



Annual Report 2017-18



Bengal Tea & Fabrics Ltd.



CORPORATE INFORMATION	
BOARD OF DIRECTORS	Mr. Adarsh Kanoria Chairman & Managing Director Mr. Kailash Prasad Khandelwal Whole-time Director Mr. Golam Momen Independent Director Mr. Dharendra 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. Singhi & 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. Labh & Associates, Chartered Accountants
SECRETARIAL AUDITOR	M/s. H. M. Choraria & 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 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

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CIN : L51909WB1983PLC036542

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

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

**NOTICE
TO THE MEMBERS**

NOTICE is hereby given that the 35th 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 11th day of August, 2018 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, 2018, 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, 2018 including the Audited Balance Sheet as at 31st March, 2018, 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 of Mr. Kailash Prasad Khandelwal (DIN: 00914834) 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. Kailash Prasad Khandelwal (DIN: 00914834) who retires by rotation in terms of Section 152 (6) of Companies Act, 2013 and being eligible, has 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."

SPECIAL BUSINESS**3. Re-appointment of Mr. Golam Momen as an Independent Director**

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, (including any statutory modifications or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Golam Momen (DIN: 00402662), Independent Director of the company, whose term of office as an Independent Director is liable to expire on 31st March, 2019 be and is hereby re-appointed as an Independent Director of the Company to hold office for a further period of 5 (five) years and who shall not be liable to retire by rotation.

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

4. Re-appointment of Mr. Dharendra Kumar as an Independent Director

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, (including any statutory modifications or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Dharendra Kumar (DIN: 00153773), Independent Director of the Company, whose term of office as an Independent Director is liable to expire on 31st March, 2019 be and is hereby re-appointed as an Independent Director of the Company to hold office for a further period of 5 (five) years and who shall not be liable to retire by rotation.

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



NOTICE (Contd.)

5. Appointment of Mr. Abhijit Datta as an Independent Director

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, (including any statutory modifications or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Abhijit Datta (DIN: 00790029), Independent Director of the Company, whose term of office as an Independent Director is liable to expire on 31st March, 2019 be and is hereby re-appointed as an Independent Director of the Company to hold office for a further period of 5 (five) years and who shall not be liable to retire by rotation.

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

6. Sale or disposal of the Company's bungalow situated at Asarwa House, Dr. Balwantrai Mehta Marg, Shahibaug, Ahmedabad, Gujarat

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

"RESOLVED THAT pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, and all other applicable provisions of the Companies Act, 2013, (including any statutory modification or re-enactment thereof for the time being in force), the provisions of the Memorandum and Articles of Association of the Company and the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered into by the Company with the Stock Exchange where the shares of the Company are listed, and such other approvals, consents and permissions as may be applicable and necessary or being obtained from the appropriate authorities, the consent of the Members be and is hereby accorded to the Board of Directors of the Company ("Board"), to sell / transfer / dispose off Company's bungalow situated at Asarwa House, Dr. Balwantrai Mehta Marg, Shahibaug Ahmedabad, Gujarat in any manner to such person, at such consideration and on such terms and conditions as may be deemed fit by the Board from time to time.

RESOLVED FURTHER THAT the Board be and is hereby authorised and empowered to finalise and execute necessary documents including but not limited to Agreements, deeds of assignment / conveyance and other ancillary documents, with effect from such date and in such manner as is decided by the Board and to do all such other acts, deeds, matters and things as they may deem necessary and/or expedient to give effect to the above Resolution including but without limitation, to settle any questions, difficulties or doubts that may arise in regard to sale and transfer of all of its assets relating to the Bungalow as they may in their absolute discretion deem fit.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred, to any Committee of Directors or any one or more Directors of the Company with power to delegate to any Officers of the Company, with authorities as required, arranging delivery and execution of contracts, deeds, agreements and instruments, if required."

7. 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 read with 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 cost records of the Textile Division of the Company for the financial year ending 31st March, 2019, 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."



NOTICE (Contd.)

8. 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 read with 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 cost records of Tea Division of the Company for the financial year ending 31st March, 2019, be paid the remuneration of ₹ 25,000/- 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.”

Registered Office :

Century Towers, 4th Floor

45, Shakespeare Sarani, Kolkata 700 017

Dated : 25th June, 2018

By Order of the Board

Sd/-

SUNITA SHAH

Company Secretary

NOTES :

- A Statement setting out material facts pursuant to Section 102 of the Companies Act, 2013 with respect to Item nos. 3 to 8 of the Notice is annexed hereto.**
- 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 photograph and signature of the account holder etc.) at the venue of the meeting for identification.**
- The Register of Members and Share Transfer Books of the Company shall remain closed from 5th August, 2018 to 11th August, 2018 (both days inclusive) for the purpose of the 35th Annual General Meeting.
- The Notice of the 35th AGM and Annual Report for the year ended 2017 - 18 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, 6th July, 2018. 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
- 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.
- 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.
- 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.
- 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.
- 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.
- 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 the new share certificates are only eligible for demat.**



NOTICE (Contd.)

11. Members holding shares in the physical form and desirous of making/changing nomination in respect of their shareholding in the Company, as permitted under Section 72 of the Companies Act, 2013 and Rules made there under are requested to submit the prescribed Form No. SH-13 and SH-14, as applicable for this purpose to the Company's Registrars and Share Transfer Agent, C. B. Management Services (P) Ltd., who will provide the Form on request.
12. **Members are hereby informed that Securities and Exchange Board of India (SEBI) in terms of Circular No.CIR/MRD/DP/10/2013 dated 21st March, 2013 has made it mandatory for all Listed Companies to make cash payments through electronic modes to the investors. It is further directed that in case electronic payment is rejected or returned, the Company shall mandatorily print the bank account details of the investor on payment instrument. Members are requested to provide their updated Bank account particulars to enable the Company to electronically credit dividend directly in their respective bank accounts.**
Members holding shares in demat mode are requested to send correct bank details (including MICR No., IFSC Code, Account Type etc.) to their respective Depository Participant. Members holding shares in physical form are requested to send such bank details along with a cancelled cheque to our Registrars M/s C.B. Management Services (P) Ltd.
13. Members are also requested to inform their correct email address, if any, to the Depositories (if shares held in demat form) and to our Registrars by visiting Website namely "www.cbmsl.com/green.php" (if shares held in physical form) in compliance of Green Initiative as per circular no. 17/2011 dated 21.04.2011 and 18/2011 dated 29.04.2011 issued by Ministry of Corporate Affairs to facilitate the Company to send notice/documents through e-mail.
14. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) and bank account details by every participant in securities market. Members holding shares in electronic form are therefore, requested to submit their PAN and bank account details to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN and bank account details to the Company / C B Management Services (P) Ltd (RTA).
15. **SEBI vide Circular No.SEBI/LAD-NRO/GN/2018/24 dated 8th June, 2018 has mandated that except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository after 5th December, 2018. 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.**
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, **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.**
 161550 equity shares against 2775 folios corresponding to the dividend for the year ended on 31st March, 2009 which remained unclaimed for seven consecutive years have been transferred to Demat Account of IEPF Authority.
 Please note that those shareholders whose dividend for the financial year 2010-11 (Final) has remained unpaid / unclaimed, their corresponding shares of the face value of Rs 10/- each, are due to be transferred to Demat Account of IEPF Authority on **6th August, 2018**. All such shareholders are requested to make an application to the Company / Registrar & Share Transfer Agents latest by **20th July, 2018** with a request for claiming the unpaid dividend so that the shares are not transferred to the IEPF.
 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 whose 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 35th Annual General Meeting.**



NOTICE (Contd.)

19. **The brief profile of the Directors seeking re-appointment including relevant particulars relating to them is furnished as a part of the Notice as Annexure and in Explanatory Statement, as required under SEBI (Listing Obligations and Disclosure Requirements) ("SEBI (LODR)") Regulations, 2015.**
20. The requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting is done away with vide notification dated 7th May, 2018 issued by the Ministry of Corporate Affairs. Accordingly, no resolution is proposed for ratification of appointment of Statutory Auditors who were appointed in the Annual General Meeting held on 29th July, 2017 and the Branch Auditors who were appointed in the Annual General Meeting held on 9th August, 2014.
21. 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.
22. 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. to 1.00 p.m. except Sundays and Public Holidays from the date hereof upto the date of the AGM, without any fee.
23. **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 35th 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.
 - (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 have logged in to **www.evotingindia.com** and voted in 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.



NOTICE (Contd.)

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will reach directly the Company selection screen. However members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field.
- Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for remote e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for the relevant <BENGAL TEA & FABRICS LIMITED> on which you choose to vote.
- (xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) If Demat account holder has forgotten the same password then enter the User ID and the image verification code click on Forgot Password & enter the details as prompted by the system.
- (xvii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 6th July, 2018. 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 in 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, 8th August, 2018 <9.00a.m.> and ends on Friday, 10th August, 2018 <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 4th August, 2018 (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 35th AGM and holds shares as of the cut-off date of 4th August, 2018 (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 **rt@cbmsl.com**.



NOTICE (Contd.)

(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 11th August, 2018 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 4th August, 2018 (close of business hours). The Equity Shares held by IEPF do not have any voting rights.
 - 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.
24. **Explanatory Statements pursuant to Section 102(1) of the Companies Act, 2013 in respect of Item Nos. 3-8 of the Notice are as under :**

In respect of Item No. 3

Mr. Golam Momen, (DIN : 00402662) aged about 84 years is a Non Executive Independent Director of the Company having a degree of Bachelor of Arts. Mr. Momen is a renowned veteran personality in the Tea Industry having vast knowledge and experience in tea plantation. Mr. Momen, is on the Board of the Company since 05.12.1987 and holds 750 equity shares of the Company. Mr. Momen is not related with any of the Directors on the Board.

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

Sl. No.	Name of the Company	Committee Membership*
1.	Williamson Magor & Company Limited	Stakeholders Relationship Committee
2.	Baghmari Tea Company Limited	—
3.	Dover Tea (Private) Limited	—
4.	Apeejay Tea Ltd.	—
5.	Harrisons Malayalam Limited	Audit Committee and Stakeholders Relationship Committee
6.	Kanco Tea & Industries Ltd.	Audit Committee
7.	The Scottish Assam (India) Limited	Audit Committee
8.	White Cliff Holdings (Private) Limited	—
9.	White Cliff Properties (Private) Limited	—
10.	White Cliff Tea (Private) Limited	—
11.	White Cliff Construction Co. Pvt. Limited	—
12.	White Cliff Infrastructure Pvt. Limited	—

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



NOTICE (Contd.)

He was appointed as an Independent Director for a period of 5 years at the 31st AGM of the Company held on 9th August, 2014 which is liable to expire on 31st March, 2019. The Board vide its meeting dated 19th May, 2018 has proposed his reappointment as an Independent Director of the Company to hold office for a further period of 5 years on the recommendation of Nomination & Remuneration Committee and who shall not be liable to retire by rotation.

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

In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr. Golam Momen being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for a further period of 5 years.

In the opinion of the Board of Directors, Mr. Golam Momen, fulfills the conditions specified in the Companies Act, 2013 and the Rules made thereunder and is independent of the Management. Copy of the draft letter of appointment of Mr. Momen as an Independent Director setting out the terms and conditions would be available for inspection. The Board considers that his continued association and vast experience would be of immense benefit to the Company.

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

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

Except Mr. Golam Momen, being appointee, none of the Directors, Key Managerial Personnels or their relatives are interested or concerned, financially or otherwise, in the resolution set out at Item No. 3.

In respect of Item No. 4

Mr. Dharendra Kumar, (DIN: 00153773) B.E. (Mech) from New York University, aged about 75 years, has vast experience in the business of Tea and is an eminent personality of Tea Industry. He is a Non Executive Independent Director of the Company. Mr. Kumar is associated with a number of Chambers/Organisations, including Tea Association of India, Indian Tea Association, Calcutta Tea Traders Association, Bharat Chamber of Commerce etc. Mr. Kumar has also held the position of President of Bharat Chamber of Commerce and Tea Association of India. Mr. Kumar is on the Board of the Company since 13.08.2003. He does not hold any share of the Company and is not related to any Directors of the Company.

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

Sl. No.	Name of the Company	Committee Membership*
1.	R.D.Tea Limited	—
2.	SIVPL Products Pvt. Ltd.	—
3.	The Scottish Assam (India) Limited	—
4.	Contemporary Polysacks Limited	—
5.	Rukong Tea Estate Pvt. Limited	—
6.	SPBP Tea Plantation Limited	—
7.	Shwetambra Investment & Trading Pvt. Ltd.	—
8.	Rosebud Commercial Company Pvt. Ltd.	—
9.	J. K. Paper Limited	—
10.	Park Tower Investments and Services Private Limited	—

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



NOTICE (Contd.)

He was appointed as an Independent Director for a period of 5 years at the 31st AGM of the Company held on 9th August, 2014 which is liable to expire on 31st March, 2019. The Board vide its meeting dated 19th May, 2018 has proposed his reappointment as an Independent Director of the Company to hold office for a further period of 5 years on the recommendation of Nomination & Remuneration Committee and who shall not be liable to retire by rotation.

He is the Chairman of the Nomination and Remuneration Committee and is a Member of Audit Committee, Stakeholders Relationship Committee, Share Transfer Committee and CSR Committee of the Company.

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

In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr. Dharendra Kumar being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for a further period of 5 years.

In the opinion of the Board of Directors, Mr. Dharendra Kumar, fulfills the conditions specified in the Companies Act, 2013 and the Rules made thereunder and is independent of the Management. Copy of the draft letter of appointment of Mr. Dharendra Kumar as an Independent Director setting out the terms and conditions would be available for inspection. The Board considers that his continued association and vast experience would be of immense benefit to the Company.

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

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

Except Mr. Dharendra Kumar, being appointee, none of the Directors, Key Managerial Personnel or their relatives are interested or concerned, financially or otherwise, in the resolution set out at Item No. 4.

In respect of Item No. 5

Mr. Abhijit Datta, (DIN: 00790029) aged about 68 years is a Post-Graduate in Economics from Calcutta University. He completed both parts of certified Indian Institute of Bankers Examination. He joined State Bank of India as Probationary Officer in the year 1972 and retired from the Bank on 31st May, 2009. During his tenure of 37 years of service in State Bank of India, he was responsible in various executive positions in various capacities in credit, compliance, NRI Services in Los Angeles office of the Bank for around 4 years. He was also responsible as Head of Capital Markets of the SBICAP for some time and was posted as GM (Commercial) at Mumbai H.O. After promotion as CGM he had held the position of Principal in State Bank Staff College at Hyderabad and subsequently held the position of CGM of Chennai Circle of the Bank. He was posted as Deputy Managing Director and Corporate Development Officer at the Corporate Office in Mumbai. He was then posted as Deputy Managing Director and Group Head of Mid Corporate Group of the Bank from where he retired. He joined the Board of Directors of the Company in July, 2009. He does not hold any share of the Company. Mr. Datta is not related to any of the Directors on the Board.

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

Sl. No.	Name of the Company	Committee Membership*
1.	Cable Corporation of India Ltd.	Audit Committee
2.	Hubtown Ltd.	Audit Committee
3.	Emami Infrastructure Ltd.	—
4.	Zandu Reality Ltd.	—

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



NOTICE (Contd.)

He was appointed as an Independent Director for a period of 5 years at the 31st AGM of the Company held on 9th August, 2014 which is liable to expire on 31st March, 2019. The Board vide its meeting dated 19th May, 2018 has proposed his reappointment as an Independent Director of the Company to hold office for a further period of 5 years on the recommendation of Nomination & Remuneration Committee and who shall not be liable to retire by rotation.

He is the Chairman of the Audit Committee and is a Member of Nomination and Remuneration Committee, Stakeholders Relationship Committee, Share Transfer Committee and CSR Committee of the Company.

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

In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr. Abhijit Datta being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for a further period of 5 years.

In the opinion of the Board of Directors, Mr. Abhijit Datta, fulfills the conditions specified in the Companies Act, 2013 and the Rules made thereunder and is independent of the Management. Copy of the draft letter of appointment of Mr. Abhijit Datta as an Independent Director setting out the terms and conditions would be available for inspection. The Board considers that his continued association and vast experience would be of immense benefit to the Company.

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

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

Except Mr. Abhijit Datta, being appointee, none of the Directors, Key Managerial Personnels or their relatives are interested or concerned, financially or otherwise, in the resolution set out at Item No. 5.

In respect of Item No. 6

Your Company took strategic steps of business restructuring in the earlier years and as a part of that exercise, the Company is proposing to sell / transfer / dispose off company's bungalow situated at Asarwa House, Dr. Balwantrai Mehta Marg, Shahibaug ("property") Ahmedabad, Gujarat.

The Board of Directors of the Company, at its meeting held on 25th June, 2018 decided to sell / transfer / dispose off the Company's property including the land on an "as is where is" basis subject to the approval of the members. The net proceeds from the sale will be utilized for the future growth in the existing lines of business of the Company. The sale/transfer/disposal of the aforesaid property is conditional inter alia upon passing of the Special Resolution by the shareholders of your Company and receipt of all the required approvals.

In compliance with the applicable provisions of the Companies Act, 2013, Special Resolution as set out in the accompanying Notice is now being placed before the members for their approval. Your Directors recommend the resolution to be passed as Special Resolution for approval of the shareholders.

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

In respect of Item No. 7

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 on 19th May, 2018 to conduct the audit of the cost records of the Textile Division of the Company for the financial year ending on 31st March, 2019.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, a 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



NOTICE (Contd.)

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, 2019.

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, financially or otherwise, in the resolution set out at Item No. 7 of the Notice.

In respect of Item No. 8

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 on 19th May, 2018 to conduct the audit of the cost records of the Tea Division of the Company for the financial year ending on 31st March, 2019.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, a 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, 2019.

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, financially or otherwise, in the resolution set out at Item No. 8 of the Notice.

Registered Office :

Century Towers, 4th Floor

45, Shakespeare Sarani, Kolkata 700 017

Dated : 25th June, 2018

By Order of the Board

Sd/-

SUNITA SHAH

Company Secretary

Annexure to Notice of 35th Annual General Meeting

Brief Profile of Mr. Kailash Prasad Khandelwal, Director seeking re-appointment

Mr. Kailash Prasad Khandelwal, (DIN: 00914834) aged about 62 years, is a Commerce Graduate with Honours having experience of over 44 years in the Tea Industry. Mr. Khandelwal is associated with the Company since its inception. He is also the Whole time Director of the Company. He is a Member of Share Transfer Sub-committee of the Company. Mr. Khandelwal is not related with any of the Directors on the Board.

Mr. Khandelwal is not disqualified from being appointed as a Director under Section 164 of the Companies Act, 2013. The Company has received the requisite Form DIR-8 from Mr. Khandelwal in terms of Section 164(2) and Rule 14(1) of Companies (Appointment and Qualification of Directors) Rules, 2014 confirming his eligibility. He retires at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. A brief resume, experience and functional expertise and membership on various Board and Committee for Mr. Khandelwal, proposed to be re-appointed at Serial No. 2 of the Notice convening the 35th Annual General Meeting, as per the provisions of SEBI (Listing Obligations and Disclosure Requirements) {"SEBI (LODR)"} Regulations, 2015 are furnished below:

Date of Birth	05.08.1955
Date of first appointment	09.11.2013
Qualification	Commerce Graduate with Honours
Experience in specific functional areas	44 years in the Tea Industry
Directorship in other Companies apart from this company	1. AKV Textiles Limited.
*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.



DIRECTORS' REPORT

Dear Members,

The Directors of the Company present their 35th Annual Report and Company's Audited Accounts for the year ended 31st March, 2018.

FINANCIAL SUMMARY/HIGHLIGHTS

The financial results for the year ended 31st March, 2018 and the corresponding figures for the last year are as under:

	2017-2018		2016-2017	
Profit before Interest, Depreciation and Tax	1301.99		1767.40	
Less : Finance Cost	279.75		243.11	
Depreciation & Amortization Expense	589.10	868.85	581.44	824.55
Profit/(Loss) after Interest & Depreciation	433.14		942.85	
Less : Tax Expense for Current Year (Net of MAT Credit Entitlement)	8.25		-	
Income Tax for Earlier Years	(5.23)		20.43	
Deferred Tax Provision/(Written Back)	(159.72)	(156.70)	(54.32)	(33.89)
Profit/(Loss) from Continuing operations	589.84		976.74	
(Loss)/Profit from Discontinued operations	(1163.90)		(1617.01)	
Less : Deferred Tax	(72.53)	(1091.37)	(59.49)	(1557.52)
Other Comprehensive Income for the year, net of tax		41.16	(37.57)	
Total Comprehensive Income for the year	(460.37)		(618.35)	

RESERVES & SURPLUS

The Balance in Reserves & Surplus stands at ₹ 8784.35 Lakhs (Previous year ₹ 9244.72 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, 2018.

First year of implementation of Indian Accounting Standards

As mandated, the financial statements for the year ended on 31st March, 2018 have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014. The financial statements for the year ended on 31st March, 2017 have been restated in accordance with Ind AS for comparative information.

OPERATIONS

Tea Division

During the year under review, your Company achieved a production of 21.88 lakh kgs of Black Tea as compared to 21.92 lakh kgs in the previous year. The performance of the Tea Division was better on account of improved demand for quality teas resulting in improved sales realization.

The average sale price for CTC tea in auction centre was marginally higher as compared to previous year. However due to focus on better quality teas, your estate has been able to realize significantly higher sales average of ₹ 20/- per kg. There has been an all round increase in wages, power and fuel and other input costs.

The new tea season has started off with good rainfall, however due to lower temperature growth has remained in check and our production in turn is similar as last year. There will be a big impact on account of increase in wages and other input costs which we hope to more than offset by better prices for quality teas.



DIRECTORS' REPORT (Contd.)

TEXTILE DIVISION

PERFORMANCE AND REVIEW OF OPERATION

During the year under review, the Division has incurred loss before tax of ₹ 1356 lakhs against ₹ 1311 lakhs in the previous year. The Division has achieved turnover of ₹ 9128 lakhs against ₹ 16179 lakhs in the previous year. The figures are not strictly comparable as the division had closed its spinning section during the year. The continued sluggish demand due to implementation of GST, higher power cost and retrenchment compensation have adversely affected the bottom line of the Division.

The division has closed its Spinning section comprising of 23,952 spindles and related equipment on account of negative contribution. The division has realized ₹ 20.40 crores from sale of machineries and expects to realize about ₹ 3.25 crores from remaining machineries. The division has utilized the sale proceeds for repayment of Term Loans worth ₹ 16.40 crores and by paying retrenchment compensation to 366 employees to the tune of ₹ 6.89 crores. The division has also released 32 staffs and officers of its spinning section.

Management thrust on greater efficiency, capacity utilization, value addition and product mix in processed fabric, declining interest cost and other cost control measures initiated by the management will boost the profitability of the division in the near future.

MODERNISATION AND PROSPECTS

With implementation of GST Act during the year it is expected that the Indian economy will grow at a faster pace and will have positive impact on country's GDP. The Indian economy is expected to keep growing by about 7-8% for next few years. Forecast of normal monsoon and good crop is expected to increase the rural demand of textile products. In view of this and various steps taken by the management, the Textile Division is expecting better performance in the coming years.

RECENT DEVELOPMENTS & FUTURE PLANS

Company property at Dholka, Gujarat

The land development work and provision of basic amenities is in progress. In all 20 plots would be available for sale and would be floated in the market.

The Company became a Subsidiary of Rydak Enterprises & Investments Limited

Rydak Enterprises & Investment Limited, (CIN: U15491WB1983PLC036235), Samrat Industrial Resources Limited (CIN: U51109WB1984PLC060627) and Eskay Udyog Limited (CIN:U51109WB1983PLC036039), Promoter group companies got amalgamated into Rydak Enterprises & Investment Limited as per the Scheme of Amalgamation duly sanctioned by the NCLT resulting in current holding of 5060870 equity shares which is 56.19% of the total Share Capital of the Company. As a result, the Company has become a subsidiary of Rydak Enterprises & Investment Limited.

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

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 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 approved by the Board together with a Certificate from 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, regarding compliance with the conditions of Corporate Governance are set out in the annexure forming part of the Annual Report marked as **Annexure – "B"**.

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

EXTRACT OF THE ANNUAL RETURN

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

BOARD MEETINGS

During the year under review 6 meetings of the Board of Directors were held on 26th April, 2017, 12th May, 2017, 29th July, 2017, 14th September, 2017, 2nd December, 2017 and 10th February, 2018.



