each of the segment and amounts allocated on reasonable basis.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

NOTE NO. "30" ***(Contd.)*** *(Amount in ₹ Lakhs)*

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, 2017

(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	
	2016-17	2015-16	**2016-17**	2015-16
(i) Rent received	**—**	—	**1**	1
(ii) Expenses reimbursed	**—**	—*	**—**	—*
(iii) Salary & other benefits	**102**	95	**—**	—
(iv) Directore Fees	**1**	1	**—**	—
(v) Dividend Paid	**8**	8	**25**	25

* Below rounding off norms adopted by the Company.

(J) Disclosure as notified in G.S.R. 308(E) dt. 30.03.2017, in respect to Specified Bank Note (SBN) held and transacted during the period from 08.11.2016 to 30.12.2016 is as follows :

	SBNs	Other denomination notes	Total
Closing Cash in hand as on 08.11.2016	14	2	16
Add : Permitted receipts	—	163	163
Less : Permitted Payments	-*	(76)	(76)
Less : Amount deposited in Banks	(14)	—*	(14)
Closing cash in hand as on 30.12.2016	0	89	89

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

* Below rounding off norms adopted by the Company

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

	2016-2017	2015-2016
(Loss)/Profit After Tax (₹ in Lakhs)	**(493)**	187
Weighted average number of Equity Shares of ₹ 10/- each fully paid up	**90,05,985**	90,05,985
Earning Per Share (in ₹)(Basic & Diluted)	**(5.47)**	2.08

(L) 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.

(M) During the year, due to changes in accounting policy in respect to Property, Plant & Equipment and corresponding charge of depreciation, Loss for the year is lower by ₹ 19 lakh as appended below :

	Loss decreased by Amount (₹)	Loss decreased by Amount (₹)
i) Expenses on replanting shown under CWIP	**28**	—
ii) Depreciation on Bearer Plants	**—**	9
	28	9

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

NOTE NO. "30" ***(Contd.)*** *(Amount in ₹ Lakhs)*

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

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

(O) Unhedged Foreign Currency Exposures at the Reporting Date :	**As At 31st March, 2017**	As At 31st March, 2016
Receivable in respect of sale of goods :		
Amount in ₹	**–**	195
Amount in USD	**–**	3

(P) Exceptional Items represents loss due to fire ₹ Nil (Previous year ₹ 11 Lakh)

(Q) Details of Corporate Social Responsibility (CSR) Expenditure :

	2016-2017	2015-2016
(a) Gross Amount required to be spent by the Company during the year	**18**	21
(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 for promotion of preventive health care & sanitation and making available safe drinking water	**14**	5
– Contribution for welfare of animal & conservation of natural resources	**–**	16
– Amount pending to be spent as on 31.03.2017	**4**	–
Total	**18**	21

(R) 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 : 12th day of May, 2017

A. KANORIA (DIN : 00027290) *Managing Director*

K. P. KHANDELWAL (DIN : 00914834) *Whole-time Director*

A. DOSHI *Chief Financial Officer*

S. SHAH *Company Secretary*

BENGAL TEA & FABRICS LTD.

CIN : L51909WB1983PLC036542
Registered Office : Century Tower, 45, Shakespeare Sarani, 4th Floor, Kolkata 700 017
Telefax Nos.: 033-2283-6416/17; E-mail : mail@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 34th Annual General Meeting of the Company to be held on Saturday, 29th July, 2017 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*	
	Ordinary Business	For	Against
1.	Adoption of Financial Statements, Reports of the Board of Directors' and Auditors'		
2.	Re-appoitment of Mr. Samveg A. Lalbhai, Director, retiring by rotation		
3.	Appointment of Statutory Auditors and fixing their remuneration		
	Special Business		
4.	Appointment of Branch Auditors and fixing their remuneration		
5.	Fixation of Remuneration of Cost Auditors for the Textile Division		
6.	Fixation of Remuneration of Cost Auditors for the Tea Division		

Signed this _____day of _____2017.