DIRECTORS' REPORT (Contd.)

Apart from meeting of the Board of Directors different committees met several times during financial year ended 31st March, 2018.

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

The Directors hereby confirm that –

- in the preparation of the annual accounts for the Financial Year ended 31st March, 2018, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- they had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the company for that period;
- they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- they had prepared the annual accounts on a going concern basis;
- they had laid down internal financial controls relating to financial matters to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

SECRETARIAL STANDARDS

The Directors state that applicable Secretarial Standards i.e. SS-1 and SS-2, relating to Meetings of the Board of Directors and General Meeting respectively, have been duly followed by the Company.

DECLARATION BY INDEPENDENT DIRECTORS

Independent Directors namely, Mr. Golam Momen (DIN: 00402662), Mr. Dharendra 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. Kailash Prasad Khandelwal (DIN: 00914834) retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself, for re-appointment in compliance with the provisions of the Companies Act, 2013.

Mr. Golam Momen (DIN: 00402662), Mr. Dharendra Kumar (DIN: 00153773), Mr. Abhijit Datta (DIN: 00790029) Independent Directors of the Company, are being re-appointed as Independent Directors for a further period of five consecutive years as per the provisions of Section 149 and other applicable provisions of Companies Act, 2013. The Board recommends their re-appointment as Independent Directors.

Brief resume of the Directors, nature of their expertise in specific functional areas and details of their directorship and membership/ chairmanship of Board/ Committees, as stipulated under SEBI (LODR) Regulations, 2015 has been provided in the Explanatory Statement and Annexure to the Notice of the 35th 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:

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

Remuneration and other details of the KMP's for the year ended 31st March, 2018 are mentioned in the Extracts of the Annual Return attached as **Annexure 'C'** and forms a part of this Report of the Directors.

NOMINATION & REMUNERATION POLICY

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



DIRECTORS' REPORT (Contd.)

The details of the Nomination and Remuneration Policy is available at the website of the company www.bengaltea.com. The weblink for the same is http://bengaltea.com/wp-content/uploads/2017/08/Nomination-Remuneration-Policy_6.02.2016-min.pdf.

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 10th February, 2018 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 2017-18, your Company did not accept/renew any deposits and as such, no amount of principal or interest was outstanding as on 31st March, 2018.

AUDITORS AND AUDITORS' REPORT

M/s Singhi & Co., (Firm Regn. No. 302049E) Chartered Accountants, were appointed as Statutory Auditors of the Company, to hold office for a period of 5 years from the conclusion of the 34th Annual General Meeting till the conclusion of the 39th Annual General Meeting of the Company.

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 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. 12 of the Financial Statements for the year ended 31st March, 2018.

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 a 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/wp-content/uploads/2017/07/BTFL_RELATED-PARTY-TRANSACTION-POLICY_8.11.2014.pdf.

All related party transactions entered during the Financial Year were in ordinary course of the business and on arm's length basis which have been provided in the Notes to the Accounts. No material related party transactions were entered during the Financial Year 2017-18 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.



DIRECTORS' REPORT (Contd.)

PARTICULARS OF COST AUDITORS APPOINTED FOR THE FINANCIAL YEAR 2017-18

The Company has appointed the following Cost Auditors for Tea & Textile Division for the year ended 31st March, 2018:

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, 2018 or of more than ₹ 8.50 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), 5 (2) and 5(3) 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”**.

The average net profit for last three financial years to current F.Y. 2017-18 was negative. Accordingly, the CSR expenditure for the current Financial Year was NIL. However, balance amount of CSR expenditure which remained unspent as on 31.03.2017 was spent in the current Financial Year with an additional amount of ₹ 1.35 lakhs due to project cost escalation.

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.)

Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 29th July, 2017 (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 31.03.2018
2010-11	06.08.2011	419430.00
2011-12	NIL	NIL
2012-13	03.08.2013	320380.00
2013-14	09.08.2014	630346.00
2014-15	08.08.2015	174598.00
2015-16	01.08.2016	189158.50
2016-17	NIL	NIL

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, **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.**

161550 equity shares against 2775 folios corresponding to the dividend for the year ended on 31st March, 2009 which remained unclaimed for seven consecutive years have been transferred to Demat Account no. 1204720013676780 of IEPF Authority maintained with SBI CAP Securities Limited through Central Depository Services (India) Limited under IEPF RULES, 2017 after giving individual notice to concerned shareholders and advertisement in Newspapers. The Company has uploaded the details of all shares transferred to Demat account of IEPF Authority as on 31st October, 2017 on the Company's website www.bengaltea.com and also on the Ministry of Corporate Affairs' website: www.mca.gov.in.

Again, please note that those shareholders whose dividend for the financial year 2010-11 (Final) has remained unpaid / unclaimed and therefore the corresponding shares of the face value of Rs 10/- each, are due to be transferred to Demat Account of IEPF Authority on 6th August, 2018. All such shareholders are requested to make an application to the Company / Registrar & Share Transfer Agents latest by 20th July, 2018 with a request for claiming the unpaid dividend so that the shares are not transferred to IEPF.

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 HARASSMENT 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 2017-18:

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.

Place : Kolkata
Dated : 19th May, 2018

For and on behalf of the Board
Bengal Tea & Fabrics Ltd.
Sd/-
ADARSH KANORIA
Managing Director
DIN : 00027290

Sd/-
KAILASH PRASAD KHANDELWAL
Whole-time Director
DIN : 00914834



MANAGEMENT DISCUSSION & ANALYSIS REPORT

(Forming part of Directors' Report for the financial year ended 31st March, 2018)

ANNEXURE - "A"

TEA DIVISION

Industry Structure and Developments : India is one of the largest Black Tea producer in the world producing approximately 1321 million kgs during the calendar year 2017. Rising consumption and low inventory has led to strong market for good quality teas 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 programmes are likely to benefit the industry in the long term.

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

Product-wise Performance : During the year under review, the production of Black Tea for your company was similar as compared to previous year. Strong demand for quality teas led to strengthening of average realization. The gist of performance of the division during the financial year 2017-18 is as under:

Black Tea			
	Production (Lakh Kgs)	Sales (Lakh Kgs)	Average Realisation (₹ /Kgs)
2017-18	21.88	21.89	214.30
2016-17	21.92	22.70	194.60
Change (%)	(0.18)	(3.57)	10.12%

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 rising growth of bought leaf sector, shortage of labour during peak season, increase in wages and other costs could affect the fortunes of the Tea Industry.

Discussion on financial performance with respect to operational performance : The Company's constant endeavour in making quality teas is attracting premium prices. However, due to inclement weather, the production has been lower than envisaged.

TEXTILE DIVISION

Industry Structure and Developments : India's textile sector is one of the oldest industries in the Indian economy and has an overwhelming presence in the economic life of the country. It plays a vital role in employment generation, export earnings and in industrial output. It provides direct and indirect employment to about 60 million people. India is among the few textile manufacturing countries in the world which is fully integrated from fiber to finished products. Rising output costs affected textile exports for second consecutive year due to weak global demand and India's losing competitiveness to China and other neighbouring countries.

At the same time, roll out of Goods & Service Tax (GST) augur well for the economy in terms of spurring growth, competitiveness and indirect tax simplification.

Opportunities and Threats : The Indian textile industry is set for strong growth buoyed by domestic demand led by young population. The devaluation of rupee is expected to improve the competitiveness of Indian Textile production in overseas market.

Non-availability of skilled labours and increase in input costs like raw material and power poses a threat to textile industry in India.

Product-wise Performance:

FABRICS (Continuing Operations) & KNITTED FABRICS (Discontinued Operations) :

Despite sluggish market condition both production and sales volumes are similar to that achieved in the last year. However, average realization fell marginally on account of sale of higher quantity of grey fabrics. Overall, performance of Fabrics Section was temporarily affected on account of implementation of GST.

Focus on value addition and product mix, stable yarn prices, rationalization of manpower, repayment of term loans and decline in working capital requirement will lead to saving in interest cost and will give better result in coming years.

The division has closed the knitting fabrics section during the year. Hence, the figures are not strictly comparable with previous year.



MANAGEMENT DISCUSSION & ANALYSIS REPORT (Contd.)

Yarn (Discontinued Operation) :

This section comprising of 23,952 spindles and related equipment was closed on account of negative contribution.

The Company closed 9,600 spindles with effect from 1st May, 2017 and subsequently closed 14,352 spindles with effect from 15th September, 2017 after obtaining the requisite approvals from shareholders and other authorities. Overall, the Company realized a sum of ₹ 20.40 crores from the sale of machineries and is expected to further realize about ₹ 3.25 crores on this account. The sale proceeds from machineries have been utilised towards repayment of Term Loan and Retrenchment Compensation to 366 employees of the Spinning and Knitted Fabrics section.

Both production and sales volume of saleable yarn has decreased on account of closure of spinning division. The figures are not strictly comparable due to closure of spinning section during the year.

	Fabric			Knitted fabrics			Yarn		
	Production (Lakh mtrs.)	Sales (Lakh mtrs.)	Average Realisation (₹ per mtr.)	Production (Lakh mtrs.)	Sales (Lakh mtrs.)	Average Realisation (₹ per mtr.)	Production (Lakh kgs.)	Sales (Lakh kgs.)	Average Realisation (₹ per kg.)
2017-18	73.93	74.30	87.90	34.91	34.91	27.47	6.44	6.90	200.72
2016-17	72.82	72.10	92.42	53.88	53.88	26.89	36.98	36.92	190.00
Change (%)	1.52	3.05	(4.89)	(35.21)	(35.21)	2.16	(82.59)	(81.31)	5.64

Outlook : During the current year, it is expected that there will be a good demand of finished products of textiles in the domestic as well as export markets and the industry will be able to absorb the impact of rising input costs like power, labour, interest etc. The division is taking all efforts to improve the quality and productivity to remain competitive. In view of the above the outlook for the division seems to be stable.

Risk and Concerns : The continual increase in input costs such as raw material, power, labor, interest costs, shortage of skilled workers and uncertainty of global markets are main concerns of the textile industry.

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 programme. 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 and 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, 2018 were 208 and 1396 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.

Sd/-
ADARSH KANORIA
Managing Director
DIN : 00027290

Sd/-
KAILASH PRASAD KHANDELWAL
Whole-time Director
DIN : 00914834

Place : Kolkata
Dated : 19th May, 2018



REPORT ON CORPORATE GOVERNANCE

(Forming part of Directors' Report for the financial year ended 31st March, 2018)

ANNEXURE - "B"

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 customers, 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 2017-18 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 29.07.2018	Attendance at Board Meetings
			Member	Chairman		
Mr. Adarsh Kanoria ³ - Chairman	Promoter - Executive	7	-	-	Yes	6
Mr. Kailash Prasad Khandelwal	Executive	1	-	-	Yes	5
Mr. Golam Momen	Independent - Non-Executive	12	5	1	Yes	6
Mr. Dharendra Kumar	Independent- Non-Executive	9	-	-	Yes	5
Mr. Abhijit Datta	Independent - Non-Executive	3	2	2	No	4
Mr. Samveg A. Lalbhai	Non-Executive	4	-	-	Yes	1
Mr. Navin Nayar	Independent - Non-Executive	9	3	2	Yes	5
Mrs. Shubha Kanoria ³	Non-Executive	2	-	-	Yes	6
Mr. Ashutosh Bhagat	Independent - Non-Executive	10	-	-	Yes	5

- Also includes directorships other than Public Limited Companies and excludes foreign companies.
- For the purpose of considering the limit of committees on which directors can serve, all public limited companies, whether listed or not, have been included. Audit Committee & Stakeholders Relationship Committees are only considered.
- Mr. Adarsh Kanoria and Mrs. Shubha Kanoria are relatives.

Meetings of the Board

During the Financial Year 2017-18, the Board of Directors met 6 (six) times on the following dates: 26th April, 2017, 12th May, 2017, 29th July, 2017, 14th September, 2017, 2nd December, 2017 and 10th February, 2018.

Information about the Directors seeking appointment/re-appointment

Mr. Kailash Prasad Khandelwal (DIN: 00914834) retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself, for re-appointment in compliance with the provisions of the Companies Act, 2013.

Mr. Golam Momen (DIN: 00402662), Mr. Dharendra Kumar (DIN: 00153773), Mr. Abhijit Datta (DIN: 00790029) Independent Directors of the Company, are being re-appointed as Independent Directors for a further period of five consecutive years as per the provisions of Section 149 and other applicable provisions of Companies Act, 2013. The Nomination & Remuneration Committee and the Board of Directors recommends their re-appointment as Independent Directors.



REPORT ON CORPORATE GOVERNANCE (Contd.)

Brief resume of the Directors, nature of their expertise in specific functional areas and details of their directorship and membership/chairmanship of Board/ Committees, as stipulated under SEBI (LODR) Regulations, 2015 has been provided in the Explanatory Statement and Annexure to the Notice of the 35th 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	12.05.2017
Mr. Golam Momen	Independent & Non Executive	4	14.09.2017
Mr. Dharendra Kumar	Independent & Non Executive	4	02.12.2017
Mr. Navin Nayar	Independent & Non Executive	3	10.02.2018

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	Dates on which Meetings held
Mr. Dharendra Kumar – Chairman	Independent & Non-Executive	1	The meeting of Nomination & Remuneration Committee was held on 10.02.2018
Mr. Golam Momen	Independent & Non-Executive	1	
Mr. Abhijit Datta	Independent & Non-Executive	1	
Mr. Samveg A. Lalbhai	Non-Executive	—	



REPORT ON CORPORATE GOVERNANCE (Contd.)

Remuneration to Directors paid during the financial year 2017-18 and other disclosures :

Name of the Directors	Salary (₹)	Benefits (₹)	Contribution to PF Gratuity, and other funds (₹)	Commission Paid (₹)	Meeting Fees (₹)	Service Contract/ Tenure	Notice Period	Number of Shares held
Mr. Adarsh Kanoria	42,75,000	9,32,806	5,13,000	-	-	01-01-2017 to 31-12-2019	3 Months*	5,36,137
Mr. Kailash Prasad Khandelwal	22,05,000	5,32,054	2,64,600	-	-	01-01-2017 to 31-12-2019	3 Months*	-
Mr. Golam Momen	-	-	-	-	1,90,000	NA	NA	750
Mr. Abhijit Datta	-	-	-	-	1,30,000	NA	NA	-
Mr. Dharendra Kumar	-	-	-	-	1,70,000	NA	NA	-
Mr. Samveg A. Lalbhai	-	-	-	-	20,000	NA	NA	-
Mr. Ashutosh Bhagat	-	-	-	-	1,00,000	NA	NA	-
Mrs. Shubha Kanoria	-	-	-	-	1,20,000	NA	NA	4,49,216
Mr. Navin Nayar	-	-	-	-	1,30,000	NA	NA	-

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

Nomination and Remuneration Policy

The Nomination and Remuneration (NR) Committee has adopted a Policy which, inter alia, deals with the manner of selection of Board of Directors, KMP's and Senior Management Personnel and their remuneration. The details of the Nomination and Remuneration Policy is available at the website of the company www.bengaltea.com. The weblink for the same is http://bengaltea.com/wp-content/uploads/2017/08/Nomination-Remuneration-Policy_6.02.2016-min.pdf

Evaluation of Board & Committee

As per the requirements of Companies Act, 2013 and the SEBI (LODR) Regulations, 2015, the Independent Directors have evaluated the performance of the other directors, the Chairman of the Company and the Board as a whole. They also reviewed the quality, quantity and timeliness of flow of information between the company management and the Board. The Nomination & Remuneration Committee also evaluated the performance of the other directors. The Board of Directors have 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.



REPORT ON CORPORATE GOVERNANCE (Contd.)

- 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 weblink for the same is : http://bengaltea.com/wp-content/uploads/2018/04/BTFL_Familiarisation-Programme-7.02.2015.pdf.

5. Stakeholders Relationship Committee

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

Composition of the Committee

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

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

Sl. No.	Investor Complaints	Number
1.	Number of Investor Complaints received during the year	Nil
2	Number of complaints resolved during the year till 31st March, 2018	Nil
3.	Number not solved to the satisfaction of the shareholders till 31st March, 2018	Nil
4.	Number of complaints pending as at 31st March, 2018	Nil

6. Corporate Social Responsibility Committee

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

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

The Committee met on 2nd December, 2017 in the financial year 2017-18. 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 10th February, 2018 inter alia, to:

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



REPORT ON CORPORATE GOVERNANCE (Contd.)

- (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.

Three 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
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.
34th AGM	29.07.2017	Kalakunj, 48, Shakespeare Sarani, Kolkata 700 017	10.30 A.M.

No Special Resolutions were passed at the 32nd AGM and 34th AGM. However, Special Resolutions were passed at the 33rd AGM.

During the financial year 2017-18, the Company had passed a Special Resolution by Postal Ballot. Mr. H.M. Choraria, (CP No. 1499, Membership No. FCS 2398) of M/s H. M. Choraria & Co., Practising Company Secretaries were appointed as Scrutinizer to conduct the Postal Ballot process in a fair and transparent manner and had engaged the services of Central Depository Services (India) Limited as the agency for the purpose of providing e-voting facility. Mr. H.M. Choraria had submitted his report dated 12th September, 2017 to Mr. Adarsh Kanoria, Chairman which is as follows :

Sr. No.	Date of Declaration of Postal Ballot Results	Description	Votes in favour of the resolution		Votes against of the resolution	
			No. of votes	% total votes	No. of votes	% total votes
1.	12.09.2017	Special Resolution pursuant to the provisions of Section 180 (1) (a) of the Companies Act, 2013 to sell / lease/ dispose off the Spinning Unit either in whole or in part at the Textile Unit of the Company situated at Asarwa Mills, Ahmedabad	6927447	99.969	2117	0.031

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/wp-content/uploads/2017/07/BTFL_RELATED-PARTY-TRANSACTION-POLICY_8.11.2014.pdf.

The Omnibus Approval of the Audit Committee is taken for Related Party Transactions which are regular in nature 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 the 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's 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 behavior, 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.



REPORT ON CORPORATE GOVERNANCE (Contd.)

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 the details of which are available on the Company's Website: www.bengaltea.com but constitution of Risk Management Committee is not applicable to the Company 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 and of the stock Exchange : www.bseindia.com and during the year under review, the official news had also been displayed on the Company's website but no presentation was made to the institutional investors or analysts.

Unaudited Financial Results For three months ended	Newspaper Published In	
	Business Standard (English)	Arthik Lipi (Bengali)
30.06.2017	15.09.2017	15.09.2017
30.09.2017	04.12.2017	04.12.2017
31.12.2017	12.02.2018	12.02.2018

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 as "Annexure- A" for the year ended 31st March, 2018.

12. General Shareholder information

Annual General Meeting: Date : 11th August, 2018

Time : 10.30 A.M.

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

Financial Year : 1st April, 2017 to 31st March, 2018

Date of Book Closure : 5th August, 2018 to 11th August, 2018 (Both days inclusive)

Financial Calender (Tentative):

- i. Financial Year : 1st April, 2018 to 31st March, 2019
- ii. First quarter results : On or before 14th August, 2018
- iii. Half yearly results : On or before 14th November, 2018
- iv. Third quarter results : On or before 14th February, 2019
- v. Audited Financial Statements : On or before 30th May, 2019



REPORT ON CORPORATE GOVERNANCE (Contd.)

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 2018-19.

Market Price Data and Number of Shares traded at BSE Ltd. during the Financial Year 2017-18

	April	May	June	July	August	September	October	November	December	January	February	March
High	57.60	55.00	53.10	54.80	53.50	55.00	53.20	71.10	68.00	70.05	66.10	63.00
Low	50.35	46.85	45.00	47.40	45.00	48.20	40.00	50.00	57.00	59.00	53.05	51.20
Volume	88796	48888	30988	81698	53386	33699	24973	214701	71867	62645	30381	10396

Performance in comparison to broad based indices

	31.03.2018	31.03.2017	Change (%)
Share prices of BTFL (₹)	52.10	52.40	(0.57%)
V/s BSE Sensex	32968.68	29620.50	11.30%

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 affected by the Registrars after necessary approval.
The process of Share Transfer generally takes 2 weeks.

Distribution of Shareholding as on 31st March, 2018

Sl. No.	Category of Shareholders (No. of Shares Held)	Number of Shareholders	Percentage of Shareholders	Number of Shares Held	Percentage of Holding
1	Upto 50	7243	75.72	333061	3.70
2	51-100	955	9.98	89798	1.00
3	101-500	998	10.43	264214	2.93
4	501-1000	169	1.77	139309	1.55
5	1001-2000	82	0.86	126489	1.40
6	2001-3000	27	0.28	66426	0.74
7	3001-4000	14	0.15	49056	0.54
8	4001-5000	18	0.19	85114	0.95
9	5001-10000	23	0.24	169387	1.88
10	10001 & above	36	0.38	7683131	85.31
	Total	9565	100.00	9005985	100.00



REPORT ON CORPORATE GOVERNANCE (Contd.)

Shareholding Pattern as on 31st March, 2018

Sl. No.	Category	Number of Shares held	Percentage of Shareholding
1	Promoters	6608712	73.38
2	Institutional Investors (Financial Institutions, Insurance Companies, Banks, Mutual Funds etc)	39593	0.44
3	Body Corporates (other than above)	178493	1.98
4	Resident Public	2003816	22.26
5	NRIs' / Foreign Nationals	1059	0.01
6	The Official Trustee of West Bengal	11520	0.13
7	Clearing Members	1242	0.01
8	IEPF	161550	1.79
	Total	9005985	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. 8596242 of the total equity shares have been dematerialised upto 31st day of March, 2018. 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.

Sd/-
ADARSH KANORIA
Managing Director
DIN : 00027290

Sd/-
KAILASH PRASAD KHANDELWAL
Whole-time Director
DIN : 00914834

Place : Kolkata
Dated : 19th May, 2018

Annual Compliance with the Code of Conduct for the Financial Year 2017-2018

Pursuant to Para D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I, Adarsh Kanoria, (DIN: 00027290) Managing Director of the Company hereby confirm that the Company has received affirmations on compliance with the Code of Conduct for the financial year ended 31st March, 2018 from all the Board Members and Senior Management Personnels.

For **Bengal Tea & Fabrics Ltd.**

Sd/-
ADARSH KANORIA
Managing Director
DIN : 00027290

Place : Kolkata
Dated : 19th May, 2018

**REPORT ON CORPORATE GOVERNANCE (Contd.)****CERTIFICATE ON CORPORATE GOVERNANCE****TO THE MEMBERS OF BENGAL TEA & FABRICS LIMITED**

We have examined the compliance of conditions of Corporate Governance by Bengal Tea & Fabrics Limited for the year ended March 31, 2018 as stipulated provisions of 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 procedure 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 in general with the conditions of corporate governance as stipulated in the above mentioned Listing Regulations.

We state that in respect of Investors' grievances received during the financial year ended on 31st March, 2018, no Investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the Company.

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

14/2 Old China Bazar Street
Kolkata 700 001
Dated : 19th May, 2018

For H M CHORARIA & CO.
Practising Company Secretaries
Sd/-
H M CHORARIA
Proprietor
F.C.S. No. 2398, C. P. No. 1499



Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the Financial Year ended on 31st March, 2018
[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies
(Management and Administration) Rules, 2014]

ANNEXURE - "C"

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 : investor@bengaltea.com
- vi) Whether listed Company : Yes
- vii) Name Address and Contact details of Registrar and Transfer Agent, if any : C. B. Management Services (P) Ltd.,
P-22, Bondel Road, Kolkata - 700 019
Tel. : 91 33 4011 6716 / 17/23/ 28
Fax : 91 33 4011 6739; Email : rta@cbmsl.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products/services	NIC Code of the Product/service	(%) to total turnover of the Company
1	Growing of Tea & Processing and blending of tea including manufacture of instant tea	01271 & 10791	32.39
2	Weaving, manufacture of cotton and cotton mixture fabrics	13121	51.44
3	Preparation and spinning of cotton fibre including blended cotton (since discontinued)	13111	16.17

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
1	Rydak Enterprises & Investment Limited	U15491WB1983PLC036235	Holding	56.19	2(46)



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 on 01-04-2017)				No. of Shares held at the end of the year (As on 31-03-2018)				% 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	—	1927	1927	0.02	(0.03)
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) FIs	—	—	—	—	—	—	—	—	—
h) Foreign Venture Capital	—	—	—	—	—	—	—	—	—
i) Others (Specify)	—	—	—	—	—	—	—	—	—
Sub-total (B)(1)	37666	16147	53813	0.60	37666	13447	51113	0.57	(0.03)
(2) Non-Institutions									
a) Bodies Corporate									
i) Indian	147376	3689	151065	1.68	175378	2689	178067	1.98	0.30
ii) Overseas	—	—	—	—	—	—	—	—	—



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 on 01-04-2017)				No. of Shares held at the end of the year (As on 31-03-2018)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	951034	538512	1489546	16.54	889239	379057	1268296	14.08	(2.46)
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	678730	12850	691580	7.68	719345	12850	732195	8.13	0.45
c) Others (Specify)									
i) Qualified Foreign Investor	—	—	—	—	—	—	—	—	—
ii) Trust Foundations	—	—	—	—	—	—	—	—	—
iii) Non-Resident Individuals	3053	4320	7373	0.08	1059	—	1059	0.01	(0.07)
iv) Foreign Portfolio Investor	—	—	—	—	—	—	—	0.00	0.00
v) Unclaimed shares	—	—	—	—	—	—	—	0.00	0.00
vi) Clearing Members	3896	—	3896	0.04	1242	—	1242	0.01	(0.03)
vii) LLP	—	—	—	—	426	—	426	0.01	0.01
viii) Employee	—	—	—	—	1125	700	1825	0.02	0.02
ix) Director & Relatives	—	—	—	—	500	1000	1500	0.02	0.02
x) IEPF#	—	—	—	—	161550	—	161550	1.79	1.79
Sub-total (B)(2)	1784089	559371	2343460	26.02	1949864	396296	2346160	26.05	0.03
Total Public Shareholding (B) = (B)(1)+(B)(2)	1821755	575518	2397273	26.62	1987530	409743	2397273	26.62	—
C. Shares held by Custodian for GDRs & ADRs	—	—	—	—	—	—	—	—	—
Grand Total (A+B+C)	8430467	575518	9005985	100.00	8596242	409743	9005985	100.00	—

161550 equity shares against 2775 folios corresponding to the dividend for the year ended 31st March, 2009 which remained unclaimed for 7 years have been transferred to Demat Account of IEPF Authority as per the provisions of Companies Act, 2013, hence the same has been shown in the shareholding pattern. The voting rights on these shares shall remain frozen till the rightful owner claims the shares (Refer to Section 124 of the Companies Act, 2013).



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 01-04-2017)			Shareholding at the end of the year (As on 31-03-2018)			% 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	—	—	—	—	(23.13)
2	Rydak Enterprises & Investment Limited*	1806720	20.06	—	5060870	56.19	—	36.13
3	Eskay Udyog Limited*	1170632	13.00	—	—	—	—	(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 Varenja Kanoria (Minor)	270000	3.00	—	270000	3.00	—	—
	Total	6608712	73.38	—	6608712	73.38	—	—

* As per the approved Scheme of Amalgamation, 2083518 shares held by Samrat Industrial Resources Limited and 1170632 shares held by Eskay Udyog Limited were transferred to Rydak Enterprises & Investment Limited.



Form No. MGT-9 (Contd.)

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

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

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative share-holding during the year (01.04.2017 to 31.03.2018)	
		No. of shares at the beginning (01.04.2017)/ end of the year (31.03.2018)	% of total shares of the Company				No. of shares	% of total shares of the Company
1	Samrat Industrial Resources Limited*	2083518 —	23.13 —	April 01, 2017 July 28, 2017 March 31, 2018	(2083518)	Transfer	— —	— —
2	Rydak Enterprises & Investment Limited*	1806720 5060870	20.06 56.19	April 01, 2017 August 04, 2017 March 31, 2018	3254150	Transfer	5060870 5060870	56.19 56.19
3	Eskay Udyog Limited*	1170632 —	13.00 —	April 01, 2017 July 28, 2017 March 31, 2018	(1170632)	Transfer	— —	— —
4	Adarsh Kanoria	536137 536137	5.95 5.95	April 01, 2017 March 31, 2018	Nil movement during the year	NA	536137	5.95
5	Shubha Kanoria	449216 449216	4.99 4.99	April 01, 2017 March 31, 2018	Nil movement during the year	NA	449216	4.99
6	Kushagra Kanoria	292489 292489	3.25 3.25	April 01, 2017 March 31, 2018	Nil movement during the year	NA	292489	3.25
7	Varenya Kanoria	270000 270000	3.00 3.00	April 01, 2017 March 31, 2018	Nil movement during the year	NA	270000	3.00

* As per the approved Scheme of Amalgamation, 2083518 shares held by Samrat Industrial Resources Limited and 1170632 shares held by Eskay Udyog Limited were transferred to Rydak Enterprises & Investment Limited.



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 (01.04.2017 to 31.03.2018)	
		No. of shares at the beginning (01.04.2017)/ end of the year (31.03.2018)	% of total shares of the Company				No. of shares	% of total shares of the Company
1	Santosh Sitaram Goenka	202924 202924	2.25 2.25	April 01, 2017 March 31, 2018	Nil Movement during the year	NA	202924	2.25
2	Deepa Bagla	126370 126370	1.40 1.40	April 01, 2017 March 31, 2018	Nil Movement during the year	NA	126370	1.40
3	Sunita Santosh Goenka	63319 63319	0.70 0.70	April 01, 2017 March 31, 2018	Nil movement during the year	NA	63319	0.70
4	Supriya Santosh Goenka	47349 47349	0.53 0.53	April 01, 2017 March 31, 2018	Nil movement during the year	NA	47349	0.53
5	Aryav Securities Pvt. Ltd	35847 35847	0.40 0.40	April 01, 2017 March 31, 2018	Nil movement during the year	NA	35847	0.40
6	R N Rubesh	34830 34830	0.39 0.39	April 01, 2017 March 31, 2018	Nil movement during the year	NA	34830	0.39
7	Kishor Shah	33142 33142	0.37 0.37	April 01, 2017 March 31, 2018	Nil movement during the year	NA	33142	0.37
8	Camel Tread Company Pvt. Ltd*	4244	0.05	April 01, 2017				
				June 16, 2017	881	Transfer	5125	0.06
				June 23, 2017	3006	Transfer	8131	0.09
				June 30, 2017	400	Transfer	8531	0.09
				July 07, 2017	200	Transfer	8731	0.10
				July 14, 2017	6880	Transfer	15611	0.17
				July 21, 2017	3675	Transfer	19286	0.21
				July 28, 2017	2000	Transfer	21286	0.24
				August 04, 2017	860	Transfer	22146	0.25
				August 11, 2017	3000	Transfer	25146	0.28
				September 01, 2017	1800	Transfer	26946	0.30
				September 08, 2017	1419	Transfer	28365	0.31
				September 15, 2017	3100	Transfer	31465	0.35
				September 22, 2017	50	Transfer	31515	0.35
				September 29, 2017	99	Transfer	31614	0.35
		31614	0.35	March 31, 2018			31614	0.35



Form No. MGT-9 (Contd.)

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

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

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative shareholding during the year (01.04.2017 to 31.03.2018)	
		No. of shares at the beginning (01.04.2017)/ end of the year (31.03.2018)	% of total shares of the Company				No. of shares	% of total shares of the Company
9	Rajendra Prasad Agarwal	31566	0.35	April 01, 2017				
				April 28, 2017	(4219)	Transfer	27347	0.30
		27347	0.30	March 31, 2018			27347	0.30
10	Rajesh Damodar Wadhvani	22353	0.25	April 01, 2017				
				September 01, 2017	1021	Transfer	23374	0.26
				September 08, 2017	900	Transfer	24274	0.27
				February 09, 2018	192	Transfer	24466	0.27
		24466	0.27	March 31, 2018			24466	0.27
11	Avninder Kumar#	23183	0.26	April 01, 2017	Nil movement during the year	NA		
		23183	0.26	March 31, 2018			23183	0.26
12	The New India Assurance Company Limited#	22666	0.25	April 01, 2017	Nil movement during the year	NA		
		22666	0.25	March 31, 2018			22666	0.25
13	Velji Bhavanji Visaria HUF#	30000	0.33	April 01, 2017				
				December 08, 2017	(500)	Transfer	29500	0.33
				December 15, 2017	(600)	Transfer	28900	0.32
				December 22, 2017	(2000)	Transfer	26900	0.30
				December 30, 2017	(1400)	Transfer	25500	0.28
				January 05, 2018	(1400)	Transfer	24100	0.27
				January 12, 2018	(400)	Transfer	23700	0.26
				January 26, 2018	(4150)	Transfer	19550	0.22
				February 16, 2018	(4550)	Transfer	15000	0.17
		15000	0.17	March 31, 2018			15000	0.17

* Not in the top 10 Shareholders as on 1st April, 2017. The same has been reflected above since the Shareholders were among one of the Top 10 Shareholder as on 31st March, 2018.

Ceased to be in the list of Top 10 Shareholders as on 31st March, 2018. The same has been reflected above since the Shareholders were amongst one of the Top 10 Shareholder as on 1st April, 2017.



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 share-holding	Reason	Cumulative Shareholding during the year (01.04.2017 to 31.03.2018)	
		No. of shares at the beginning (01.04.2017)/ end of the year (31.03.2018)	% of total shares of the Company				No. of shares	% of total shares of the Company
1	Golam Momen	750	0.01	April 01, 2017	Nil Movement during the year	NA	750	0.01
		750	0.01	March 31, 2018				
2	Mamoona Momen	750	0.01	April 01, 2017	Nil Movement during the year	NA	750	0.01
		750	0.01	March 31, 2018				

Note : (1) Shareholding of all other Directors - NIL

(2) Kailash Prasad Khandelwal (Wholetime Director), Atul Doshi (CFO) and Sunita Shah (CS) does not hold any shares in the Company in their names as on 31.03.2018.

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 (01-04-2017)*				
i) Principal Amount	5212.85	—	—	5212.85
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	—	—	—	—
Total (i+ii+iii)	5212.85	—	—	5212.85
Change in Indebtedness during the financial year				
Addition	—	—	—	—
Reduction	2616.36	—	—	2616.36
Net Change	2616.36	—	—	2616.36
Indebtedness at the end of the financial year (31-03-2018)				
i) Principal Amount	2596.49	—	—	2596.49
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	—	—	—	—
Total (i+ii+iii)	2596.49	—	—	2596.49

* The above figures have been recasted on account of transition from the previous Indian GAAP to IND AS.



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	42.75	26.46	69.21
	(b) Value of Perquisites u/s 17(2) of the Income Tax Act, 1961	9.33	0.91	10.24
	(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	—	—	—
	Employer contribution to PF & other funds	5.13	2.65	7.78
	Total (A)	57.21	30.02	87.19
	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 meetings	1.20	0.80	1.00	—	1.00	1.00	—	5.00
	Committee meetings	0.70	0.50	0.70	—	—	0.30	—	2.20
2	Commission	—	—	—	—	—	—	—	—
3	Others, please specify	—	—	—	—	—	—	—	—
	Total (I)	1.90	1.30	1.70	—	1.00	1.30	—	7.20
II	Other Non-Executive Directors –								
1	Fee for attending meeting - Board / Committee meetings	—	—	—	0.20	—	—	1.20	1.40
2	Commission	—	—	—	—	—	—	—	—
3	Others, please specify	—	—	—	—	—	—	—	—
	Total (II)	—	—	—	0.20	—	—	1.20	1.40
	Total (B)=(I+II)	1.90	1.30	1.70	0.20	1.00	1.30	1.20	8.60
	Total Managerial Remuneration (A+B)								95.79
	Overall Ceiling as per the Act								126.00

Overall ceiling limit is calculated as per provisions of Companies Act, 2013, the same is not applicable to sitting fees paid to the Non-Executive Directors. 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 Amount
1	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	7.83	21.60	29.43
	(b) Value of Perquisites u/s 17(2) of the Income Tax Act, 1961	1.34	1.02	2.36
	(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 - Employer Contribution to PF & other funds	0.73	2.16	2.89
	Total	9.90	24.78	34.68

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				



Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2018
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

ANNEXURE - "D"

The Members,

Bengal Tea & Fabrics Limited

Century Towers, 4th Floor
 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, 2018 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, 2018 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;
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and
 - (i) SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.
- (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

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

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

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

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

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

We further report that :

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

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

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

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

We further report that during the audit period apart from the event mentioned below, 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 :

1. The Company closed the Spinning section at Asawa Mills at Ahmedabad w.e.f. 15th September, 2017 after taking approval from the Members of the Company vide Special Resolution pursuant to the provisions of Section 180 (1) (a) the Companies Act, 2013.
2. A fire was noticed outside the Process department block of the Textile unit of the Company at Ahmedabad on 20th July, 2017. However, the loss caused due to fire was negligible.
3. The Company became subsidiary company of M/s Rydak Enterprises and Investment Limited, during the year under review.

H M Choraria & Co.
Practising Company Secretaries

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

Place : Kolkata
Date : 19.05.2018



PARTICULARS OF EMPLOYEES

ANNEXURE - "E"

A. 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) RULES, 2014

Requirements of Rule 5(1)	Details
(i) The ratio of the remuneration of each director to the median remuneration of the Company for the financial year	Mr. Adarsh Kanoria - MD - 26.58 : 1 Mr. Kailash Prasad Khandelwal - WTD - 16.41 : 1 Mr. Golam Momen - N.A.* Mr. Dharendra Kumar - N.A.* Mr. Samveg A. Lalbhai - N.A.* Mr. Abhijit Datta - N.A.* Mr. Navin Nayar - N.A.* Mr. Ashutosh Bhagat - N.A.* Mrs. Shubha Kanoria - N.A.*
(ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	Directors : Mr. Adarsh Kanoria - MD - 7.55% Mr. Kailash Prasad Khandelwal - WTD - 8.74% Mr. Golam Momen - N.A. Mr. Dharendra Kumar - N.A. Mr. Samveg A. Lalbhai - N.A. Mr. Abhijit Datta - N.A. Mr. Navin Nayar - N.A. Mr. Ashutosh Bhagat - N.A. Mrs. Shubha Kanoria - N.A. Key Managerial Personnel : Mr. Atul Doshi - CFO - 10.92% Mrs. Sunita Shah - CS - 19.97%
(iii) The percentage increase in the median remuneration of employees in the financial year	About 1.46%
(iv) The number of permanent employees on the rolls of the Company	1604 employees as on 31.03.2018
(v) 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 7% in the Tea Division and 4% in the Textile Division, respectively Average salary increase of the Managerial personnel were 11% as compared to other employees of the Company, which is reasonably comparable and hence need no justification.
(vi) Affirmation that the remuneration is as per the remuneration policy of the Company	Remuneration paid during the year ended 31st March, 2018 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



PARTICULARS OF EMPLOYEES (Contd.)

B. Information pursuant to Rule 5 (2) & 5(3) 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	Age (Years)	Designation	Remuneration (₹ in lakhs)	Qualification	Experience (Years)	Date of Commencement of employment	Previous employment held
1	Adarsh Kanoria*	51	Managing Director	57.21	B.COM (HONS), Diploma in Case Studies from Harvard Business School, USA	31	01.01.1992	First Employment
2	Kailash Prasad Khandelwal	62	Whole-Time Director	30.02	B.COM	43	01.01.1974	First Employment
3	Atul Doshi	56	Chief Financial Officer	24.78	Chartered Accountant, ACMA (U.K.)	34	13.11.2014	Visa Comtrade Limited
4	Anil Kumar Tiwari	60	General Manager - Garden	18.59	M. Sc(Bot)	30	29.02.2008	Pallorbund Tea Ltd.
5	Rajkumar Basotia	49	President	16.39	B.Com.	25	06.09.1993	RSWM Ltd
6	Bhavin D.Lakhani	42	G.M. (Weaving)	14.44	Diploma in Textile	21	16.10.2012	Donear Industries Ltd.
7	Kushagra Kanoria**	24	Vice President	12.90	B.Sc in Engineering (Computer Science) from the University of Michigan, USA	1	01.07.2017	Deutsche Bank AG, 60, Wall Street New York, USA
8	Manish Kumar Agarwal	37	AGM- Finance & Accounts	12.07	ACA, B.COM (H)	8	23.03.2015	Stone India Limited
9	Prema Sharma	53	DM - Factory (Tea)	11.68	B.A.	26	03.11.1992	First Employment
10	Sunita Shah	33	Company Secretary	9.90	M. COM, FCS, LLB	9	10.09.2012	VCK Capital Market Services Limited

* Adarsh Kanoria, Managing Director is related to Mrs. Shubha Kanoria, Non-Executive Director.

** Kushagra Kanoria, Vice President, is related to Mr. Adarsh Kanoria, Managing Director and Mrs. Subha Kanoria, Non-Executive Director.

Notes:

1. Nature of Employment and duties : Contractual and in accordance with terms and conditions as per Company's rules.
2. Remuneration received includes salary, allowances, Company's contribution to retirement funds etc. and monetary value of other perquisites computed on the basis of the Income Tax Act and Rules.

**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, 2018

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 :****TEA DIVISION**

- (a) Installation of LED tube lights in factory.

TEXTILE DIVISION :

- (a) Removal of 2 Nos. 100KVA transformers to reduce the transformer as well as cable losses.
 (b) Change in pump from 50 HP to 30 HP at Air Compressor
 (c) Installation of energy efficient pumps

2. Pollution Control**TEXTILE DIVISION :**

- a. The Division has upgraded and regularly maintain Aeration System for proper air distribution.
 b. The division complies the norms as per GPCB.

(ii) The steps taken by the Company for utilizing alternate sources of energy : Nil**(iii) The Capital Investment on energy conservation equipment : Nil****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:**(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 standard for readymade and brand apparel manufacturers
 (b) The Pedder Dyeing Machine (CPP) 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 : ₹ 6.45 Lakhs**C. FOREIGN EXCHANGE EARNINGS AND OUTGO :**

During the year 2017-18, the Company had contributed about ₹ 249 lakhs (net of outgo) to the exchequer in the form of valuable foreign exchange money.

- i) Foreign Exchange Earnings : ₹ 312 Lakhs
 ii) Foreign Exchange Outgo : ₹ 63 Lakhs



ANNUAL REPORT ON CSR ACTIVITIES

ANNEXURE - "G"

- 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 www.bengaltea.com and the weblink for the same is <http://bengaltea.com/wp-content/themes/bentaltea/pdf/corporatesocialresponsibilitypolicy.pdf>.
- The Composition of the CSR Committee : Mr. Adarsh Kanoria, Managing Director (DIN : 00027290)
Mr. Dharendra Kumar (DIN : 00153773)
Mr. Golam Momen (DIN : 00402662)
- Average Net Profit/(Loss) of the Company for last three financial years : (₹ 17.76 Lakhs)
- Prescribed CSR Expenditure (two per cent of the amount as in Item 3 above) : Nil
- Details of CSR spent during the financial year
 - Total amount to be spent for the financial year : Nil
 - Amount unspent, if any : Nil
 - 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 programmes (1) Local area or other (2)Specify the State and district where projects or programmes were undertaken	Amount outlay (budget) project or programme wise	Amount spent on the projects or programmes Sub-heads: (1) Direct expenditure on projects or programmes (2)Overheads	Cumulative expenditure upto the reporting period	Amount spent : Direct or through implementing agency
1.	Installation of Fire & Life safety arrangements in 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	₹ 10.35 Lakhs (Increase in project cost by ₹ . 1.35 Lakhs due to cost escalation)	An amount of ₹ 5.35 Lakhs by way of contribution to "Vivekananda Mission Asram", having its office at Viveknagar, P.O. Chaitnyapur (Haldia) Distt. Purba Medinipur, West Bengal, Pincode -721645	₹ 10.35 Lakhs (including ₹ 5 lakhs spent in F.Y. 2016-17)	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			₹ 10.35 Lakhs	₹ 5.35 Lakhs	₹ 10.35 Lakhs	

Note : The average net profit for the last three financial years to current F.Y. 2017-18 was negative. Accordingly, the CSR expenditure for current Financial Year was NIL. However, balance amount of CSR expenditure which remained unspent as on 31.03.2017 was spent in the current Financial Year with an additional amount of ₹ 1.35 lakhs due to project cost escalation.

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

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

Sd/-
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 March 31, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), and Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory notes for the year ended on that date (hereinafter referred to as "Standalone Ind AS Financial Statements").

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that gives a true and fair view of the state of affairs (financial position), Profit or loss (financial performance including other comprehensive income), cash flows and changes in Equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that gives a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

We have taken into account the provisions of the Act, the Accounting and Auditing Standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit of the standalone Ind AS financial statements 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 standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the standalone Ind AS 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 standalone Ind AS financial statements that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS 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 Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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, including Ind AS, of the financial position of the Company as at 31st March 2018 and its loss (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matters

- a) The comparative financial information of the Company for the year ended 31st March 2017 and the transition date opening balance sheet as at 1st April 2016 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the erstwhile auditor whose report for the year ended 31st March 2017 and 31st March 2016 dated 12th May 2017 and 20th May 2016 respectively expressed an unmodified opinion on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.
- b) We did not audit total revenue of Rs.9799 Lakhs and Rs. NIL and loss before tax of Rs. 1336 Lakhs and Rs. NIL of Fabric Division & Real Estate Division for the year ended 31st March, 2018 respectively and the total assets of Rs. 5082 Lakhs and Rs. 2027 Lakhs of Fabric Division & Real Estate Division as at 31st March, 2018 respectively, (includes Revenue amounting to Rs. 2344 Lakhs, loss before tax of Rs. 1164 Lakhs and assets of Rs. 697 Lakhs for the discontinued operations as disclosed in note no. 39 of the Standalone Ind AS Financial Statements) whose financial information have been audited by the other auditor and whose report has been furnished to us, and our opinion in so far as it relates to the affairs of these divisions is based solely on the report of the other auditor.

Our opinion is not modified in respect of this matter.



INDEPENDENT AUDITORS' REPORT (Contd.)

Report on Other Legal and Regulatory Requirements

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, to the extent applicable.

Further to our comments in the annexure referred to in the paragraph above, as required by Section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from the branch not visited by us;
- c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account and with the returns received from the branch not visited by us;
- d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act;
- e) On the basis of the written representations received from the directors as on March 31, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of section 164 (2) of the Act;
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting; and
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – refer note 40 to the Standalone Ind AS financial statements;
 - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For SINGHI & CO.
Chartered Accountants
Firm Registration No. 302049E
Sd/-
ADITYA SINGHI
Partner
Membership No. 305161

Place : Kolkata

Dated : 19th May, 2018

ANNEXURE "A" TO THE AUDITORS' REPORT OF EVEN DATE

- I. a. The Company has maintained proper records showing full particulars, including quantitative details and situations of fixed assets.
- b. During the year, fixed assets have been physically verified by the management according to a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verifications.
- c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- II. As informed, the inventories of the Company have been physically verified by the management at the reasonable intervals. In our opinion and according to the information and explanations given to us, the frequency of such verification is reasonable and adequate in relation to the size of the company and the nature of its business the discrepancies noticed on verification between the physical stocks and the book records were not material.
- III. The Company has not granted any loans secured or unsecured to companies, firms or parties covered in the register maintained under Section 189 of the Act. Accordingly, clause 3 (iii) of the Order is not applicable to the Company.
- IV. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.



ANNEXURE "A" TO THE AUDITORS' REPORT OF EVEN DATE (Contd.)