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

Affix Revenue Stamp

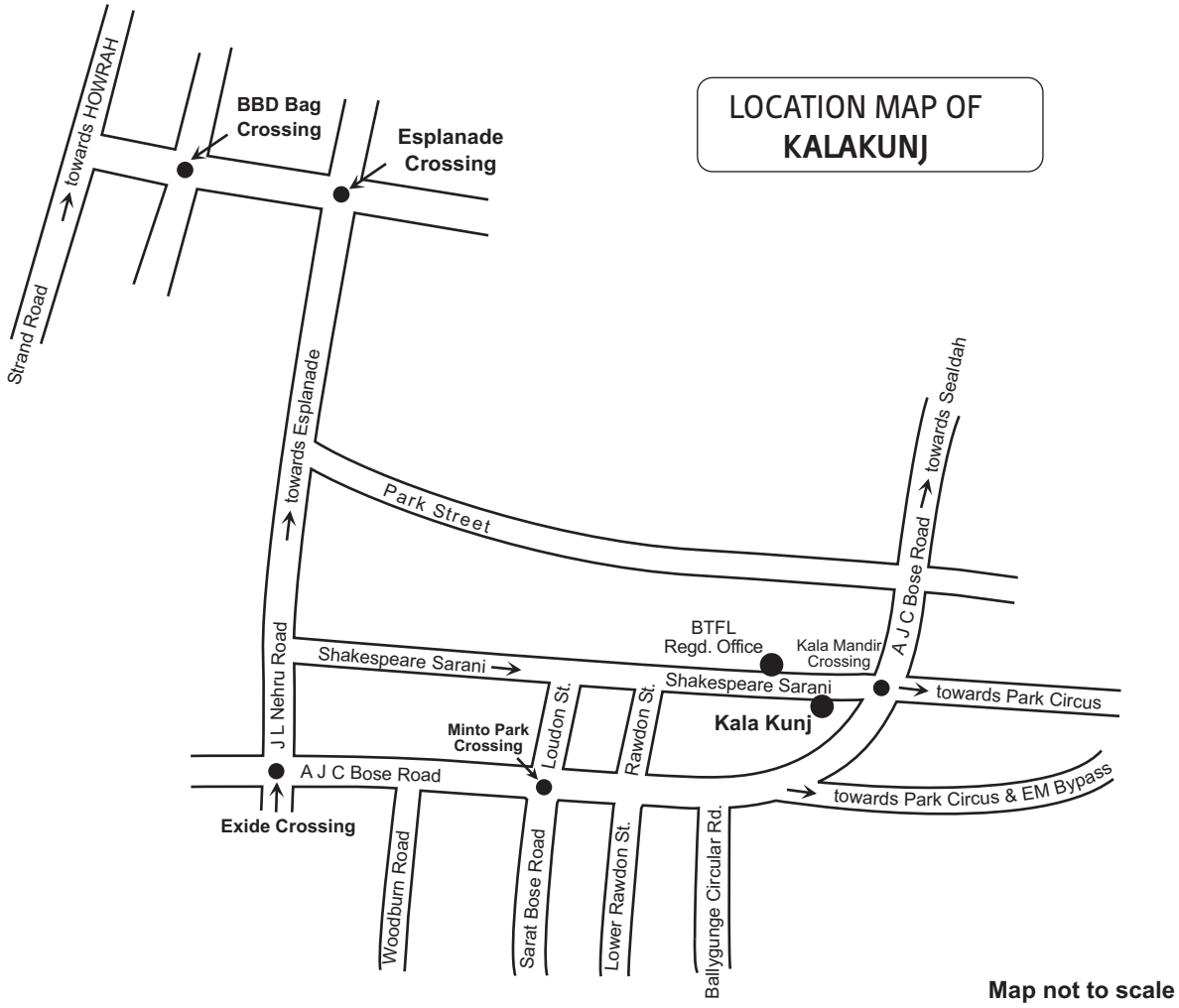
Note : 1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

2. For the text of the Resolutions, Explanatory Statement & Notes, please refer to the Notice convening the 34th Annual General Meeting dated 12th May, 2017.

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, 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.

34th Annual General Meeting of the Company
Date & Time : Saturday, 29th July, 2017 at 10:30 a.m.
Venue : Kalakunj, 48, Shakespeare Sarani, Kolkata – 700 017



Map not to scale

Bengal Tea & Fabrics Ltd.
Century Towers, 4th Floor
45, Shakespeare Sarani, Kolkata 700 017
www.bengaltea.com

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

34th ANNUAL GENERAL MEETING

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

Registered Address of sole/first named member :

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

No. of Shares held :

I/We hereby record my/our presence at the 34th Annual General Meeting of the Company held on Saturday, 29th July, 2017 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.

.....Please cut here and bring the above Attendance Slip to the Meeting Hall.....

REMOTE E-VOTING PARTICULARS

Dear Shareholder,

Sub: Process and manner for availing remote e-voting facility

Pursuant to provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, as amended the Company is pleased to provide its members a facility to cast their votes using an electronic voting system from a place other than venue of the Annual General Meeting ("remote e-voting") in relation to the business to be transacted at the 34th Annual General Meeting of the Company to be on held on Saturday, 29th July, 2017 at 10.30 A.M. The Company has engaged the services of Central Depository Services Limited ("CDSL") to provide remote e-voting facilities. The Notice of the 34th AGM of the Company inter-alia, indicating the process and manner of remote e-voting along with printed Attendance Slip and Proxy form can be downloaded from the link *https://www.evoting.cdsl.com* or *www.bengaltea.com.*

The remote e-voting particulars are set out below.

EVSN (Remote e-Voting Sequence number)	USER ID	PASSWORD

The remote e-voting facility will be available during the following voting period.

Commencement of remote e-voting	End of remote e-voting
26th July, 2017 from 9.00 am	28th July, 2017 till 5.00 pm

Please read the instructions given at point no. 22 of the Notice to 34th Annual General Meeting of the Company dated 12th May, 2017 carefully before availing remote e-voting facilities.