- V. The Company has not accepted any deposits from public covered under Sections 73 to 76 or any other relevant provisions of the Act and rules framed there under.
- VI. We have broadly reviewed the books of account maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 148 (1) of the Act in respect of the Company's products to which the said rules are made applicable and are of the opinion that prima facie, the prescribed records have been maintained. We have however not made a detailed examination of the said records with a view to determine whether they are accurate or complete.
- VII. a. According to the information and explanations given to us, during the year, the Company has generally been regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other statutory dues as applicable to it.
- b. According to the information and explanations given to us, the details of disputed dues of sales tax, income tax, customs duty, wealth tax, excise duty, service tax, and Cess, if any, as at 31st March, 2018, are as follows :

Name of the Statute	Nature of Dues	Amount (Rs. in lakhs)	Period to which the Amount relates	Forum where dispute is pending
Employee State Insurance	E.S.I. Contribution	1.86 1.04	2004-2005 2010-2011	High Court, Ahmedabad
West Bengal Value Added Tax, 2003	VAT	1.18	2011-2012	West Bengal Commercial Tax Appellate & Revisional Board
The Central Sales Tax Act, 1956	CST	0.01	2013-2014	Revision Petition

- VIII. In our opinion and on the basis of information and explanations given to us by the management, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
- IX. In our opinion and according to the information and explanations given to us, the company did not raise any money by way of initial public offer or further public offer (including debt instruments), the term loans obtained during the year were, prima facie, applied by the company for the purpose for which they were obtained, other than temporary deployment pending application.
- X. During the course of our examination of books of account carried out in accordance with generally accepted auditing practices in India, we have neither come across any incidence of fraud on or by the Company nor have we been informed of any such cases by the management.
- XI. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the said Act.
- XII. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- XIII. 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.
- XIV. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- XV. According to the information and explanations given to us and as represented to us by the management 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. Accordingly, paragraph 3(xv) of the Order is not applicable.
- XVI. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For SINGHI & CO.
Chartered Accountants
Firm Registration No. 302049E
Sd/-
ADITYA SINGHI
Partner
Membership No. 305161

Place : Kolkata
Dated : 19th May, 2018



ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph (h) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting 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 March 31, 2018 in conjunction with our audit of the standalone Ind AS 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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. 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 judgement, 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 standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 standalone financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, 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 SINGHI & CO.
Chartered Accountants
Firm Registration No. 302049E
Sd/-
ADITYA SINGHI
Partner
Membership No. 305161

Place : Kolkata
Dated : 19th May, 2018

**BALANCE SHEET as at 31st March, 2018**

(Amount in ₹ Lakhs)

	Note No.	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
ASSETS				
NON-CURRENT ASSETS				
Property, Plant and Equipment	5	7,041.02	9,744.77	10,917.86
Capital Work-In-Progress		80.58	74.97	9.97
Intangible Assets	6	3.92	8.23	7.91
Intangible Assets under development		9.85	3.84	-
		7,135.37	9,831.81	10,935.74
Financial Assets				
Other Financial Assets	7	58.23	35.37	54.50
Deferred Tax Assets (net)	8	551.67	319.42	219.41
Other Non-Current Assets	9	16.96	23.73	22.42
		626.86	378.52	296.33
CURRENT ASSETS				
Inventories	10	3,447.47	4,035.38	4,445.34
Biological Assets other than Bearer Plants	11	6.38	9.28	18.43
Financial Assets				
Investments	12	742.20	1,041.22	742.66
Trade Receivables	13	659.28	902.75	947.51
Cash and Cash Equivalents	14	70.86	212.73	40.09
Bank balances other than Note 14	15	20.01	44.20	23.66
Loans	16	9.17	8.67	12.80
Other Financial Assets	7	20.69	47.52	116.73
		1,522.21	2,257.09	1,883.45
Current Tax Asset (Net)	17	79.02	43.61	57.80
Other Current Assets	9	159.95	1,010.59	1,203.62
Assets pertaining to Disposal Group	39.2	697.21	-	-
Total Assets		13,674.47	17,566.28	18,840.71
EQUITY AND LIABILITIES				
EQUITY				
Equity Share Capital	18	901.07	901.07	901.07
Other Equity	19	8,784.35	9,244.72	9,917.27
		9,685.42	10,145.79	10,818.34
LIABILITIES				
NON-CURRENT LIABILITIES				
Financial Liabilities				
Borrowings	20	816.92	1,823.52	2,672.93
Provisions	21	86.21	117.97	90.66
Other Liabilities	22	30.54	36.22	42.31
CURRENT LIABILITIES				
Financial Liabilities				
Borrowings	23	1,559.57	2,534.33	2,449.92
Trade Payables	24			
Dues to Micro and Small Enterprises		7.43	5.45	-
Dues to Creditors other than Micro & Small Enterprises		692.67	1,298.46	1,309.34
Other Financial Liabilities	25	391.27	1,014.37	1,071.58
		2,650.94	4,852.61	4,830.84
Provisions	26	23.07	109.31	108.02
Other Liabilities	27	367.14	480.86	277.61
Liabilities pertaining to Disposal Group	39.2	14.23	-	-
Total Equity and Liabilities		13,674.47	17,566.28	18,840.71

Basis of Accounting

Significant Accounting Policies

Significant Judgements & Estimates

The Notes are an integral part of the Financial Statements.

As per our Report annexed of even date

For SINGHI & CO.

Chartered Accountants

Firm Registration No. 302049E

ADITYA SINGHI

Partner

Membership No. 305161

Kolkata, the 19th day of May, 2018

Sd/-
A. KANORIA
Managing Director
(DIN:00027290)

Sd/-
A. DOSHI
Chief Financial Officer

Sd/-
K. P. KHANDELWAL
Whole Time Director
(DIN: 00914834)

Sd/-
S. SHAH
Company Secretary

**STATEMENT OF PROFIT & LOSS for the year ended 31st March, 2018**

(Amount in ₹ Lakhs)

	Note No.	For the year ended 31st March, 2018	For the year ended 31st March, 2017
INCOME			
Revenue from Operations	28	12,149.51	12,942.05
Other Income	29	149.65	203.95
Total Income		12,299.16	13,146.00
EXPENSES			
Cost of Materials Consumed	30	4,769.16	5,042.03
Purchases of Stock-in-Trade	31	44.55	39.56
Changes in Inventories of Finished Goods, Stock-In-Trade and Work-in-Progress	32	(21.67)	50.85
Employee Benefits Expense	33	2,377.09	2,351.75
Finance Costs	34	279.75	243.11
Depreciation and Amortisation Expense	35	589.10	581.44
Other Expenses	36	3,828.04	3,894.41
Total Expenses		11,866.02	12,203.15
Profit before Tax		433.14	942.85
Tax Expense:	37		
Current Tax		8.25	-
Deferred Tax		(159.72)	(54.32)
Income Tax for earlier years		(5.23)	20.43
Profit/(Loss) for the period from continuing operations		589.84	976.74
Loss from Discontinuing operations	39.1	(1,163.90)	(1,617.01)
Tax expense of Discontinuing operations		(72.53)	(59.49)
Loss from Discontinuing operations (after tax)		(1,091.37)	(1,557.52)
Profit/(Loss) for the year		(501.53)	(580.78)
Other Comprehensive Income	38		
i. Items that will not be reclassified to profit or loss		41.16	(37.57)
ii. Income tax relating to these items		-	-
Other Comprehensive Income for the Year (Net of Tax)		41.16	(37.57)
Total Comprehensive Income for the period		(460.37)	(618.35)
Earnings Per Share			
Nominal Value of Shares (₹)		10.00	10.00
Weighted Average Number of Ordinary Equity Shares outstanding during the year		9,005,985	9,005,985
Basic & Diluted Earnings Per Share		(5.57)	(6.45)
- from Continued Operations		6.55	10.84
- from Discontinued Operations		(12.12)	(17.29)
Basis of Accounting	2		
Significant Accounting Policies	3		
Significant Judgements & Estimates	4		
The Notes are an integral part of the Financial Statements			
As per our Report annexed of even date			
For SINGHI & CO.			
Chartered Accountants			
Firm Registration No. 302049E			
ADITYA SINGHI			
Partner			
Membership No. 305161			
Kolkata, the 19th day of May, 2018			
		Sd/- A. KANORIA Managing Director (DIN:00027290)	Sd/- K. P. KHANDELWAL Whole Time Director (DIN: 00914834)
		Sd/- A. DOSHI Chief Financial Officer	Sd/- S. SHAH Company Secretary

**CASH FLOW STATEMENT for the year ended 31st March, 2018**

(Amount in ₹ Lakhs)

	For the year ended			
	31st March, 2018		31st March, 2017	
	from Continuing Operations	from Discontinuing Operations	from Continuing Operations	from Discontinuing Operations
A CASH FLOW FROM OPERATING ACTIVITIES				
Net (Loss) / Profit Before Tax and after Exceptional items	433.14	(1,163.90)	942.85	(1,617.01)
Finance Costs	279.75	114.00	243.11	310.23
Depreciation (including amortization & impairment)	589.10	361.00	581.44	624.42
Interest Received	(31.35)	-	(32.86)	-
Rent Received	(0.40)	-	(0.60)	-
Loss /(Profit) on Property, Plant and Equipment sold/discarded (Net)	(0.20)	(183.10)	(0.22)	3.94
Net (Gain)/Loss on sale of Investments	(13.69)	-	(8.51)	-
Mark to Market (Gain)/Loss on Financial Instruments under FVTPL	(30.72)	-	(45.04)	-
Other Non cash (Income) / Expenses	41.16	-	(33.44)	-
Operating Profit/ (Loss) before Working Capital Changes	1,266.79	(872.00)	1,646.73	(678.42)
ADJUSTMENT FOR :				
Decrease in Trade Receivables	115.23	128.24	17.21	27.55
Decrease in Non-current & current financial assets	25.90	-	69.90	-
Decrease /(Increase) in Non-current & current assets	183.22	321.10	(4.02)	204.89
Decrease in Inventories	3.41	584.50	200.65	209.31
(Decrease)/ Increase in Trade Payables	(508.81)	(95.00)	17.75	(23.18)
(Decrease)/ Increase in Non-current & current financial liabilities	80.14	(68.24)	(34.58)	(18.50)
Increase /(Decrease) in Non-current & current provisions	(118.00)	-	28.60	-
Increase /(Decrease) in Non-current & current liabilities	(16.78)	(88.39)	121.35	75.81
Cash Generated from Operations	1,031.10	(89.79)	2,063.59	(202.54)
Income Tax (Paid)/ Received (Net)	(38.44)	-	1.39	-
Net Cash Flow from Operating Activities	992.66	(89.79)	2,064.98	(202.54)
B CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Property, Plant and Equipment	(463.75)	-	(220.28)	-
Sale of Property, Plant and Equipment	0.36	2,051.81	1.64	112.99
Purchase of Investments	(400.00)	-	(495.00)	-
Sale of Investments	743.42	-	250.00	-
Interest Received	33.12	-	30.72	-
Rent Received	0.40	-	0.60	-
Net Cash Flow from Investing Activities	(86.45)	2,051.81	(432.32)	112.99

**CASH FLOW STATEMENT for the year ended 31st March, 2018 (Contd.)**

(Amount in ₹ Lakhs)

	For the year ended			
	31st March, 2018		31st March, 2017	
	from Continuing Operations	from Discontinuing Operations	from Continuing Operations	from Discontinuing Operations
C CASH FLOW FROM FINANCING ACTIVITIES				
Increase / (Decrease) in Short Term Borrowings from Banks	(974.76)	-	84.41	-
Decrease in Long Term Borrowings	(479.84)	(1,161.75)	(173.79)	(679.75)
Finance Costs	(279.75)	(114.00)	(236.91)	(310.23)
Dividend Paid	-	-	(45.03)	-
Dividend distribution tax paid	-	-	(9.17)	-
Net Cash Flow from Financing Activities	(1,734.35)	(1,275.75)	(380.49)	(989.98)
Net Increase / (Decrease) in Cash and Cash Equivalents	(828.14)	686.27	1,252.17	(1,079.53)
Cash and Cash Equivalents at the beginning of the year	212.73	-	40.09	-
Cash and Cash Equivalents at the end of the year	70.86	-	212.73	-

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in IND AS -7 "Statement of Cash Flows" referred to in the Companies (Accounts) Rules, 2016.
- Cash flow from operating activities for the year ended March 31, 2018 is after considering CSR expenditure of ₹ 5.35 lakh (Previous year ₹ 13.63 lakh) - Refer note no. 44.
- Effective April 1, 2017, the Company adopted the amendment to IND AS 7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance sheet for liabilities arising from financing activities, to meet the disclosure requirement, the effect of which is given below :

Particulars	As at 31st March 2017	Cash Flows	Non-cash Adjustment		At at 31st March 2018
			EIR Effect	Current/ Non-current classification	
Borrowings - Non-Current	1,823.52	(785.00)	(1.60)	(220.00)	816.92
Borrowings - Current	2,534.33	(974.76)	-	-	1,559.57
Other Financial Liabilities	855.00	(855.00)	-	220.00	220.00

- Previous year's figures have been re-grouped/re-arranged wherever necessary.

As per our Report annexed of even date
For SINGHI & CO.
Chartered Accountants
Firm Registration No. 302049E
ADITYA SINGHI
Partner
Membership No. 305161
Kolkata, the 19th day of May, 2018

Sd/-
A. KANORIA
Managing Director
(DIN:00027290)

Sd/-
A. DOSHI
Chief Financial Officer

Sd/-
K. P. KHANDELWAL
Whole Time Director
(DIN: 00914834)

Sd/-
S. SHAH
Company Secretary



STATEMENT OF CHANGE IN EQUITY for the year ended 31st March, 2018

(Amount in ₹ Lakhs)

a. Equity Share Capital

Balance as at 1st April 2016 *	901.07
Add/(Less): Changes in Equity Share Capital during the year 2016-17	-
Balance as at 31st March 2017	901.07
Add/(Less): Changes in Equity Share Capital during the year 2017-18	-
Balance as at 31st March 2018	901.07

* Includes ₹ 0.47 lakh on account of forfeited shares.

b. Other Equity

Particulars	Reserves & Surplus			Other Comprehensive Income	Total
	General Reserve	Securities Premium Reserve	Retained Earnings	Equity Instrument through Other Comprehensive Income	
Balance as at 1st April, 2017	2,926.89	301.60	6,016.23	-	9,244.72
Profit/(Loss) for the Year	-	-	(501.53)	-	(501.53)
Remeasurement Gain/(Loss)	-	-	41.16	-	41.16
Total Comprehensive Income	-	-	(460.37)	-	(460.37)
Balance as at 31st March, 2018	2,926.89	301.60	5,555.86	-	8,784.35

Particulars	Reserves & Surplus			Other Comprehensive Income	Total
	General Reserve	Securities Premium Reserve	Retained Earnings	Equity Instrument through Other Comprehensive Income	
Balance as at 1st April, 2016 (A)	2,926.89	301.60	6,688.78	-	9,917.27
Profit/(Loss) for the year	-	-	(580.78)	-	(580.78)
Revaluation adjustment on Profit on Sale of Fixed Assets *	-	-	0.00	-	0.00
Remeasurement Gain/(Loss)	-	-	(37.57)	-	(37.57)
Total Comprehensive Income (B)	-	-	(618.35)	-	(618.35)
Final Dividend Paid	-	-	45.03	-	45.03
Dividend Distribution Tax on Final Dividend	-	-	9.17	-	9.17
Total reduction from reserves (C)	-	-	54.20	-	54.20
Balance as at 31st March, 2017 (A+B-C)	2,926.89	301.60	6,016.23	-	9,244.72

* Below rounding off norms adopted by the Company

The Notes are an integral part of the Financial Statements

As per our Report annexed of even date
For SINGHI & CO.
Chartered Accountants
Firm Registration No. 302049E
ADITYA SINGHI
Partner
Membership No. 305161
Kolkata, the 19th day of May, 2018

Sd/-
A. KANORIA
Managing Director
(DIN:00027290)

Sd/-
A. DOSHI
Chief Financial Officer

Sd/-
K. P. KHANDELWAL
Whole Time Director
(DIN: 00914834)

Sd/-
S. SHAH
Company Secretary



Notes to the Financial Statements for the year ended 31st March, 2018

1. CORPORATE AND GENERAL INFORMATION

Bengal Tea & Fabrics Limited was incorporated in the year 1983 and later on, in the year 1985, it took over the whole undertakings of Bengal Tea & Industries Limited, earlier known as Bengal Tea Company Limited. At present the Company has interest in the business of Tea, Textiles & Real Estate.

2. BASIS OF ACCOUNTING

2.1. Statement of Compliance

These financial statements have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as prescribed by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ("the Act"), read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended), other relevant provisions of the Act and other accounting principles generally accepted in India.

The financial statements for all periods up to and including the year ended 31st March, 2017, were prepared in accordance with Generally Accepted Accounting Principles (GAAP) in India, which includes the accounting standards prescribed under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 and other provisions of the Act (collectively referred to as "Indian GAAP"). These financial statements for the year ended 31st March, 2018 are the first Ind AS Financial Statements with comparatives, prepared under Ind AS. The Company has consistently applied the accounting policies used in the preparation of its opening Ind AS Balance Sheet at 1st April, 2016 throughout all periods presented, as if these policies had always been in effect and are covered by Ind AS 101 "First Time Adoption of Indian Accounting Standards".

An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in Note no. 47. Certain of the Company's Ind-AS accounting policies used in the opening Balance Sheet differed from its Indian GAAP policies applied as at 31st March, 2016 and accordingly the adjustments were made to restate the opening balances as per Ind-AS. The resulting adjustment arising from events and transactions before the date of transition to Ind-AS were recognized directly through retained earnings as at 1st April, 2016 as required by Ind-AS 101. The financial statements of the Company for the year ended 31st March, 2018 has been approved by the Board of Directors in their meeting held on 19th May, 2018.

2.2. Basis of Accounting

The Company maintains accounts on accrual basis following the historical cost convention, except for followings:

- Certain Financial Assets and Liabilities is measured at Fair value/ Amortised cost (refer accounting policy regarding financial instruments);
- Defined Benefit Plans – plan assets measured at fair value; and
- Biological Assets – At fair value less cost to sell

2.3. Functional and Presentation Currency

The Financial Statements are presented in Indian Rupee (INR), which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates. All financial information presented in INR has been rounded off to the nearest lakhs as per the requirements of Part II of Schedule III, unless otherwise stated.

2.4. Use of Estimates and Judgements

The preparation of financial statements in conformity with Ind AS requires judgements, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

2.5. Presentation of Financial Statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Schedule III to the Companies Act, 2013 ("the Act"). The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified Accounting Standards and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended).

2.6. Operating Cycle for current and non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1. The Company has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.



Notes to the Financial Statements for the year ended 31st March, 2018 (Contd.)

An asset is classified as current when it is:

- Expected to be realized or intended to sale or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All the other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current. Deferred Tax Assets and Liabilities are classified as non-current assets and liabilities respectively.

2.7. Measurement of Fair Values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 — Inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 — Inputs which are unobservable inputs for the asset or liability.

External valuers are involved for valuation of significant assets & liabilities. Involvement of external valuers is decided by the management of the company considering the requirements of Ind AS and selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

3. ACCOUNTING POLICIES

A summary of the significant accounting policies applied in the preparation of the financial statements are as given below. These accounting policies have been applied consistently to all the periods presented in the financial statements.

3.1. INVENTORIES

- **Raw Materials :** At Cost or Net Realizable Value whichever is lower. Cost of harvested tea leaves, produced from own gardens, is measured at fair value less cost to sell at the point of harvest of tea leaves. Cost of other raw materials is measured on weighted average basis. Cost at Textile Division is arrived at on the basis of cost of respective lots remaining in stock and related expenses.
- **Stores and Spare Parts :** Stores and Spare Parts are measured at cost or net realizable value (NRV) whichever is lower. Cost of stores except for coal is arrived at on FIFO basis in Textile Division. All stores at Tea Division and Coal at Textile Division are valued on weighted average basis.



Notes to the Financial Statements for the year ended 31st March, 2018 (Contd.)

- **Material in Process** : Material in Process is valued at lower of cost on absorption basis and net realizable value.
- **Finished Goods** : Finished goods produced from agricultural produce are valued at lower of cost and the net realizable value (NRV). Cost is arrived at by adding the cost of conversion to the fair value of agricultural produce. Other finished goods are measured at cost on absorption basis or NRV whichever is lower.
- **Land** : 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 & loss proportional to the area sold at the time when corresponding revenue is recognized.
- **Waste** : Waste is valued at estimated realisable value.

3.2. CASH AND CASH EQUIVALENTS

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short term deposits with an original maturity of three months or less, which are subject to an insignificant risk of change in value.

For the purpose of the statement of cash flows, cash and cash equivalents includes cash on hand, term deposits and other short-term highly liquid investments, net of bank overdrafts as they are considered an integral part of the Company's cash management. Bank overdrafts are shown within short term borrowings in the balance sheet.

3.3. INCOME TAX

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Current and deferred tax is recognised in the statement of profit & loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

3.3.1. Current Tax

Current tax liabilities (or assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the taxation authorities using the tax rates (and tax laws) that have been enacted or substantively enacted, at the end of the reporting period.

3.3.2. Deferred Tax

- Deferred Tax assets and liabilities is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.
- Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes (i.e., tax base). Deferred tax is also recognized for carry forward of unused tax losses and unused tax credits.
- Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.
- The carrying amount of deferred tax assets is reviewed at the end of each reporting period. The Company reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or that entire deferred tax asset to be utilized. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.
- Deferred tax relating to items recognized outside the Statement of Profit and Loss is recognized either in other comprehensive income or directly in equity.
- Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

3.4. PROPERTY, PLANT AND EQUIPMENT

3.4.1. Tangible Assets (Other than Bearer Plants)

3.4.1.1. Recognition and Measurement

- Property, plant and equipment held for use in the production or/and supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost, less any accumulated depreciation and accumulated impairment losses (if any).



Notes to the Financial Statements for the year ended 31st March, 2018 (Contd.)

- Cost of an item of property, plant and equipment acquired comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting any trade discounts and rebates, directly attributable costs of bringing the assets to its working condition and location for its intended use and present value of any estimated cost of dismantling and removing the item and restoring the site on which it is located.
- In case of self-constructed assets, cost includes the costs of all materials used in construction, direct labour, allocation of directly attributable overheads, directly attributable borrowing costs incurred in bringing the item to working condition for its intended use, and estimated cost of dismantling and removing the item and restoring the site on which it is located. The costs of testing whether the asset is functioning properly, after deducting the net proceeds from selling items produced while bringing the asset to that location and condition are also added to the cost of self-constructed assets.
- If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.
- Profit or loss arising on the disposal of property, plant and equipment are recognized in the Statement of Profit and Loss.

3.4.1.2. Subsequent Measurement

- Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the cost incurred will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced.
- Major Inspection/ Repairs/ Overhauling expenses are recognized in the carrying amount of the item of property, plant and equipment as a replacement if the recognition criteria are satisfied. Any Unamortized part of the previously recognized expenses of similar nature is derecognized.

3.4.1.3. Depreciation and Amortization

- Depreciation on Property, Plant & Equipment is provided under Straight Line Method at rates determined based on the useful life of the respective assets and the residual values in accordance with Schedule II of the Companies Act, 2013 or as reassessed by the Company based on the technical evaluation.
- Depreciation on additions (disposals) during the year is provided on a pro-rata basis i.e., from (up to) the date on which asset is ready for use (disposed off).
- Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

3.4.1.4. Disposal of Assets

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between net disposal proceeds and the carrying amount of the asset and is recognized in the statement of profit and loss.

3.4.1.5. Capital Work in Progress

Capital work-in-progress is stated at cost which includes expenses incurred during construction period, interest on amount borrowed for acquisition of qualifying assets and other expenses incurred in connection with project implementation in so far as such expenses relate to the period prior to the commencement of commercial production.

3.4.2. Bearer Plants

3.4.2.1. Recognition and Measurement

- Bearer Plants, comprising of mature tea bushes and shade trees are stated in the balance sheet at cost, less any accumulated depreciation and accumulated impairment losses (if any).
- Cost of bearer plants includes the cost of uprooting, replanting, rejuvenation and maintenance, fertilizers & agro-chemicals etc till the time it started bearing Green Tea Leaves.

3.4.2.2. Subsequent Measurement

Costs incurred for infilling including block infilling are generally recognized in the Statement of Profit and Loss unless there is a significant increase in the yield of the sections, in which case such costs are capitalized and depreciated over the remaining useful life of the respective sections.

3.4.2.3. Depreciation

- Depreciation on bearer plants is recognised so as to write off its cost over useful lives, using the straight-line method.



Notes to the Financial Statements for the year ended 31st March, 2018 (Contd.)

- The estimated useful life, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.
- Estimated useful life of the bearer plants has been determined to be 80 years. The residual value in case of Bearer Plants has been considered as 5%.

3.4.2.4. Capital Work in Progress

Young tea bushes & shade trees, including the cost incurred for procurement of new seeds and maintenance of nurseries, are carried at cost less any recognized impairment losses under capital work-in-progress. Cost includes the cost of land preparation, new planting and maintenance of newly planted bushes until maturity. On maturity, these costs are classified under bearer plants. Depreciation of bearer plants commence on maturity.

3.5. LEASES

3.5.1. Determining whether an arrangement contains a lease

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

3.5.2. Company as lessee

• Finance Lease

Finance Leases, which effectively transfer to the lessee substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease Payments under such leases are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly to the statement of profit and loss. Lease management fees, legal charges and other initial direct costs are capitalized.

If there is no reasonable certainty that the Company will obtain the ownership by the end of lease term, capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

• Operating Lease

Leases in which significant portion of risk and rewards of ownership are not transferred to the Company as lease are classified as operating leases. Payments made under operating leases (net of any incentives receipt from the lessor) are charged to profit or loss on a straight line basis over the period of the leases unless the payments are structured to increase in line with expected general inflation to compensate for the lessors expected inflationary cost increases. Leases where the company assumes substantially all risks and rewards incidental to the ownership of the leases assets are classified as finance leases.

3.6. REVENUE RECOGNITION

Revenue is recognised based to the extent it is probable that the economic benefit will flow to the company and revenue can be reliably measured regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment, and excludes taxes & duties collected on behalf of the Government and is reduced for estimated customer returns, rebates and other similar allowances.

3.6.1. Sale of Products

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company and significant risk and reward incidental to sale of products is transferred to the buyer, usually on delivery of the goods. Export sales are accounted on the basis of dates of Bill of Lading.

3.6.2. Other Income

3.6.2.1. Export Incentives: Export incentives are accounted for in the year of export.

3.6.2.2. Interest Income: For all debt instruments measured either at amortized cost, interest income is recorded using the Effective Interest Rate (EIR). EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset.

3.6.2.3. Insurance and other claims : Insurance and other claims to the extent considered recoverable are accounted for in the year of claim.

3.6.2.4. Other Income : Other items of income are accounted as and when the right to receive such income arises and it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably.



Notes to the Financial Statements for the year ended 31st March, 2018 (Contd.)

3.7. EMPLOYEE BENEFITS

3.7.1. Short Term Benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related services are provided. Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period.

3.7.2. Other Long Term Employee 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 recognized immediately in statement of profit and loss as income or expenses.

3.7.3. Post Employment Benefits

The Company operates the following post employment schemes:

- **Defined Contribution Plan**

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

- **Defined Benefit Plans**

The liability / asset recognized in the Balance Sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods. The defined benefit obligation is calculated annually by Actuaries using the projected unit credit method. The Liability or Assets are recognized for defined benefit plans is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets, together with adjustments for unrecognized actuarial gains or losses and past service costs. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. The benefits are discounted using the government securities (G-Sec) at the end of the reporting period that have terms approximating to the terms of related obligation.

Remeasurements of the net defined benefit obligation, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling, are recognized in other comprehensive income. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to the statement of profit and loss.

3.8. GOVERNMENT GRANTS

Government grants are recognised at their fair value, where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

The grant relating to the acquisition/ construction of an item of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on the same systematic basis as the respective assets are depreciated over their expected life.

3.9. FOREIGN CURRENCY TRANSACTIONS

- Foreign currency (other than the functional currency) transactions are translated into the functional currency using the spot rates of exchanges at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchanges at the reporting date.
- Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities are generally recognized in profit or loss in the year in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those qualifying assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings, the balance is presented in the Statement of Profit and Loss within finance costs.
- Non monetary items are not retranslated at period end and are measured at historical cost (translated using the exchange rate at the transaction date).



Notes to the Financial Statements for the year ended 31st March, 2018 (Contd.)

3.10. BORROWING COSTS

- Borrowing Costs consists of interest and other costs that an entity incurs in connection with the borrowings of funds. Borrowing costs also includes foreign exchange difference to the extent regarded as an adjustment to the borrowing costs.
- Borrowing costs directly attributable to the acquisition or construction of a qualifying asset are capitalized as a part of the cost of that asset that necessarily takes a substantial period of time to complete and prepare the asset for its intended use or sale.
- Transaction costs in respect of long term borrowing are amortized over the tenure of respective loans using Effective Interest Rate (EIR) method. All other borrowing costs are recognized in the statement of profit and loss in the period in which they are incurred.

3.11. FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

3.11.1. Financial Assets

Recognition and Initial Measurement :

All financial assets are initially recognized when the company becomes a party to the contractual provisions of the instruments. A financial asset is initially measured at fair value plus, in the case of financial assets not recorded at fair value through statement of profit and loss, transaction costs that are attributable to the acquisition of the financial asset.

Classification and Subsequent Measurement :

For purposes of subsequent measurement, financial assets are classified in four categories :

- Measured at Amortized Cost;
- Measured at Fair Value Through Other Comprehensive Income (FVTOCI);
- Measured at Fair Value Through Profit & Loss (FVTPL); and
- Equity Instruments designated at Fair Value Through Other Comprehensive Income (FVTOCI).

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

Measured at Amortized Cost: A debt instrument is measured at the amortized cost if both the following conditions are met :

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the Effective Interest Rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the statement of profit and loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade receivables, cash and bank balances, loans and other financial assets of the company.

Measured at FVTOCI: A debt instrument is measured at the FVTOCI if both the following conditions are met :

- The objective of the business model is achieved by both collecting contractual cash flows and selling the financial assets; and
- The asset's contractual cash flows represent SPPI.

Debt instruments meeting these criteria are measured initially at fair value plus transaction costs. They are subsequently measured at fair value with any gains or losses arising on remeasurement recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains or losses. Interest calculated using the effective interest method is recognized in the statement of profit and loss in investment income.

Measured at FVTPL : FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as FVTPL. In addition, the company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss. Equity instruments which are, held for trading are classified as at FVTPL.



Notes to the Financial Statements for the year ended 31st March, 2018 (Contd.)

Equity Instruments designated at FVTOCI : For equity instruments, which has not been classified as FVTPL as above, the company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. In case the company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment.

- **Derecognition :**

The Company derecognizes a financial asset on trade date only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

- **Impairment of Financial Assets :**

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS – 109 requires expected credit losses to be measured through a loss allowance. The company recognizes impairment loss for trade receivables that do not constitute a financing transaction using expected credit loss model, which involves use of a provision matrix constructed on the basis of historical credit loss experience. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

3.11.2. Financial Liabilities

- **Recognition and Initial Measurement :**

Financial liabilities are classified, at initial recognition, as at fair value through profit or loss, loans and borrowings, payables or as derivatives, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

- **Subsequent Measurement :**

Financial liabilities are measured subsequently at amortized cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

- **Derecognition :**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

3.11.3. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the counterparty.

3.12. Earnings Per Share

Basic Earnings Per Share (EPS) amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year. Diluted EPS amounts are calculated by dividing the profit attributable to equity holders adjusted for the effects of potential equity shares by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

3.13. Impairment of Non-Financial Assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value being higher of value in use and net selling price. Value in use is computed at net present value of cash flow expected over the balance useful lives of the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (Cash Generating Units – CGU).

An impairment loss is recognized as an expense in the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in earlier accounting period is reversed if there has been an improvement in recoverable amount.



Notes to the Financial Statements for the year ended 31st March, 2018 (Contd.)

3.14. Provisions, Contingent Liabilities and Contingent Assets

3.14.1. Provisions

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

3.14.2. Contingent Liabilities

Contingent liability is a possible obligation arising from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events but is not recognized because it is not possible that an outflow of resources embodying economic benefit will be required to settle the obligations or reliable estimate of the amount of the obligations cannot be made. The Company discloses the existence of contingent liabilities in Other Notes to Financial Statements.

3.14.3. Contingent Assets

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits. Contingent Assets are not recognized though are disclosed, where an inflow of economic benefits is probable.

3.15. Intangible Assets

3.15.1. Recognition and Measurement

Software which is not an integral part of related hardware, is treated as intangible asset and is stated at cost on initial recognition and subsequently measured at cost less accumulated amortization and accumulated impairment loss, if any.

3.15.2. Subsequent Expenditure

Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the cost incurred will flow to the Company and the cost of the item can be measured reliably. All other expenditure is recognized in the Statement of Profit & Loss.

3.15.3. Amortization

- Intangible assets are amortized over a period of five years.
- The amortization period and the amortization method are reviewed at least at the end of each financial year. If the expected useful life of the assets is significantly different from previous estimates, the amortization period is changed accordingly.

3.15.4. Intangible Assets under Development

Intangible Assets under development is stated at cost which includes expenses incurred in connection with development of Intangible Assets in so far as such expenses relate to the period prior to getting the assets ready for use.

3.16. Biological Assets and Agricultural Produce

3.16.1. Biological Assets

Biological assets of the company comprise of un-harvested green tea leaves that are classified as current biological assets.

The Company recognizes biological assets when, and only when, the Company controls the assets as a result of past events, it is probable that future economic benefits associated with such assets will flow to the company and the fair value or cost of the assets can be measured reliably. Expenditure incurred on biological assets is measured on initial recognition and at the end of each reporting period at its fair value less costs to sell. The gain or loss arising from a change in fair value less cost to sell of biological assets is included in Statement of Profit and Loss for the period in which it arises.

3.16.2. Agricultural Produce

The Company recognizes agricultural produce when, and only when, the Company controls the assets as a result of past events, it is probable that future economic benefits associated with such assets will flow to the Company and the fair value or the cost of the assets can be measured reliably. Agricultural produce harvested from the Company's biological assets are valued at fair value less cost to sell at the point of harvest. A gain or loss arising on initial recognition of agricultural produce at fair value less cost to sell shall be included in Statement of Profit & Loss for the period in which it arises.

The Company's agricultural produce comprises of green leaves plucked from its tea estate.



Notes to the Financial Statements for the year ended 31st March, 2018 (Contd.)

3.17. Operating Segment

Operating Segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors. Segments are organized based on businesses which have similar economic characteristics as well as exhibit similarities in nature of production processes, the type and class of customer and distribution methods.

Segment revenue arising from third party customers is reported on the same basis as revenue in the financial statements. Inter-segment revenue is reported on the basis of transactions which are primarily market led. Segment results represent profits before finance charges, unallocated corporate expenses and taxes. "Unallocated Corporate Expenses" include revenue and expenses that relate to initiatives/ costs attributable to the enterprise as a whole and are not attributable to segments.

3.18. Non-current assets held for sale/ distribution to owners and discontinued operations

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

The criteria for held for sale classification is regarded met only when the assets are available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable, and it will genuinely be sold, not abandoned. The Division treats sale of the asset to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset;
- An active programme to locate a buyer and complete the plan has been initiated (if applicable);
- The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value;
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification; and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale/ distribution to owners are not depreciated or amortized.

A disposal qualifies as discontinued operation if it is a component of an entity that either has been disposed off, or is classified as held for sale, and :

- Represents a separate major line of business or geographical area of operations;
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- Is a subsidiary acquired exclusively with a view to resale.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit and loss.

3.19. Standards Issued but not yet Effective

The standard issued but not yet effective up to the date of issuance of the Company's Financial Statements is disclosed below. The company intends to adopt this Standard when it becomes effective.

- Ind AS -21 -The Effects of Changes in Foreign Exchange Rates
Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies(Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.



Notes to the Financial Statements for the year ended 31st March, 2018 (Contd.)

- Ind AS -115 - Revenue from Contracts with Customers

In March 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2018, notifying Ind AS 115, 'Revenue from Contracts with Customers'. The amendment is applicable to the Company for the reporting period beginning April 01, 2018. Ind AS 115 replaces existing revenue recognition standards Ind AS 11, Construction Contracts and Ind AS 18, revenue and revised guidance note of the ICAI on Accounting for Real Estate Transaction for Ind AS entities issued in 2016.

The amendment will come into force from April 1, 2018. The Company is in the process of evaluating the requirement of the amendments as well as the impact of the same.

4. SIGNIFICANT JUDGEMENTS AND KEY SOURCES OF ESTIMATION IN APPLYING ACCOUNTING POLICIES

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances. Information about Significant judgements and Key sources of estimation made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in the following notes:

- **Recognition of Deferred Tax Assets :** The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized. In addition, significant judgement is required in assessing the impact of any legal or economic limits.
- **Useful lives of depreciable/ amortizable assets (tangible and intangible):** Management reviews its estimate of the useful lives of depreciable/ amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to actual normal wear and tear that may change the utility of plant and equipment.
- **Classification of Leases:** The Company enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.
- **Defined Benefit Obligation (DBO):** Employee benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, medical cost trends, anticipation of future salary increases and the inflation rate. The Company considers that the assumptions used to measure its obligations are appropriate. However, any changes in these assumptions may have a material impact on the resulting calculations.
- **Provisions and Contingencies:** The assessments undertaken in recognising provisions and contingencies have been made in accordance with Indian Accounting Standards (Ind AS) 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events is applied best judgement by management regarding the probability of exposure to potential loss.
- **Impairment of Financial Assets:** The Company reviews its carrying value of investments carried at amortized cost annually, or more frequently when there is indication of impairment. If recoverable amount is less than its carrying amount, the impairment loss is accounted for.
- **Allowances for Doubtful Debts:** The Company makes allowances for doubtful debts through appropriate estimations of irrecoverable amount. The identification of doubtful debts requires use of judgment and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debts expenses in the period in which such estimate has been changed.
- **Fair value measurement of financial Instruments:** When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The input to these models are taken from observable markets where possible, but where this not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.
- **Fair Value of Biological Assets:** The fair value of Biological Assets is determined based on recent transactions entered into with third parties or available market price.



Notes to the Financial Statements as on and for the year ended 31st March, 2018 (Contd.)

(Amount in ₹ Lakhs)

5 PROPERTY, PLANT AND EQUIPMENT

Particulars	Year Ended 31st March 2018								Net Carrying Value
	Gross Carrying Value				Accumulated Depreciation				
	As at 1st April 2017	Additions	Disposals	As at 31st March 2018	As at 1st April 2017	For the Year	Deductions	As at 31st March 2018	
Land Freehold	2,361.41	-	-	2,361.41	-	-	-	-	2,361.41
Buildings & Water Supply Installation	2,709.99	153.04	-	2,863.03	104.30	99.89	-	204.19	2,658.84
Plant & Equipments	5,116.24	36.26	2,724.72	2,427.78	1,011.47	592.41	336.14	1,267.74	1,160.04
Furniture and Fixtures	129.45	231.46	0.13	360.78	25.83	21.43	-	47.26	313.52
Motor Vehicles	181.80	31.36	15.47	197.69	34.13	29.57	1.09	62.61	135.08
Office Equipments	4.12	0.01	-	4.13	1.16	1.04	-	2.20	1.93
Bearer Plants	427.10	-	-	427.10	8.45	8.45	-	16.90	410.20
Total	10,930.11	452.13	2,740.32	8,641.92	1,185.34	752.79	337.23	1,600.90	7,041.02
Capital Work in Progress	74.97	416.65	411.04	80.58	-	-	-	-	80.58

Particulars	Year Ended 31st March 2017								
	Gross Carrying Value				Accumulated Depreciation				Net Carrying Value
	Deemed cost As at 1st April 2016	Additions	Disposals	As at 31st March 2017	As at 1st April 2016	For the Year	Deductions	As at 31st March 2017	
Land Freehold	2,361.41	-	-	2,361.41	-	-	-	-	2,361.41
Buildings & Water Supply Installation	2,690.97	19.02	-	2,709.99	-	104.30	-	104.30	2,605.69
Plant & Equipments	5,133.45	113.69	130.90	5,116.24	-	1,025.19	13.72	1,011.47	4,104.77
Furniture and Fixtures	124.43	5.02	-	129.45	-	25.83	-	25.83	103.62
Motor Vehicles	176.44	10.43	5.07	181.80	-	38.04	3.91	34.13	147.67
Office Equipments	4.06	0.06	-	4.12	-	1.16	-	1.16	2.96
Bearer Plants	427.10	-	-	427.10	-	8.45	-	8.45	418.65
Total	10,917.86	148.22	135.97	10,930.11	-	1,202.97	17.63	1,185.34	9,744.77
Capital Work in Progress	9.97	74.75	9.75	74.97	-	-	-	-	74.97

Notes :

- 5.1 For Property, Plant and Equipment existing as on 1st April 2016, i.e. the date of transition to Ind AS for the company, the company has elected to continue with the carrying values under previous GAAP for all the items of property, plant and equipment. The same election has been made in respect of intangible assets also as per the option available under para D7AA of Ind AS 101 "First Time Adoption".
- 5.2 Refer Note No. 42 for information on property, plant and equipment pledged as securities by the Company.
- 5.3 Refer Note No. 41.1 for disclosure of contractual commitments for the acquisition of Property, Plant & Equipment.
- 5.4 Disposals in Plant & Machinery includes Gross block and Accumulated Depreciation of ₹ 725.01 lakh and ₹ 190.80 lakh respectively towards assets classified as held for Disposal Group during year ended on March 31, 2018.
- 5.5 Depreciation for the year ended 31st March 2018 includes depreciation of ₹ 168.00 lakh in respect to assets classified as held for disposal Group during year ended on March 31, 2018.



Notes to the Financial Statements as on and for the year ended 31st March, 2018 (Contd.)

(Amount in ₹ Lakhs)

6 INTANGIBLE ASSETS

Particulars	Year Ended 31st March 2018								Net Carrying Value
	Gross Carrying Value				Accumulated Amortization				
	As at 1st April 2017	Additions	Disposals	As at 31st March 2018	As at 1st April 2017	For the Year	Deductions	As at 31st March 2018	
Computer Software	11.12	-	-	11.12	2.89	4.31	-	7.20	3.92
Total	11.12	-	-	11.12	2.89	4.31	-	7.20	3.92
Capital Work in Progress	3.84	6.01	-	9.85	-	-	-	-	9.85

Particulars	Year Ended 31st March 2017								Net Carrying Value
	Gross Carrying Value				Accumulated Amortization				
	Deemed Cost As at 1st April 2016	Additions	Disposals	As at 31st March 2017	As at 1st April 2016	For the Year	Deductions	As at 31st March 2017	
Computer Software	7.91	3.21	-	11.12	-	2.89	-	2.89	8.23
Total	7.91	3.21	-	11.12	-	2.89	-	2.89	8.23
Capital Work in Progress	-	3.84	-	3.84	-	-	-	-	3.84

(Amount in ₹ Lakhs)

7 OTHER FINANCIAL ASSETS

	Refer Note No.	Non-current			Current		
		As at 31st March 2018	As at 31st March 2017	As at 1st April 2016	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Security & Other Deposits		32.64	32.70	32.00	-	-	-
Deposit with NABARD		-	-	-	13.10	41.44	45.70
Deposits with Bank	7.1	25.59	2.67	22.50	-	-	-
Interest Accrued on Deposits		-	-	-	4.31	6.08	8.11
Others		-	-	-	3.28	-	62.92
Total		58.23	35.37	54.50	20.69	47.52	116.73

7.1 Deposits of ₹ 25.59 lakh (March 31, 2017: ₹ 2.67 lakh, April 1, 2016: ₹ 22.50 lakh) marked lien with bank as Security for Guarantee Facility.



Notes to the Financial Statements as on and for the year ended 31st March, 2018 (Contd.)

(Amount in ₹ Lakhs)

8 DEFERRED TAX (LIABILITIES)/ ASSETS (NET)

	Refer Note No.	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Deferred Tax Liabilities				
Arising on account of:				
Property, Plant & Equipment		(603.87)	(793.26)	(794.44)
Financial Assets at Fair Value through Profit & Loss Account		(18.15)	(33.96)	(19.07)
Others		(16.03)	(11.68)	(5.76)
		<u>(638.05)</u>	<u>(838.90)</u>	<u>(819.27)</u>
Less : Deferred Tax Assets				
Arising on account of:				
Section 43B of Income-tax Act		38.05	65.73	62.96
Unabsorbed Losses	8.1	382.76	321.15	187.91
Others		10.55	13.08	15.65
MAT Credit Entitlements		758.36	758.36	772.16
		<u>1,189.72</u>	<u>1,158.32</u>	<u>1,038.68</u>
Total (Net)		<u>551.67</u>	<u>319.42</u>	<u>219.41</u>

8.1 The recognition of deferred tax asset on unabsorbed depreciation/business losses has been restricted to the extent of deferred tax liability on account of timing difference in respect of depreciation, the reversal of which is certain.

8.2 Movement in deferred tax assets and liabilities during the year ended 31st March, 2017 and 31st March, 2018

	As at 1st April 2017	Recognized in Statement of Profit and Loss	Recognized in Other Comprehensive Income	As at 31st March 2018
Deferred Tax Liabilities				
Property, Plant & Equipment	(793.26)	189.39	-	(603.87)
Financial Assets at Fair Value through Profit & Loss Account	(33.96)	15.81	-	(18.15)
Others	(11.68)	(4.35)	-	(16.03)
	<u>(838.90)</u>	<u>200.85</u>	<u>-</u>	<u>(638.05)</u>
Deferred Tax Assets				
Section 43B of Income-tax Act	65.73	(27.68)	-	38.05
Unabsorbed Depreciation / Business Losses	321.15	61.61	-	382.76
Others	13.08	(2.53)	-	10.55
MAT Credit Entitlements	758.36	-	-	758.36
Total	<u>1,158.32</u>	<u>31.40</u>	<u>-</u>	<u>1,189.72</u>
	As at 1st April 2016	Recognized in Statement of Profit and Loss	Recognized in Other Comprehensive Income	As at 31st March 2017
Deferred Tax Liabilities				
Property, Plant & Equipment	(794.44)	1.18	-	(793.26)
Financial Assets at Fair Value through Profit & Loss Account	(19.07)	(14.89)	-	(33.96)
Others	(5.76)	(5.92)	-	(11.68)
	<u>(819.27)</u>	<u>(19.63)</u>	<u>-</u>	<u>(838.90)</u>
Deferred Tax Assets				
Section 43B of Income-tax Act	62.96	2.77	-	65.73
Unabsorbed Depreciation / Business Losses	187.91	133.24	-	321.15
Others	15.65	(2.57)	-	13.08
MAT Credit Entitlements	772.16	(13.80)	-	758.36
Total	<u>1,038.68</u>	<u>119.64</u>	<u>-</u>	<u>1,158.32</u>

8.3 Deferred tax assets and deferred tax liabilities have been offset wherever the Company has a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income tax levied by the same taxation authority.



Notes to the Financial Statements as on and for the year ended 31st March, 2018 (Contd.)

(Amount in ₹ Lakhs)

9 OTHER ASSETS

	Refer Note No.	Non-current			Current		
		As at 31st March 2018	As at 31st March 2017	As at 1st April 2016	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Capital Advances		8.16	-	2.00	-	-	-
Advances other than Capital Advances							
Advance against supply of Goods & Services		-	-	-	34.30	87.97	154.89
Prepaid Expenses		3.46	3.26	-	31.24	30.41	45.83
Balances with Government & Statutory Authorities		5.34	20.47	20.42	39.16	661.69	714.13
Incentive and Subsidy Receivable		-	-	-	23.72	165.78	250.48
Other Receivables		-	-	-	31.53	64.74	38.29
Total		16.96	23.73	22.42	159.95	1,010.59	1,203.62

10 INVENTORIES

(As valued and certified by the Management)

	Refer Note No.	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Raw Materials	10.1 & 10.2	144.13	581.52	957.52
Stock in Process	10.2	741.97	717.57	702.87
Finished Goods	10.1 & 10.2	221.97	315.59	341.10
Stock-in-Trade (In respect of goods acquired for trading)	10.2	6.46	0.30	0.21
Land Held as Stock-in-trade	3.1	2,026.49	1,969.26	1,897.75
Stores and Spares etc.	10.1 & 10.2	306.45	438.14	520.58
Waste		-	13.00	25.31
		3,447.47	4,035.38	4,445.34
10.1 The above includes goods-in-transit as under:				
Raw Materials		-	21.73	-
Stores and Spares etc.		13.08	-	8.47
		13.08	21.73	8.47

10.2 Refer note no. 42 for information on inventories pledged as securities by the Company.

10.3 Refer note no. 30, 31 & 36 for information in relation to the amount of inventories recognized as expenses.

11 BIOLOGICAL ASSETS OTHER THAN BEARER PLANTS

	Refer Note No.	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Fair Value of Biological Assets Other than Bearer Plants	11.1	6.38	9.28	18.43
		6.38	9.28	18.43

11.1 Unharvested Tea leaves on bushes as on 31st March 2018 was 25,412 kgs (31st March, 2017 - 38,492 kgs, 1st April 2016 - 72,882 kgs).



Notes to the Financial Statements as on and for the year ended 31st March, 2018 (Contd.)

(Amount in ₹ Lakhs)

12 CURRENT INVESTMENTS

	Face Value (in ₹)	As at 31st March 2018 Qty. (Units)	Amount	As at 31st March 2017 Qty. (Units)	Amount	As at 1st April 2016 Qty. (Units)	Amount
Investment at Fair Value through Profit or Loss							
Investments in Unquoted Mutual funds							
SBI Premier Liquid Fund - Regular Plan - Growth	1000/-	1,964.65	53.35	1,964.65	50.01	-	-
HDFC High Interest Fund - Dynamic Plan - Growth	10/-	-	-	248,018.05	140.47	248,018.05	126.47
Reliance Liquid Fund - Treasury Plan -Direct-Growth Option -LFAG	1000/-	4,926.97	208.90	4,926.97	195.47	4,926.97	182.05
Reliance Money Manager Fund -Direct Growth Plan - Growth Option -LPAG	1000/-	19,680.58	479.95	28,783.78	655.27	20,676.08	434.14
Total			742.20		1,041.22		742.66
Aggregate Book Value of the Unquoted Investment			742.20		1,041.22		742.66

13 TRADE RECEIVABLES (Current)

	Refer Note No.	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Trade Receivables	13.1 & 13.2	659.28	920.19	964.95
Less: Provision for doubtful receivables		-	17.44	17.44
Total		659.28	902.75	947.51
Break Up of Security Details				
Secured, considered good		-	-	-
Unsecured, considered good		659.28	902.75	947.51
Doubtful		-	17.44	17.44
Sub Total		659.28	920.19	964.95
Less : Provision for doubtful receivables		-	17.44	17.44
Total		659.28	902.75	947.51

13.1 Trade receivables are non-interest bearing and are generally on terms of 30 to 60 days.

13.2 No trade or other receivables are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

14 CASH AND CASH EQUIVALENTS

	Refer Note No.	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Balances With Banks :				
In Current/Cash Credit Account		61.82	193.45	30.93
Cheques/drafts on Hand or in Transit		-	-	2.34
Cash in Hand		9.04	19.28	6.82
		70.86	212.73	40.09

15 BANK BALANCES (OTHER THAN NOTE: 14)

Unpaid Dividend Account *		17.34	21.70	21.32
Deposit Accounts with Original Maturity of more than three months but less than 12 months	15.1	2.67	22.50	2.34
		20.01	44.20	23.66

* Not available for use by the Company

15.1 Represents deposits marked lien with bank as Security for Guarantee Facility.



Notes to the Financial Statements as on and for the year ended 31st March, 2018 (Contd.)

16 LOANS	Refer Note No.	As at 31st March 2018	(Amount in ₹ Lakhs)	
			As at 31st March 2017	As at 1st April 2016
(Unsecured, Considered Good)				
Advance to Employees	16.1	9.17	8.67	12.80
Total		9.17	8.67	12.80

16.1 No Loans are due from directors or other officers of the company either severally or jointly with any other person. Nor any loan are due from firms or private companies respectively in which any director is a partner, a director or a member.

17 TAX ASSETS (NET) -CURRENT		As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Advance Income Tax & Tax Deducted at Source		168.27	276.01	859.70
Less : Provision for Income Tax		89.25	232.40	801.90
Total		79.02	43.61	57.80

18 SHARE CAPITAL

	As at 31st March 2018		As at 31st March 2017		As at 1st April 2016	
	No of Shares	Amount	No of Shares	Amount	No of Shares	Amount
18.1 Authorised Share Capital						
Ordinary Equity Shares of ₹ 10/- each	15,000,000	1,500.00	15,000,000	1,500.00	15,000,000	1,500.00
Redeemable Preference Shares of ₹ 100/- each	500,000	500.00	500,000	500.00	500,000	500.00
Total		2,000.00		2,000.00		2,000.00
18.2 Issued, Subscribed and Paid-up Share Capital *						
Ordinary Equity Shares of ₹ 10/- each fully paid-up	9,005,985	901.07	9,005,985	901.07	9,005,985	901.07
	9,005,985	901.07	9,005,985	901.07	9,005,985	901.07

* Includes ₹ 0.47 lakh on account of forfeited shares.

18.3 Reconciliation of the number of shares at the beginning and at the end of the year

There has been no change/ movements in number of shares outstanding at the beginning and at the end of the year.

18.4 Terms/ Rights attached to Equity Shares :

The Company has only one class of Ordinary Equity shares having a face value of ₹ 10 per share and each holder of Ordinary Equity shares is entitled to one vote per share. Ordinary Equity Shares transferred to Investor's Education and Protection Fund (IEPF) do not enjoy any voting rights. The Company declares and pays dividends in Indian Rupees. The dividend, as and when proposed by the Board of Directors (except interim dividend), subject to the approval of the shareholders in the Annual General Meeting is paid to the shareholders. The claim of Ordinary Equity Shareholders on earnings and on assets in the event of liquidation, follows all others, in proportion to their shareholding.

18.5 Shareholding Pattern with respect to Holding or Ultimate Holding Company

The Company has Holding Company namely Rydak Enterprises & Investment Limited, the shareholding of which is given in Note No. 18.6.

18.6 Details of Ordinary Equity Shareholders holding more than 5% shares in the Company

	As at 31st March 2018		As at 31st March 2017		As at 1st April 2016	
	No of Shares	% Holding	No of Shares	% Holding	No of Shares	% Holding
Ordinary Equity Shares of ₹ 10/- each fully paid						
M/s Rydak Enterprises & Investment Limited	5,060,870	56.19%	1,806,720	20.06%	1,806,720	20.06%
Mr. Adarsh Kanoria	536,137	5.95%	536,137	5.95%	536,137	5.95%
M/s Samrat Industrial Resources Limited	-	-	2,083,518	23.13%	2,083,518	23.13%
M/s Eskay Udyog Limited	-	-	1,170,632	13.00%	1,170,632	13.00%



Notes to the Financial Statements as on and for the year ended 31st March, 2018 (Contd.)

(Amount in ₹ Lakhs)

18.7 No ordinary Equity shares have been reserved for issue under options and contracts/ commitments for the sale of shares/ disinvestment as at the Balance Sheet date.

18.8 The Company has not allotted any equity shares against consideration other than cash nor has allotted any shares as fully paid up by way of bonus shares nor has bought back any shares during the period of five years immediately preceding the date at which the Balance Sheet is prepared.

18.9 No securities convertible into Equity/ Preference shares have been issued by the Company during the year.

18.10 No calls are unpaid by any Director or Officer of the Company during the year.

19 OTHER EQUITY

	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
General Reserve	2,926.89	2,926.89	2,926.89
Security Premium Reserve	301.60	301.60	301.60
Retained Earnings	5,555.86	6,016.23	6,688.78
	8,784.35	9,244.72	9,917.27

20 BORROWINGS

	Refer Note No.	Non-Current			Current		
		As at 31st March 2018	As at 31st March 2017	As at 1st April 2016	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Term Loans							
From Banks:							
Rupee Loans	20.1 A	816.92	1,823.52	2,672.93	220.00	855.00	859.13
Total		816.92	1,823.52	2,672.93	220.00	855.00	859.13
Amount disclosed under the head "Other Financial Liabilities"	25	-	-	-	(220.00)	(855.00)	(859.13)
Total		816.92	1,823.52	2,672.93	-	-	-
Break Up of Security Details							
Secured	20.2	816.92	1,823.52	2,672.93	220.00	855.00	859.13
Unsecured		-	-	-	-	-	-
Total		816.92	1,823.52	2,672.93	220.00	855.00	859.13

20.1 Terms of Repayment of Term Loans

Particulars	Refer Note No.	₹ in lakhs	Period of Maturity	No. of Installments due	Installment Value	Repayment Terms	Rate of Interest p.a.
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A Term Loan - From Banks - in Indian Rupees - Secured

IDBI Bank Limited	20.2.a	511.68	2020-21	11	varying amounts as per Agreement	32 quarterly installments of varying amount	12.50%
State Bank of India	20.2.a	525.24	2020-21	11	varying amounts as per Agreement	24 quarterly installments of varying amount	10.65%

20.2 Details of Security Given for Loan

- Term Loans are secured by first charge over all immovable properties situated at Asarwa Mills both present and future ranking pari passu inter se and hypothecation of all movable properties both present and future (save and except Book Debts) including movable machinery, machinery spares, tools and accessories subject to prior charge created and/or to be created in favor of Textile Division's bankers for working capital facilities.
- Additionally secured by the Company's Bungalow situated at Asarwa House, Dr. Balwantrai Mehta Marg, Shahibaug, Ahmedabad.
- Loans are guaranteed by the Managing Director.

20.3 Refer note no. 42 for information on the carrying amounts of financial and non-financial assets pledged as security for current & non-current borrowings.



Notes to the Financial Statements as on and for the year ended 31st March, 2018 (Contd.)

		(Amount in ₹ Lakhs)		
	Refer	As at	As at	As at
	Note No.	31st March	31st March	1st April
		2018	2017	2016
21 PROVISIONS - NON-CURRENT				
Provision for Employee Benefits	21.1	86.21	117.97	90.66
		86.21	117.97	90.66
21.1 All Provisions are valued at their Present value of money.				
22 OTHER LIABILITIES - NON CURRENT				
	Refer	As at	As at	As at
	Note No.	31st March	31st March	1st April
		2018	2017	2016
Deferred Revenue Income	22.1	30.54	36.22	42.31
		30.54	36.22	42.31
22.1 Opening Balance		42.31	50.03	50.03
Grants received during the year		-	-	-
Less : Released to profit or loss		6.09	7.72	-
		36.22	42.31	50.03
Less: Current Portion of the Deferred Revenue Income	27	5.68	6.09	7.72
Total		30.54	36.22	42.31
23 SHORT TERM BORROWINGS				
	Refer	As at	As at	As at
	Note No.	31st March	31st March	1st April
		2018	2017	2016
Loans Repayable on Demand				
Working Capital Loan from Banks	23.1	1,559.57	1,780.73	1,469.16
Short Term Loan				
From Banks				
Packing Credit		-	395.42	507.84
Other Loans		-	358.18	472.92
Total		1,559.57	2,534.33	2,449.92
23.1 The above amount includes				
Secured Borrowings	23.2	1,559.57	2,534.33	2,449.92
Unsecured Borrowings		-	-	-
		1,559.57	2,534.33	2,449.92
23.2 Terms and conditions of Short Term Borrowings				
a	Out of Working Capital Loans of ₹ 1559.57 lakh (P.Y. ₹ 2534.33 lakh & as on April 1, 2016 ₹ 2449.92 lakh) amount of ₹ 1078.84 lakh (P.Y. ₹ 1927.14 lakh & as on April 1, 2016 ₹ 1885.55 lakh) from banks are secured by:			
i)	Pari-passu First charge over entire Current Assets of the Textile Division.			
ii)	Pari-passu Second Charge over entire movable fixed assets, the whole of the immovable properties situated at Asarwa Mills and Bungalow situated at Asarwa House, Dr. Balwantrao Mehta Marg, Shahibaug, Ahmedabad.			
b	Balance amount of Loans repayable on demand of ₹ 480.73 lakh (Previous Year ₹ 607.19 lakh & as on April 1, 2016 ₹ 564.37 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	The Working Capital Facilities having interest rate varying between 10.00%- 12.50% p.a. are repayable on demand.			
d	All Loans are guaranteed by the Managing Director.			
23.3	Refer note no. 42 for information on the carrying amounts of financial and non-financial assets pledged as security for current & non-current borrowings.			



Notes to the Financial Statements as on and for the year ended 31st March, 2018 (Contd.)

(Amount in ₹ Lakhs)

24 TRADE PAYABLES

	Refer Note No.	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Dues to Micro and Small Enterprises	24.1	7.43	5.45	-
Dues to Creditors other than Micro & Small Enterprises		692.67	1,298.46	1,309.34
Total		700.10	1,303.91	1,309.34

24.1 Disclosure as required under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act"), are provided as under, to the extent the Company has received intimation from the Suppliers regarding their status under the Act and as per notification number GSR 679 (E) dated 4th September, 2015.

Sl. No.	Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
i	The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each financial year.	7.43	5.45	-
ii	The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-	-
iii	The amount of interest due and payable for the period of delay in making payment but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-	-
iv	The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-	-
v	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-	-

25 OTHER FINANCIAL LIABILITIES

	Refer Note No.	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Current maturities of Long Term Debt	20	220.00	855.00	859.13
Trade & Security Deposits (Unsecured)		4.66	6.17	6.92
Unpaid and Unclaimed dividends	25.1	17.34	21.70	21.32
Employees related Liabilities		100.46	104.18	139.71
Amount payable for Capital Goods		11.96	-	18.78
Other Payables		36.85	27.32	25.72
Total		391.27	1,014.37	1,071.58

25.1 There are no amounts due for payment to the Investor Education and Protection Fund at the year end.

26 PROVISIONS - CURRENT

	Refer Note No.	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Provision for Employee Benefits	26.1	23.07	109.31	108.02
Total		23.07	109.31	108.02

26.1 All Provisions are valued at their Present value of money.



Notes to the Financial Statements as on and for the year ended 31st March, 2018 (Contd.)

		(Amount in ₹ Lakhs)		
		As at	As at	As at
	Refer	31st March	31st March	1st April
	Note No.	2018	2017	2016
27 OTHER LIABILITIES - CURRENT				
Deferred Revenue Income	22.1	5.68	6.09	7.72
Advances Received from Customers		101.39	206.69	6.16
Statutory Dues		49.32	43.20	47.51
Bonus Payable		209.07	222.62	214.49
Others		1.68	2.26	1.73
Total		367.14	480.86	277.61
28 REVENUE FROM OPERATIONS				
	Refer	For the year ended	For the year ended	
	Note No.	31st March, 2018	31st March, 2017	
Sale of Products				
Textiles		6,460.54	6,584.69	
Tea		4,690.38	4,411.50	
Sale of Services				
Textiles		665.89	842.74	
		11,816.81	11,838.93	
Other Operating Revenues				
Incentives & Subsidies		10.00	51.89	
Sale of Waste		322.70	1,051.23	
		332.70	1,103.12	
Total		12,149.51	12,942.05	
29 OTHER INCOME				
	Refer	For the year ended	For the year ended	
	Note No.	31st March, 2018	31st March, 2017	
Interest Income				
On Banks Deposits		2.21	1.89	
On Other Deposits, etc		29.14	30.98	
Profit on Sale of Tea Seeds		7.01	5.78	
Net Gain on sale of Investments measured at fair value through P/L		13.69	8.51	
Net Gain on restatement of Investments (Mark to Market) measured at fair value through P/L		30.72	45.04	
Other Miscellaneous Income	29.1	66.88	111.75	
Total		149.65	203.95	
29.1 Miscellaneous Income includes government grants in the form of subsidy are related to certain incentives being made available by the Government of India for Tea Industry. Replantation subsidy relates to activities for which cost has been incurred in earlier years. There are no unfulfilled conditions or other contingencies attached to these grants. The Company did not benefit directly from any other forms of government assistance.				
30 COST OF MATERIALS CONSUMED				
		For the year ended	For the year ended	
		31st March, 2018	31st March, 2017	
Opening Stock		581.52	957.52	
Add: Purchases		4,331.77	4,666.03	
Less: Closing Stock		144.13	581.52	
Total		4,769.16	5,042.03	
31 PURCHASE OF TRADED GOODS				
Tea		44.55	39.56	
Total		44.55	39.56	



Notes to the Financial Statements as on and for the year ended 31st March, 2018 (Contd.)

		(Amount in ₹ Lakhs)	
		For the year ended	For the year ended
32 (INCREASE)/ DECREASE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND TRADED GOODS	Refer Note No.	31st March, 2018	31st March, 2017
Finished Goods			
Opening Inventories		218.16	270.74
Closing Inventories		221.97	218.16
		(3.81)	52.58
Stock in Process			
Opening Inventories		717.57	702.87
Closing Inventories		741.97	717.57
		(24.40)	(14.70)
Stock in Trade			
Opening Inventories		0.30	0.96
Closing Inventories		6.46	0.30
		(6.16)	0.66
Stock of Waste			
Opening Inventories		13.00	25.31
Closing Inventories		0.30	13.00
		12.70	12.31
Total changes in inventories		(21.67)	50.85
33 EMPLOYEE BENEFITS EXPENSE			
Salaries & Wages		1,936.98	1,866.12
Contribution to Provident and Other Funds		304.74	333.68
Staff Welfare Expenses		150.09	172.20
		2,391.81	2,372.00
Less: Amount Capitalised		14.72	20.25
Total		2,377.09	2,351.75
34 FINANCE COSTS			
Interest Expenses			
To Banks on Term Loans		130.23	100.44
To Banks on Working Capital Loans		128.34	114.04
Other Borrowing Costs			
Other Financial Charges		21.18	28.63
Total		279.75	243.11
35 DEPRECIATION & AMORTIZATION EXPENSES			
On Tangible Assets	5 & 39	584.79	578.55
On Intangible Assets	6	4.31	2.89
		589.10	581.44



Notes to the Financial Statements as on and for the year ended 31st March, 2018 (Contd.)

		(Amount in ₹ Lakhs)	
	Refer Note No.	For the year ended 31st March, 2018	For the year ended 31st March, 2017
36 OTHER EXPENSES			
Stores, Spare Parts & Packing Materials Consumed		1,073.50	1,096.84
Change in fair valuation of biological assets		2.90	9.15
Power & Fuel		1,603.24	1,366.95
Repairs to Buildings		32.15	40.54
Repairs to Machinery		175.47	270.77
Repairs to Other Assets		9.95	8.78
Job Work Charges		63.82	78.31
Cess		24.44	32.74
Freight, Shipping, Delivery Charges & Selling Expenses		76.52	200.87
Commission & Brokerages		91.90	181.56
Auditors' Remuneration	36.1	5.73	5.51
Rent, Rates & Taxes		44.17	40.22
Insurance		27.29	30.63
Bad debt & Advances written off		17.44	21.57
Less : Provision for Doubtful Debts		17.44	17.44
Directors' Fees & Commission		8.60	7.10
Legal and Professional Charges		27.91	26.24
Travelling & Conveyance Expenses		86.67	68.52
Corporate Social Responsibility Expenses	44	5.35	13.63
Other Expenses		474.23	419.79
		3,833.84	3,902.28
Less: Amount Capitalised		5.80	7.87
		3,828.04	3,894.41
36.1 Auditors' Remuneration			
a Statutory Auditors			
Audit Fees		2.43	2.57
Reimbursement of Expenses		0.43	1.00
In other Capacity		2.14	1.16
Sub-Total		5.00	4.73
b Cost Auditors			
Audit Fees		0.70	0.75
In other Capacity		0.03	0.03
Sub-Total		0.73	0.78
Total		5.73	5.51
37 TAX EXPENSE			
Current Tax		8.25	-
Deferred Tax -Continuing Operations		(159.72)	(54.32)
Deferred Tax -Discontinuing Operations		(72.53)	(59.49)
Income Tax for earlier years		(5.23)	20.43
Total Income Tax Expenses		(229.23)	(93.38)
37.1 Reconciliation of estimated Income tax expense at Indian statutory			
Income tax rate to income tax expense reported in Statement of Profit & Loss			
Income before Income Taxes		(730.76)	(674.17)
Indian Statutory Income Tax Rate		33.063%	33.063%
Estimated income Tax Expenses	(A)	(241.61)	(222.90)
Tax effect of adjustments to reconcile expected Income tax			
expense to reported Income Tax Expenses			
Exempt Income		-	(13.41)
Expenses not deductible in determining taxable profit		2.18	6.59
Weighted Deduction on Research & Development expenses		(0.72)	(0.95)
Adjustment in Tax Payable at different rate		23.48	18.96
Effect on tax Allowance		(6.56)	(0.12)
Adjustment for Tax of prior period		(5.22)	20.43
Tax on Initial Accounting for Bearer Plants		-	130.83
Others		(0.78)	(32.81)
	(B)	12.38	129.52
Income Tax Expenses as per Statement of Profit & Loss	(A-B)	(229.23)	(93.38)



Notes to the Financial Statements as on and for the year ended 31st March, 2018 (Contd.)

(Amount in ₹ Lakhs)

37.2 Applicable Indian Statutory Income Tax rate for Fiscal Year 2018 & 2017 is 33.063% under Income Tax Act 1961 and 30% under the Assam Agricultural Income Tax Act, 1939. However, the Company is required to pay tax for the year only under Assam Agricultural Income tax Act, 1939. Further the Company has created Deferred Tax Asset/(Liabilities) @27.82% for Income Tax purpose.

38 OTHER COMPREHENSIVE INCOME	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Items that will not be reclassified to profit or loss		
Remeasurement of the defined benefit plans	41.16	(37.57)
Less: Tax expense on the above	-	-
Total	41.16	(37.57)

39 DISCONTINUED OPERATIONS

The Board of Directors of the Company has announced the decision of closure of the Spinning section (Yarn Segment) at the Textile Division of the Company situated at Asarwa Mills, Ahmedabad w.e.f. 15th September, 2017 after obtaining requisite approvals from the shareholders. Accordingly, the results of the Yarn Division has been shown as "Discontinued Operation" in terms of IND AS 105 - Non-Current Assets Held for Sale and Discontinued Operations in the financial statements.

39.1 The results of Discontinued Operations for the year are represented below :

Results of Discontinued Operations	For the year ended 31st March, 2018	For the year ended 31st March, 2017
REVENUE		
Revenue from Sales	2,344.32	8,467.43
Profit on Sale of Fixed Assets	183.10	(3.94)
Total	2,527.42	8,463.49
EXPENDITURE		
Cost of Materials Consumed	1,686.88	6,414.18
Changes in Inventories of Finished Goods, Stock-In-Trade and Work-in-Progress	97.44	(27.83)
Employee Benefits Expense	870.00	777.38
Finance Costs	114.00	310.23
Depreciation	168.00	624.42
Impairment of Assets Held for Sale	193.00	-
Excise Duty on Sales	-	3.53
Other Expenses	562.00	1,978.59
Total	3691.32	10,080.50
Profit / (loss) before tax from discontinued operation	(1,163.90)	(1,617.01)

39.2 The major classes of assets and liabilities of Yarn Division classified as "Held for Disposal" as at March 31, 2018 are as follows :

	As at 31st March, 2018
Assets	
Property, Plant and Equipment	341.22
Other Current Assets	289.39
Current Financial Assets	17.63
Trade Receivables	3.46
Inventories	45.51
Assets pertaining to "Disposal group"	697.21
Liabilities	
Trade Payables	14.23
Liabilities pertaining to "Disposal Group"	14.23



Notes to the Financial Statements as on and for the year ended 31st March, 2018 (Contd.)

(Amount in ₹ Lakhs)

40 CONTINGENT LIABILITIES

40.1 Claims/Disputes/Demands not acknowledged as debts

Sl. No.	Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
a	Bills Discounted	-	-	179.23
b	Claims not acknowledged as debts - Labour Matters	75.88	73.77	72.73
c	Guarantees given by Bankers	147.10	147.10	147.10
d	Disputed Service Tax and Excise Matters	27.97	25.21	5.33
e	Disputed Sales Tax demand including interest thereon	1.18	1.18	1.18

40.2 In respect of the matters in note no. 40.1, future cash outflows are determinable only on receipt of judgements/decisions pending at various forums/ authorities. Furthermore, there is no possibilities of any reimbursements to be made to the company from any third party.

40.3 In view of stay granted by Hon'ble 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 ₹ 19.76 lakh related to Financial Year 2014-15.

41 COMMITMENTS

41.1 Estimated amount of contracts remaining to be executed on Capital Account and not provided for

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Estimated amount of contracts remaining to be executed on Capital Account	17.42	-	5.65
Less: Advance	8.16	-	-
Net Amount	9.26	-	5.65

42 ASSETS PLEDGED AS SECURITY

The carrying amounts of assets pledged as security for current and non-current borrowings are :

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Non-current Assets			
Property, Plant and Equipment	7,041.02	9,744.77	10,917.86
Capital Work-in-Progress	80.58	74.97	9.97
Other Financial Assets	58.23	35.37	54.50
Other Non-Current Assets	16.96	23.73	22.42
Total non-currents assets pledged as security	7,196.79	9,878.84	11,004.75
Current Assets			
Inventories	1,420.98	2,066.12	2,547.59
Biological Assets other than bearer plants	6.38	9.28	18.43
Trade Receivables	659.28	902.75	947.51
Cash and Cash Equivalents	70.86	212.73	40.09
Other Bank Balances	2.67	22.50	2.34
Loans	9.17	8.67	12.80
Other Financial Assets	20.69	47.52	116.73
Other Current Assets	159.95	1,010.59	1,203.62
Assets pertaining to Disposal Group	697.21	-	-
Total current assets pledged as security	3,047.19	4,280.16	4,889.11
Total assets pledged as security	10,243.98	14,159.00	15,893.86



Notes to the Financial Statements as on and for the year ended 31st March, 2018 (Contd.)

(Amount in ₹ Lakhs)

43 Disclosure pursuant to Indian Accounting Standard - 19 'Employee Benefits' as notified u/s 133 of the Companies Act, 2013

43.1 Defined Contribution Plan

The Company makes a contribution for Provident Fund, EDLI, ESIC & Labour Welfare Fund towards defined contribution plans for eligible employees. The amount recognized as an expense for the Defined Contribution Plans when the contributions to the respective funds are due which for the financial year ended 31st March 2018 are as under :

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Provident Fund	213.90	249.95
Labour Welfare Fund	0.17	0.25
Employee State Insurance Scheme	20.04	32.21

43.2 Defined Benefit Plan

The following are the types of defined benefit plans :

a Gratuity Plan (Funded)

The Company's gratuity scheme, a defined benefit plan is as per the Payment of Gratuity Act, 1972, covers the eligible employees and is administered through certain gratuity fund trusts. Such gratuity funds, whose investments are managed by insurance companies/trustees themselves, make payments to vested employees or their nominees upon retirement, death, incapacitation or cessation of employment, of an amount based on the respective employee's salary and tenure of employment. Vesting occurs upon completion of five years of service. The amount of gratuity payable is the proportionate salary for 15 days multiplied for the number of years of service based on the 26 days average salary computed on the basis of last drawn basic salary per month.

b Other Defined Benefits (Un-Funded)

Other employee benefits are accounted for on accrual basis. Liabilities for compensated absences are determined based on independent actuarial valuation at year end and charge is recognised in the statement of profit and loss.

The Company recognises undiscounted amount of short term employee benefits during the accounting period based on service rendered by the employee.

c Risk Exposure

Through its defined benefit plans, the company is exposed to a number of risks, the most significant of which are detailed below:

ASSET LIABILITY MATCHING (ALM) RISK	The Group Gratuity plans of the Insurance Companies faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.
INTEREST RATE RISK	A fall in the discount rate which is linked to the government securities rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.
SALARY RISK	The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.
INVESTMENT RISK	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government securities. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities and other debt instruments.
LIFE EXPECTANCY RISK	Since the Gratuity is accrued till and payable on retirement/ resignation/ termination, as the case may be, provided the vesting period of 5 years is completed. The Company has fixed retirement age of 58 years and 60 years for different set of employees. Hence, life expectancy doesn't really impact the plan liabilities.



Notes to the Financial Statements as on and for the year ended 31st March, 2018 (Contd.)

(Amount in ₹ Lakhs)

d Reconciliation of the net defined benefit (asset)/ liability

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit (asset)/ liability and its components:

Particulars	Gratuity	
	2017-18	2016-17
Balance at the beginning of the year	1,356.26	1,234.51
Current Service Cost	47.78	63.04
Past Service Cost	16.02	-
Interest Cost on Defined Benefit Obligation	98.52	96.99
Actuarial Gain and Losses arising from		
Changes in demographic assumptions	-	-
Changes in financial assumptions	(37.61)	68.63
Experience Adjustment	(38.73)	6.47
Benefits Paid from the Plan Assets	(527.50)	(113.38)
Balance at the end of the year	914.74	1,356.26

e Reconciliation of the Plan Assets

The following table shows a reconciliation from the opening balances to the closing balances for the Plan Assets and its components :

Particulars	Gratuity	
	2017-18	2016-17
Balance at the beginning of the year	1,280.87	1,174.21
Interest Income on Plan Assets	75.94	90.57
Remeasurement of Defined Benefit Obligation :		
Change in financial assumptions	2.50	0.67
Return on plan assets greater/ (lesser) than discount rate	(37.68)	36.86
Employer Contributions to the Plan	116.52	91.94
Benefits Paid from the Plan Assets	(527.50)	(113.38)
Balance at the end of the year	910.65	1,280.87

f Expenses recognised in Statement of Profit & Loss

Particulars	Gratuity	
	2017-18	2016-17
Current Service Cost	47.78	63.04
Past Service Cost	16.02	-
Interest Cost	98.52	96.99
Interest Income on Plan Assets	(75.94)	(90.57)
Amount recognised in the Statement of Profit & Loss	86.38	69.46

g Remeasurements recognised in other comprehensive income

Particulars	Gratuity	
	2017-18	2016-17
Actuarial (gain)/ Loss on defined benefit obligation	(76.34)	75.10
Return on plan assets greater/ (lesser) than discount rate	35.18	(37.53)
Amount recognised in Other Comprehensive Income	(41.16)	37.57



Notes to the Financial Statements as on and for the year ended 31st March, 2018 (Contd.)

(Amount in ₹ Lakhs)

h Percentage Breakdown of Major Categories of Plan Assets

Particulars	Gratuity			
	2017-18		2016-17	
	Tea	Textile	Tea	Textile
Qualified Insurance Policy	100%	-	100%	-
Debt Instruments including Central / State Government Debt Securities	-	20%	-	32%
Public Sector/Financial Institution Bonds	-	71%	-	68%
Cash and Cash equivalents	-	9%	-	-

i Asset-Liability Matching Strategy

The Company deploys its fund in bonds, special deposit, LIC and other insurance companies in Textile Division and has Group Gratuity insurance policy with insurers in Tea Division. The company aims to maintain a close to full-funding position at each Balance Sheet date. Any deviation from the range are corrected by rebalancing the portfolio. The Company intends to maintain the above investment mix in the coming years.

j Actuarial Assumptions

Particulars	Gratuity			
	2017-18		2016-17	
	Tea	Textile	Tea	Textile
Financial Assumptions				
Discount Rate	7.85%	7.60%	7.34%	7.20%
Salary Escalation Rate	7.00%	4.20%	7.00%	4.20%
Demographic Assumptions				
Mortality Rate	IALM 2006-08 Ult			
Withdrawal Rate	1% p.a.	0.2% p.a.	1% p.a.	0.2% p.a.

k The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

l At 31st March 2018, the weighted average duration of the defined benefit obligation was 10 years in both Tea & Textile Division (previous year 11 years in Tea Division & 10 years in Textile Division).

m The Company expects to contribute ₹ 45 lakh (previous year ₹ 82 lakh) to its gratuity fund in 2018-19.

n Sensitivity Analysis

The sensitivity analysis below have been determined based on a method that extrapolates the impact on Defined Benefit Obligation (DBO) as a result of reasonable changes in key assumptions occurring at the end of the reporting period. Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below :

Particulars	Gratuity			
	2017-18		2016-17	
	Tea	Textile	Tea	Textile
Effect on DBO due to 0.5% (Tea) / 1.0% (Textile) increase in Discount Rate	(26.32)	(19.18)	(28.06)	(54.99)
Effect on DBO due to 0.5% (Tea) / 1.0% (Textile) decrease in Discount Rate	28.53	22.25	30.49	63.25
Effect on DBO due to 0.5% (Tea) / 1.0% (Textile) increase in Salary Escalation Rate	28.62	22.80	30.44	64.54
Effect on DBO due to 0.5% (Tea) / 1.0% (Textile) decrease in Salary Escalation Rate	(26.64)	(19.94)	(28.27)	(56.98)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation (DBO) of the sensitivity of the assumptions shown.



Notes to the Financial Statements as on and for the year ended 31st March, 2018 (Contd.)

(Amount in ₹ Lakhs)

44 In accordance with the Guidance Note on Accounting for Expenditure on Corporate Social Responsibility activities, the requisite disclosure is as follows :

In view of losses in earlier years, Nil amount was required to be spent by the Company on account of Corporate Social Responsibility.

44.1 Amount spent during the year on :

Sl. No.	Particulars	In Cash	Yet to be paid in cash	Total
i	Construction/ Acquisition of any asset	-	-	-
ii	On purpose other than above	5.35	-	5.35

45 Certain trade receivables, loans & advances and creditors are subject to confirmation. In the opinion of the management, the value of trade receivables and loans & advances on realisation in the ordinary course of business, will not be less than the value at which these are stated in the balance sheet.

46 RELATED PARTY DISCLOSURES

46.1 Other related parties with whom transactions have taken place during the year and previous year are

Nature	Name of the Company	
Name of the Company / Trusts in which Directors/ Key Managerial Personnel (KMP) and their relatives have significant influence	Samrat Industrial Resources Limited*	
	Rydak Enterprises & Investment Limited	
	Eskay Udyog Limited*	
	Kanoria Exports Private Limited	
	AKV Textiles Limited	
Nature	Ananda Seva Kosh	
Nature	Name	Designation
Key Management Personnels	Sri Adarsh Kanoria	Managing Director
	Smt Shubha Kanoria	Non-Executive Director
	Sri Kushagra Kanoria	Vice President
	Sri Kailash Prasad Khandelwal	Whole-Time Director
	Sri Atul Doshi	Chief Financial Officer
	Sri Samveg A. Lalbhai	Non-Executive Director
	Sri Navin Nayar	Independent Director
	Sri Golam Momen	Independent Director
	Sri Dharendra Kumar	Independent Director
	Sri Ashutosh Bhagat	Independent Director
	Sri Abhijit Datta	Independent Director
	Smt Sunita Shah	Company Secretary

* These companies have been merged with Rydak Enterprises & Investment Limiter as per the Scheme of Amalgamation sanctioned by NCLT vide order dated 16th June, 2017.

46.2 Transactions during the year

Particulars	2017-18			2016-17		
	KMP	Relatives of KMP	Companies in which KMP are interested	KMP	Relatives of KMP	Companies in which KMP are interested
Rent Received	-	-	0.47	-	-	0.69
Director's Fees	-	1.20	-	-	0.80	-
Salary & Other Benefits	134.81	-	-	111.68	-	-
Dividend Paid	-	-	-	4.14	3.60	25.30



Notes to the Financial Statements as on and for the year ended 31st March, 2018 (Contd.)

(Amount in ₹ Lakhs)

46.3 Key Management Personnel compensation

Particulars	Financial Year	Sri Adarsh Kanoria	Smt. Shubha Kanoria	Sri Kailash Prasad Khandelwal	Sri Atul Doshi	Smt. Sunita Shah	Sri Kushagra Kanoria	Total Compensation
Short Term Employee	2017-18	57.21	-	30.02	24.78	9.90	12.90	134.81
Benefits *	2016-17	53.40	-	27.69	22.34	8.25	-	111.68
Director's Fees	2017-18	-	1.20	-	-	-	-	1.20
	2016-17	-	0.80	-	-	-	-	0.80

*** Notes :**

- 1) Short term employee benefits includes the perquisites calculated as prescribed under the Income Tax Act, 1961.
- 2) The Company contributes equal amount to the employees Provident Fund within the statutory limits as prescribed under the relevant Act.
- 3) As the future liabilities for gratuity and leave encashment are provided on an actuarial valuation basis for the Company, the amount pertaining to individual is not ascertainable and therefore not included above.

46.4 Terms and Conditions of transaction with Related Parties

- i) All related party transactions entered during the year were in ordinary course of business and on arms length basis.
- ii) The Company doesn't have any balances outstanding with related parties as at the end of the financial year.

47 TRANSITION TO IND AS

47.1 Basis for Preparation

For all period up to and including the year ended March 31, 2017, the Company has prepared its financial statements in accordance with generally accepted accounting principles in India (Indian GAAP). These financial statements for the year ended March 31, 2018 are the Company's first annual IND AS financial statements and have been prepared in accordance with IND AS.

The Accounting Policies set out in Note 2 have been applied in preparing the financial statements for the year ended March 31, 2018, the comparative information presented in these financial statements for the year ended March 31, 2017 and in the preparation of an opening Ind AS balance sheet at April 1, 2016 (the date of transition). This note explains the principal adjustments made by the Company in restating its financial statements prepared in accordance with previous GAAP and how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

47.2 Exceptions and Exemptions Applied

IND AS 101 "First-time adoption of Indian Accounting Standards" (hereinafter referred to as Ind AS 101) allows first time adopters certain exemptions from the retrospective application of certain IND AS, effective for April 1, 2016 opening balance sheet. In preparing these financial statements, the Company has applied the below mentioned optional exemptions and mandatory exceptions.

47.2.1 Optional Exemptions Availed

a Business Combinations

Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date.

The Company has not applied Ind AS 103 to acquisitions of businesses under Ind AS, that occurred before the transition date i.e., 1st April 2016. Accordingly, business combinations occurring prior to the transition date have not been restated.

b Property Plant and Equipment, Intangible Assets and Investment Properties

As permitted by para D5-D8B of Ind AS 101, the Company has elected to continue with the carrying values under previous GAAP for all the items of property, plant and equipment. The same election has been made in respect of intangible assets also. Further previous GAAP revaluation reserve has also been transferred to retained earnings.

c Determining whether an arrangement contains a Lease

Para D9-D9AA of Ind AS 101 includes an optional exemption that permits an entity to apply the relevant requirements in Appendix C of Ind AS 17 "Leases" for determining whether an arrangement existing at the date of transition contains a lease by considering the facts and circumstances existing at the date of transition (rather than at the inception of the arrangement). The Company has applied the above transition provision and has assessed all the arrangements at the date of transition.



Notes to the Financial Statements as on and for the year ended 31st March, 2018 (Contd.)

(Amount in ₹ Lakhs)

47.2.2 Mandatory Exceptions

a Estimates

As per para 14 of Ind AS 101, an entity's estimates in accordance with Ind AS at the date of transition to Ind AS at the end of the comparative period presented in the entity's first Ind AS financial statements, as the case may be, should be consistent with estimates made for the same date in accordance with the previous GAAP unless there is objective evidence that those estimates were in error. However, the estimates should be adjusted to reflect any differences in accounting policies.

As per para 16 of the standard, where application of Ind AS requires an entity to make certain estimates that were not required under previous GAAP, those estimates should be made to reflect conditions that existed at the date of transition or at the end of the comparative period.

The Company's estimates under Ind AS are consistent with the above requirement. Key estimates considered in preparation of the financial statements that were not required under the previous GAAP are listed below:

- Fair Valuation of financial instruments carried at FVTPL and/ or FVOCI.
- Fair Valuation of Biological Assets measured at fair value less cost to sell.
- Impairment of financial assets based on the expected credit loss model.
- Determination of the discounted value for financial instruments carried at amortized cost.
- Discounted value of liability for decommissioning costs.

b De-recognition of financial assets and liabilities

As per para B2 of Ind AS 101, an entity should apply the derecognition requirements in Ind AS 109, "Financial Instruments", prospectively for transactions occurring on or after the date of transition to Ind AS. However, Para B3 gives an option to the entity to apply the derecognition requirements from a date of its choice if the information required to apply Ind AS 109 to financial assets and financial liabilities derecognized as a result of past transactions was obtained at the initial accounting for those transactions. The company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

c Classification and measurement of financial assets

Para B8 - B8C of Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortized cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortized cost, if any, has been done retrospectively.

47.3 Impact of Transition to Ind AS

The following is a summary of the effects of the differences between IND AS and Indian GAAP on the Company's total equity shareholders' funds and profit and loss for the financial periods previously reported under Indian GAAP following the date of transition to IND AS.

47.3.1 Reconcilaition of Items of Balance Sheet as at 1st April, 2016 (transition date) and as at 31st March, 2017

Particulars	Refer Note No.	Previous GAAP* as at 31.03.2017	Effect of Ind AS Transition	Ind AS Balance Sheet 31.03.2017	Previous GAAP* as at 01.04.2016	Effect of Ind AS Transition	Ind AS Balance Sheet as at 01.04.2016
ASSETS							
NON-CURRENT ASSETS							
Property, Plant and Equipment		9,718.60	26.17	9,744.77	10,892.10	25.76	10,917.86
Capital Work-In-Progress		74.97	-	74.97	9.97	-	9.97
Intangible Assets		10.50	(2.27)	8.23	7.91	-	7.91
Intangible Assets under development		3.84	-	3.84	-	-	-
Financial Assets							
Other Financial Assets		35.37	-	35.37	54.50	-	54.50
Other Non-Current Assets		23.73	-	23.73	22.42	-	22.42
Deferred Tax Assets (Net)	47.3.5.h	523.29	(203.87)	319.42	254.01	(34.60)	219.41
Total Non Current Asset		10,390.30	(179.97)	10,210.33	11,240.91	(8.84)	11,232.07


Notes to the Financial Statements as on and for the year ended 31st March, 2018 (Contd.)
(Amount in ₹ Lakhs)

Particulars	Refer Note No.	Previous GAAP* as at 31.03.2017	Effect of Ind AS Transition	Ind AS Balance Sheet 31.03.2017	Previous GAAP* as at 01.04.2016	Effect of Ind AS Transition	Ind AS Balance Sheet as at 01.04.2016
CURRENT ASSETS							
Inventories		4,089.47	(54.09)	4,035.38	4,516.35	(71.01)	4,445.34
Biological Assets other than Bearer Plants		-	9.28	9.28	-	18.43	18.43
Financial Assets							
Investments		938.51	102.71	1,041.22	684.99	57.67	742.66
Trade Receivables	47.3.5.i	920.19	(17.44)	902.75	964.95	(17.44)	947.51
Cash and Cash Equivalents		212.73	-	212.73	40.09	-	40.09
Other Bank Balance		44.20	-	44.20	23.66	-	23.66
Loans		8.67	-	8.67	12.80	-	12.80
Other Financial Assets		47.52	-	47.52	116.73	-	116.73
Current Tax Assets		43.61	-	43.61	57.80	-	57.80
Other Current Assets		1,010.59	-	1,010.59	1,203.62	-	1,203.62
Total Current Assets		7,315.49	40.46	7,355.95	7,620.99	(12.35)	7,608.64
Total Assets		17,705.79	(139.51)	17,566.28	18,861.90	(21.19)	18,840.71
EQUITY AND LIABILITIES							
EQUITY							
Equity Share Capital		901.07	-	901.07	901.07	-	901.07
Other Equity	47.3.3	9,418.20	(173.48)	9,244.72	9,920.37	(3.10)	9,917.27
Equity attributable to the owners		10,319.27	(173.48)	10,145.79	10,821.44	(3.10)	10,818.34
LIABILITIES							
NON-CURRENT LIABILITIES							
Financial Liabilities							
Borrowings	47.3.5.d	1,831.86	(8.34)	1,823.52	2,686.86	(13.93)	2,672.93
Provisions		117.97	-	117.97	90.66	-	90.66
Other Liabilities	47.3.5.j	-	36.22	36.22	-	42.31	42.31
Total Non Current Liabilities		1,949.83	27.88	1,977.71	2,777.52	28.38	2,805.90
CURRENT LIABILITIES							
Financial Liabilities							
Borrowings		2,534.33	-	2,534.33	2,449.92	-	2,449.92
Trade Payables		1,303.91	-	1,303.91	1,309.34	-	1,309.34
Other Financial Liabilities		1,014.37	-	1,014.37	1,071.58	-	1,071.58
Provisions		109.31	-	109.31	162.21	(54.19)	108.02
Other Liabilities		474.77	6.09	480.86	269.89	7.72	277.61
Total Current Liabilities		5,436.69	6.09	5,442.78	5,262.94	(46.47)	5,216.47
Total Equity and Liabilities		17,705.79	(139.51)	17,566.28	18,861.90	(21.19)	18,840.71

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.



Notes to the Financial Statements as on and for the year ended 31st March, 2018 (Contd.)

(Amount in ₹ Lakhs)

47.3.2 Reconciliation of Statement of Profit & Loss for the year ended 31 March 2017 *

Particulars	Refer Note No.	Previous GAAP*	Adjustment	IND AS
INCOME				
Revenue from Operations	47.3.5.l.IV	12,942.05	-	12,942.05
Revenue from Discontinued Operations		8,463.49	-	8,463.49
Other Income	47.3.5.j & 47.3.5.a	151.19	52.76	203.95
Total Income		21,556.73	52.76	21,609.49
EXPENSES				
Cost of Materials Consumed		11,456.21	-	11,456.21
Purchases of Stock -in- Trade		39.56	-	39.56
Changes in Inventories of Finished Goods, Stock-In-Trade and Work-in-Progress		39.94	(16.92)	23.02
Excise Duty on Sales	47.3.5.l.IV	3.53	-	3.53
Employee Benefits Expense	47.3.5.e & g	3,166.70	(37.57)	3,129.13
Finance Costs	47.3.5.d	547.75	5.59	553.34
Depreciation and Amortisation Expense		1,194.71	11.15	1,205.86
Other Expenses		5,863.85	9.15	5,873.00
Total Expenses		22,312.25	(28.60)	22,283.65
Profit / (Loss) before Tax		(755.52)	81.36	(674.16)
Tax Expense:				
Current Tax		-	-	-
Mat Credit Entitlement		-	-	-
Deferred Tax	47.3.5.h	(283.08)	169.27	(113.81)
Excess Provision made for earlier years		20.43	-	20.43
Profit/(Loss) for the year		(492.87)	(87.91)	(580.78)
Other Comprehensive Income				
Items that will not be reclassified to profit or loss	47.3.5.g	-	(37.57)	(37.57)
Income tax relating to these items		-	-	-
Other Comprehensive Income for the Year (Net of Tax)		-	(37.57)	(37.57)
Total Comprehensive Income for the period		(492.87)	(125.48)	(618.35)

* for the purpose of reconciliation, expenditures includes figures relating to discontinued operations.

47.3.3 Reconciliation of Total Equity

Particulars	Refer Note No.	As at 31st March, 2017	As at 1st April, 2016
Equity under Previous GAAP		9,418.20	9,920.37
On account of application of Effective Interest Rate	47.3.5.d	(12.10)	(10.26)
On account of Government Grant Accounting and Deemed Cost adjustment	47.3.5.j	7.72	-
On account of application of Expected Credit Loss Model	47.3.5.i	(17.44)	(17.44)
On account of change in method of Stock Valuation	47.3.5.b	(54.09)	(71.01)
On account of valuation of Equity Instruments through FVTPL	47.3.5.a	102.71	57.67
Adjustment of Proposed Dividend and tax thereon	47.3.5.k	-	54.19
Other Ind AS Adjustments		3.59	18.35
Impact of Tax	47.3.5.h	(203.87)	(34.60)
Total Adjustment to Equity		(173.48)	(3.10)
Total Equity Under Ind AS		9,244.72	9,917.27



Notes to the Financial Statements as on and for the year ended 31st March, 2018 (Contd.)

(Amount in ₹ Lakhs)

47.3.4 Impact of Ind AS adoption on the statements of cash flows for the year ended 31 March 2017 *

Particulars	Notes	Previous GAAP	Adjustments	IND AS
Net cash flow from Operating Activities		1862.44	-	1862.44
Net cash flow from Investing Activities		(319.33)	-	(319.33)
Net cash flow from Financing Activities		(1370.47)	-	(1370.47)
Net Increase / (Decrease) in cash and cash equivalents		172.64	-	172.64
Cash and cash equivalents as at 1 April 2016		40.09	-	40.09
Cash and cash equivalents as at 31 March 2017		212.73	-	212.73

*There is no difference between the statement of Cash Flows presented under Ind AS and the previous GAAP.

47.3.5 Notes to First Time Adoption

a Fair valuation of Investments

Under the previous GAAP, investments in equity instruments and mutual funds were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value.

b Inventories

Under previous GAAP, Finished Tea stock has been valued at net realizable value. Under Ind AS, Finished Tea Stock were valued at lower of Cost or Net Realizable Value. Cost of Finished Tea comprise cost of purchase of green leaf, fair value of green leaf at the time of harvest less cost to sell, conversion cost (i.e 40 % of factory cost) and other costs incurred in bringing the same to their present location and condition.

c Biological Assets (i.e. unplucked leaf on tea bushes)

Under previous GAAP, biological assets i.e. unplucked leaf on tea bushes has neither been valued nor recognised in the accounts. Under Ind AS, unplucked leaf on tea bushes has been measured at its fair value less cost to sell.

d Borrowings

Ind AS 109 read with ITFG 5 requires transaction costs incurred towards origination of borrowings to be added to the carrying amount of borrowings on initial recognition. These costs are recognised in the statement of profit & loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method. In respect to the Processing Cost capitalised prior to the date of transition, the processing cost capitalised (net of Cumulative Depreciation impact) shall also be reduced from the respective fixed assets and the differential amount shall be adjusted with the retained earnings.

Under previous GAAP, these transaction costs were charged off to Statement of Profit & Loss or capitalized with the qualifying asset as per the application of the corresponding Borrowings.

e Remeasurements of post-employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in Other Comprehensive Income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the Statement of profit & loss for the year.

f Retained Earnings

Retained earnings as at April 1, 2016 has been adjusted consequent to the above Ind AS transition adjustments.

g Other Comprehensive Income

Under Ind AS, all items of income and expense recognised in a period should be included in the statement of profit & loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'Other Comprehensive Income' includes remeasurements of defined benefit plans and fair value gains or (losses) on FVOCI equity instruments and debt instruments. The concept of Other Comprehensive Income did not exist under previous GAAP.



Notes to the Financial Statements as on and for the year ended 31st March, 2018 (Contd.)

(Amount in ₹ Lakhs)

h Deferred Tax

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

In addition, the various transitional adjustments lead to different temporary differences. According to the accounting policies, the company has to account for such differences. Deferred tax adjustments are recognized in correlation to the underlying transaction either in retained earnings or a separate component of equity.

i Expected Credit Loss Model

Ind-AS 109 requires to recognize loss allowances on trade receivable and other financial assets of the Company, at an amount equal to the lifetime expected credit loss or the 12 month expected credit loss based on the increase in the credit risk.

j Deferred Revenue

Under Indian GAAP, grants received from government agencies against specific fixed assets (Property, Plant and Equipment) are adjusted to the cost of the respective asset. Under IND AS the same has been presented as deferred revenue being amortised in the Statement of Profit & Loss on a systematic basis.

k Proposed Dividend and Tax on Proposed Dividend

Under the previous GAAP, dividends proposed by the board of directors after the balance sheet date but before the approval of the financial statements and applicable dividend tax thereon were considered as adjusting events. Accordingly, provision for proposed dividend and dividend tax thereon was recognised as a liability. Under Ind AS, such dividend and tax thereon are recognised when the dividend is approved by the shareholders in the general meeting.

l Re-classifications

The Company has done the following reclassifications as per the requirements of Ind-AS :

- I Assets / liabilities which do not meet the definition of financial asset / financial liability have been reclassified to other asset / liability.
- II Remeasurement gain/loss on long term employee defined benefit plans are re-classified from statement of profit and loss to Other Comprehensive Income.
- III The Company has re-classified unpaid dividend balance from Cash and Cash equivalents to Other Bank Balances.
- IV Excise duty on sales was earlier netted off with Sales, has now been presented separately.

48 FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Particulars	31st March 2018			31st March 2017		
	FVTPL	FVOCI	Amortised Cost	FVTPL	FVOCI	Amortised Cost
Financial Assets						
Investment						
- Mutual Funds	742.20	-	-	1,041.22	-	-
Trade Receivables	-	-	659.28	-	-	902.75
Loans	-	-	9.17	-	-	8.67
Cash and Cash Equivalents	-	-	70.86	-	-	212.73
Other Bank Balances	-	-	20.01	-	-	44.20
Other Financial Assets	-	-	78.92	-	-	82.89
Total Financial Assets	742.20	-	838.24	1,041.22	-	1,251.24
Financial Liabilities						
Borrowings	-	-	2,596.49	-	-	5,212.85
Trade Payables	-	-	700.10	-	-	1,303.91
Other Financial Liabilities	-	-	171.27	-	-	159.37
Total Financial Liabilities	-	-	3,467.86	-	-	6,676.13



Notes to the Financial Statements as on and for the year ended 31st March, 2018 (Contd.)

(Amount in ₹ Lakhs)

As at 1st April 2016

Particulars	FVTPL	FVOCI	Amortised Cost
Financial Assets			
Investment			
- Mutual Funds	742.66	-	-
Trade Receivables	-	-	947.51
Loans	-	-	12.80
Cash and Cash Equivalents	-	-	40.09
Other Bank Balances	-	-	23.66
Other Financial Assets	-	-	171.23
Total Financial Assets	742.66	-	1,195.29
Financial Liabilities			
Borrowings	-	-	5,981.98
Trade Payables	-	-	1,309.34
Other Financial Liabilities	-	-	212.45
Total Financial Liabilities	-	-	7,503.77

49 FAIR VALUES

49.1 The following is the comparison by class of the carrying amounts and fair value of the Company's financial instruments that are measured at amortized cost:

	31st March 2018		31st March 2017		1st April 2016	
Particulars	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets						
Trade Receivables	659.28	659.28	902.75	902.75	947.51	947.51
Loans	9.17	9.17	8.67	8.67	12.80	12.80
Cash and Cash Equivalents	70.86	70.86	212.73	212.73	40.09	40.09
Other Bank Balances	20.01	20.01	44.20	44.20	23.66	23.66
Other Financial Assets	78.92	78.92	82.89	82.89	171.23	171.23
Total Financial Assets	838.24	838.24	1,251.24	1,251.24	1,195.29	1,195.29
Financial Liabilities						
Borrowings	2,596.49	2,596.49	5,212.85	5,212.85	5,981.98	5,981.98
Trade Payables	700.10	700.10	1,303.91	1,303.91	1,309.34	1,309.34
Other Financial Liabilities	171.27	171.27	159.37	159.37	212.45	212.45
Total Financial Liabilities	3,467.86	3,467.86	6,676.13	6,676.13	7,503.77	7,503.77

49.2 The management assessed that the fair values of cash and cash equivalents, trade receivables, trade payables, short term borrowings and other financial liabilities approximates their carrying amounts largely due to the short-term maturities of these instruments.

49.3 For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to their fair values.

49.4 The fair value of the financial assets and financial liabilities is included at the amount at which the same could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.



Notes to the Financial Statements as on and for the year ended 31st March, 2018 (Contd.)

(Amount in ₹ Lakhs)

49.5 The following methods and assumptions were used to estimate the fair values.

49.5.1 The fair values of non-current borrowings are based on the discounted cash flows using a current borrowing rate. They are classified as Level 2 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including own credit risks, which was assessed, as on the balance sheet date to be insignificant.

50 FAIR VALUE HIERARCHY

The following are the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognized and measured at fair value and (b) measured at amortized cost and for which fair value are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into three levels of fair value measurement as prescribed under the Ind AS 113 "Fair Value Measurement". An explanation of each level follows underneath the tables.

50.1 Assets and Liabilities measured at Fair Value - recurring fair value measurements

	31st March 2018			31st March 2017		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets						
Investment at FVTPL						
- Mutual Funds	742.20	-	-	1,041.22	-	-
Total Financial Assets	742.20	-	-	1,041.22	-	-

As at 1st April 2016

Particulars	Level 1	Level 2	Level 3
Financial Assets			
Investment at FVTPL			
- Mutual Funds	742.66	-	-
Total Financial Assets	742.66	-	-

50.2 Financial Assets and Liabilities measured at Amortized Cost for which fair values are disclosed

Particulars	31st March 2018			31st March 2017		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets						
Trade Receivables	-	-	659.28	-	-	902.75
Loans	-	-	9.17	-	-	8.67
Cash and Cash Equivalents	-	-	70.86	-	-	212.73
Other Bank Balances	-	-	20.01	-	-	44.20
Other Financial Assets	-	-	78.92	-	-	82.89
Total Financial Assets	-	-	838.24	-	-	1,251.24
Financial Liabilities						
Borrowings	-	816.92	1,779.57	-	1,823.52	3,389.33
Trade Payables	-	-	700.10	-	-	1,303.91
Other Financial Liabilities	-	-	171.27	-	-	159.37
Total Financial Liabilities	-	816.92	2,650.94	-	1,823.52	4,852.61



Notes to the Financial Statements as on and for the year ended 31st March, 2018 (Contd.)

(Amount in ₹ Lakhs)

As at 1st April 2016

Particulars	Level 1	Level 2	Level 3
Financial Assets			
Trade Receivables	-	-	947.51
Loans	-	-	12.80
Cash and Cash Equivalents	-	-	40.09
Other Bank Balances	-	-	23.66
Other Financial Assets	-	-	171.23
Total Financial Assets	-	-	1,195.29
Financial Liabilities			
Borrowings	-	2,672.93	3309.05
Trade Payables	-	-	1309.34
Other Financial Liabilities	-	-	212.45
Total Financial Liabilities	-	2,672.93	4,830.84

50.3 During the year ended March 31, 2018 and March 31, 2017, there were no transfers between Level 1 and Level 2 fair value measurements and no transfer into and out of Level 3 fair value measurements.

50.4 Explanation to the fair value hierarchy

The Company measures financial instruments, such as, quoted investments at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy as described in Note no. 2.7.

51 FINANCIAL RISK MANAGEMENT

The Company's activities expose it to market risk, liquidity risk and credit risk. In order to minimise any adverse effects on the financial performance of the Company, the Company has risk management policies as described below :-

51.1 Credit Risk

Credit risk refers to the risk of financial loss arising from default / failure by the counterparty to meet financial obligations as per the terms of contract. The Company is exposed to credit risk for receivables, cash and cash equivalents, financial guarantees and derivative financial instruments. None of the financial instruments of the Company result in material concentration of credit risks.

Credit risk on receivables is minimum since sales through different mode (e.g., auction, consignment, private - both domestic and export) are made after judging credit worthiness of the customers, advance payment or against letter of credit by banks. The history of defaults has been minimal and outstanding receivables are regularly monitored. For credit risk on the loans to parties, the Company is not expecting any material risk on account of non-performance by any of the parties.

For derivative and financial instruments, the Company manages its credit risks by dealing with reputable banks and financial institutions. Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The carrying value of the financial assets represent the maximum credit exposure. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets.

Trade Receivables

Ageing Schedule	Not due	0-60 days past due	60-180 days past due	More than 180 days past due
Gross carrying amount	25.88	612.21	21.11	0.08
Expected loss rate	-	-	-	-
Expected credit losses (Loss allowance provision)	-	-	-	-
Carrying amount of trade receivables (net of impairment)	25.88	612.21	21.11	0.08



Notes to the Financial Statements as on and for the year ended 31st March, 2018 (Contd.)

(Amount in ₹ Lakhs)

Reconciliation of loss allowance provision –	Trade Receivables
Loss allowance on 1 April 2016	17.44
Changes in loss allowance	-
Loss allowance on 31 March 2017	17.44
Changes in loss allowance	(17.44)
Loss allowance on 31 March 2018	-

51.2 Liquidity Risk

Liquidity risk is the risk that the Company may encounter difficulty in meeting its obligations. The Company monitors rolling forecast of its liquidity position on the basis of expected cash flows. The Company's approach is to ensure that it has sufficient liquidity or borrowing headroom to meet its obligations at all point in time. The Company has sufficient short-term fund based lines, which provides healthy liquidity and these carry highest quality credit rating from reputed credit rating agency.

51.2.1 Fund Management

Management monitors rolling forecasts of the company's liquidity position (including the undrawn credit facilities extended by banks and financial institutions) and cash and cash equivalents on the basis of expected cash flows. In addition, the Company's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

51.2.2 Maturity Analysis for financial liabilities

- a The following are the remaining contractual maturities of financial liabilities as at 31st March 2018. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

Particulars	On Demand	Less than 6 months	6 months to 1 year	1 years to 5 years	More than 5 years	Total
Non-derivative						
Trade payables	5.87	694.23	-	-	-	700.10
Borrowings	1,559.57	168.56	162.48	918.52	-	2,809.13
Other financial liabilities	80.88	85.62	0.11	-	4.66	171.27
Total	1,646.32	948.41	162.59	918.52	4.66	3,680.50

- b The following are the remaining contractual maturities of financial liabilities as at 31st March 2017

Particulars	On Demand	Less than 6 months	6 months to 1 year	1 years to 5 years	More than 5 years	Total
Non-derivative						
Trade payables	5.05	1,298.86	-	-	-	1,303.91
Borrowings	2,534.33	560.90	544.39	2,160.32	-	5,799.94
Other financial liabilities	14.95	138.13	1.60	-	4.69	159.37
Total	2,554.33	1,997.89	545.99	2,160.32	4.69	7,263.22

- c The following are the remaining contractual maturities of financial liabilities as at 1st April 2016

Particulars	On Demand	Less than 6 months	6 months to 1 year	1 years to 5 years	More than 5 years	Total
Non-derivative						
Trade payables	4.84	1,304.50	-	-	-	1,309.34
Borrowings	2,449.92	638.17	574.16	3,288.84	-	6,951.09
Other financial liabilities	13.14	192.26	2.36	-	4.69	212.45
Total	2,467.90	2,134.93	576.52	3,288.84	4.69	8,472.88



Notes to the Financial Statements as on and for the year ended 31st March, 2018 (Contd.)

(Amount in ₹ Lakhs)

51.3 Market Risk

51.3.1 Foreign Exchange Risk

The Company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the U.S. Dollar. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Company's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows.

Since the Company's financials are prepared and reported in INR which also is the functional currency of the Company and as it doesn't have any foreign associate, subsidiary etc, there is no translation risk involved. On the date of financial results, Company doesn't have significant foreign currency trade payables and receivables etc. and is, therefore, not exposed to foreign exchange risk.

a Exposure to currency risk

The Company's exposure to foreign currency risk at the end of the reporting period are as follows :

Unhedged Foreign Currency Exposure

Particulars	31st March 2018		31st March 2017		1st April 2016	
	USD	INR	USD	INR	USD	INR
Financial Assets						
Trade Receivables	-	-	-	-	294,867.00	195.35
Financial Liabilities						
Trade Payables	1,925.00	1.27	1,325.00	0.88	-	-
Net Exposure in Foreign Currency	(1,925.00)	(1.27)	(1,325.00)	(0.88)	294,867.00	195.35

b Sensitivity Analysis

Since the Company doesn't have material foreign currency operations, the analysis is not reported.

51.3.2 Interest Rate Risk

The Company is exposed to risk due to interest rate fluctuation, on the following :

- Interest rate risk arises from the sensitivity of financial assets and liabilities to changes in market rate of interest. However, the Company does not have any interest bearing financial asset or liability at the end of the financial year ended 31st March 2018.
- The interest rate risk can also impact the provision for retiral benefits. The Company generally utilizes variable rate borrowings and therefore subject to interest rate risk, as both the carrying amount and the future cash flows will fluctuate because of change in the market interest rates.

During 31st March 2018, 31st March 2017 and on 1st April 2016, all the Company's borrowings were at variable rate mainly denominated in INR.

(i) Exposure to interest rate risk

Particulars	31st March 2018	31st March 2017	1st April 2016
Fixed Rate Instruments			
Financial Assets	-	-	-
Financial Liabilities	-	-	-
Variable Rate Instruments			
Financial Assets	-	-	-
Financial Liabilities	2,596.49	5,212.85	5,981.98
	2,596.49	5,212.85	5,981.98



Notes to the Financial Statements as on and for the year ended 31st March, 2018 (Contd.)

(Amount in ₹ Lakhs)

(ii) Sensitivity Analysis

Profit or loss is sensitive to higher/ lower interest expense on borrowings as a result of changes in interest rates. This analysis assumes that all other variables, in particular exchange rates, remain constant and ignores any impact of forecast sales and purchases.

Particulars	Sensitivity Analysis	31st March 2018		31st March 2017	
		Impact on		Impact on	
		Profit after Tax	Other Equity	Profit after Tax	Other Equity
Interest Rate increase by	0.50%	(12.98)	(10.91)	(26.06)	(17.60)
Interest Rate decrease by	0.50%	12.98	10.91	26.06	17.60

51.3.3 Other Price Risk

The price risk is the risk arising from investments held by the Company and classified in the balance sheet either at fair value through Other Comprehensive Income or at fair value through profit or loss.

The Company's equity investments are mainly strategic in nature and are generally held on a long-term basis. Further, the current investments are in units of liquid mutual fund and these are not exposed to significant price risk.

Exposure to other market price risk

Particulars	31st March 2018	31st March 2017	1st April 2016
Investment in Mutual Funds	742.20	1,041.22	742.66

52 CAPITAL MANAGEMENT

The Company's objective for capital management is to maximize shareholder wealth, safeguard business continuity and support the growth of the Company. The Company determines the capital management requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met through optimum mix of borrowed and own funds.

53 SEGMENT REPORTING

53.1 Primary Segment Information (Business Segment)*

Particulars	Textiles - Fabric Division	Textiles - Yarn Division -(Since Discontinued)	Tea	Real Estate	Unallocable	Total
Segment Revenue						
External Turnover	7,454.99 8,525.28	2,344.32 8,463.90	4,694.52 4,416.77	- -	- -	14,493.83 21,405.95
Revenue from Operations	7,454.99 8,525.28	2,344.32 8,463.90	4,694.52 4,416.77	- -	- -	14,493.83 21,405.95
Segment Result	(172.44) 524.98	(1,163.90) (1,617.01)	969.02 707.90	- -	- -	(367.32) (384.13)
Less: Unallocable Expenditure net of unallocable Income					83.69 46.92	83.69 46.92
Finance Costs	240.73 192.13	- -	39.02 50.98	- -	- -	279.75 243.11
Profit /(Loss) Before Tax						(730.76) (674.16)
Other Information						
Segment Assets	4,385.33 5,128.23	697.21 4,012.00	5,145.86 5,003.53	2,026.49 1,969.26	1,419.58 1,453.26	13,674.47 17,566.28
Segment Liabilities	2,858.85 4,749.00	14.23 1,428.00	1,017.34 1,160.20	81.28 61.58	17.35 21.70	3,989.05 7,420.48
Capital Expenditure	- 58.96	-	463.74 161.32	- -	- -	463.74 220.28
Depreciation/Amortization /Impairment	468.93 467.00	361.00 624.42	120.17 114.43	- -	- -	950.10 1,205.85

* Figures in Bold & Italics represents previous year figures.



Notes to the Financial Statements as on and for the year ended 31st March, 2018 (Contd.)

(Amount in ₹ Lakhs)

53.2 Secondary Segment Information (Geographical Segment) *

Particulars	Within India	Outside India	Total
Segment Revenue	14,181.48 19,769.80	312.35 1,636.15	14,493.83 21,405.95
Segment Assets	13,674.47 17,566.28	-	13,674.47 17,566.28
Capital Expenditure	463.74 220.28	-	463.74 220.28

* Figures in Bold & Italics represents previous year figures

53.3 Other Disclosures

- a The Company's corporate strategy aims at creating multiple drivers of growth anchored on its core competencies. The Company is currently focused on three business groups : Textile - Fabric Division, Tea and Real Estate. The Company's organisational structure and governance processes are designed to support effective management of multiple businesses while retaining focus on each one of them. During the financial year, the Company has discontinued operations relating to Yarn Division as reported in Note No. 39.
- b The geographical information considered for disclosure are:
 - Sales within India
 - Sales outside India
- c The Company is not reliant on revenues from transactions with any single external customer and does not receive 10% or more of its revenues from transactions with any single external customer.
- d The accounting policies adopted for segment reporting are in line with the accounting policy of the Company.

- 54 Previous GAAP figures have been reclassified/regrouped to confirm the presentation requirements under IND AS and the requirements laid down in Division-II of the Schedule-III of the Companies Act, 2013.

The Notes are integral part of the Financial Statements.

As per our Report annexed of even date
For SINGHI & CO.
Chartered Accountants
Firm Registration No. 302049E
ADITYA SINGHI
Partner
Membership No. 305161
Kolkata, the 19th day of May, 2018

Sd/-
A. KANORIA
Managing Director
(DIN:00027290)

Sd/-
A. DOSHI
Chief Financial Officer

Sd/-
K. P. KHANDELWAL
Whole Time Director
(DIN: 00914834)

Sd/-
S. SHAH
Company Secretary

BENGAL TEA & FABRICS LTD.



CIN : L51909WB1983PLC036542

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

Telefax Nos.: 91-033-2283-6416/17; E-mail : investor@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 35th Annual General Meeting of the Company to be held on Saturday, 11th August, 2018 at 10.30 a.m. at Kalakunj, 48, Shakespeare Sarani, Kolkata – 700 017 and at any adjournment thereof in respect of resolutions as are indicated below:

Resolution No.	Resolution Proposed	Optional*	
		For	Against
	Ordinary Business		
1.	Adoption of Financial Statements, Reports of the Board of Directors' and Auditors'		
2.	Re-appointment of Mr. Kailash Prasad Khandelwal, Director, retiring by rotation		
	Special Business		
3.	Re-appointment of Mr. Golam Momen as an Independent Director		
4.	Re-appointment of Mr. Dharendra Kumar as an Independent Director		
5.	Re-appointment of Mr. Abhijit Datta as an Independent Director		
6.	Sale or disposal of the Company's bunglalow situated at Asarwa House, Dr. Balwantrai Mehta Marg, Shahibang, Ahmedabad, Gujarat.		
7.	Fixation of Remuneration of Cost Auditors for the Textile Division		
8.	Fixation of Remuneration of Cost Auditors for the Tea Division		

Signed this _____ day of _____ 2018.

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

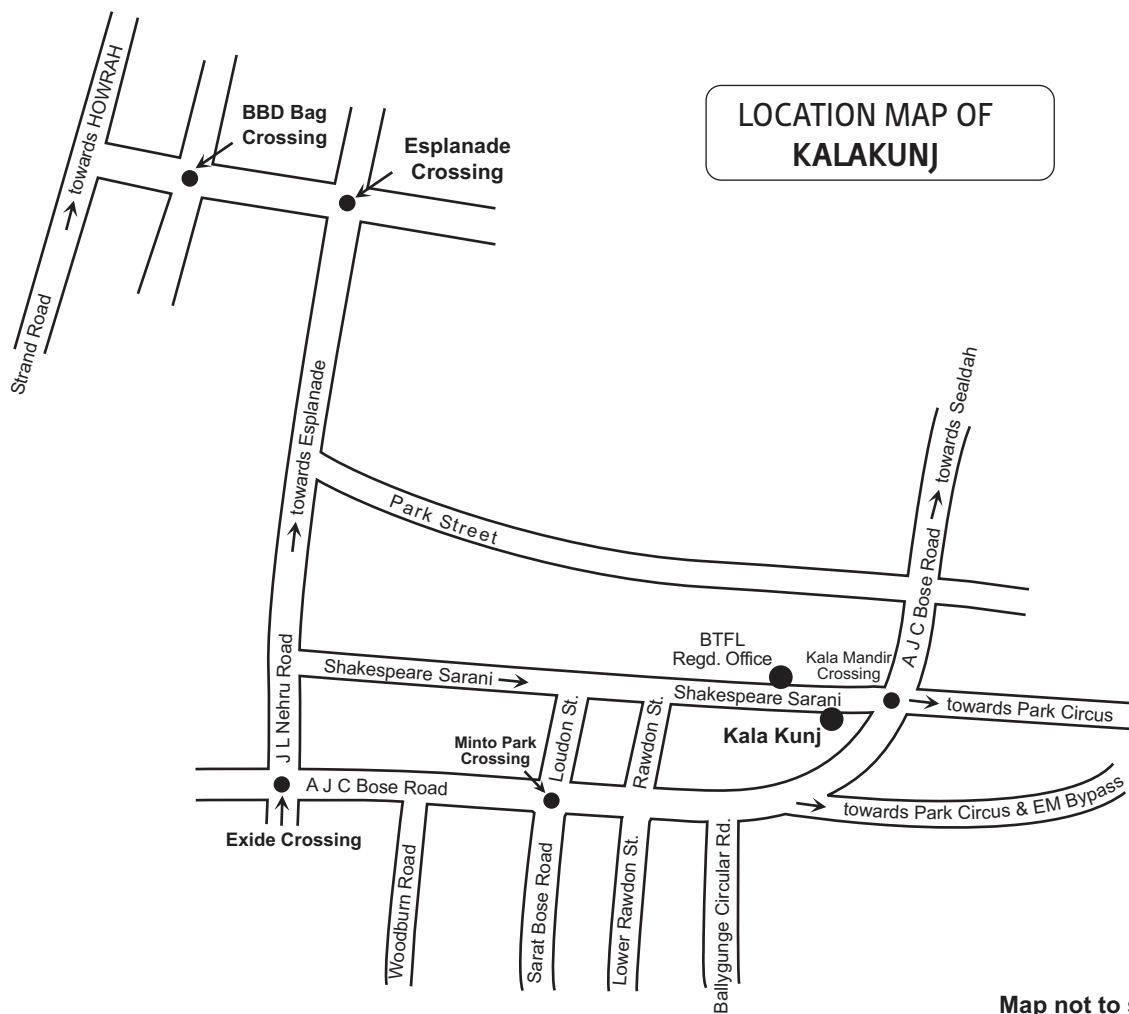
Affix
Revenue
Stamp

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.

- For the text of the Resolutions, Explanatory Statement & Notes, please refer to the Notice convening the 35th Annual General Meeting dated 25th June, 2018.
- *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.
- Please complete all details including details of member (s) in above box before submission.



35th Annual General Meeting of the Company
Date & Time : Saturday, 11th August, 2018 at 10:30 a.m.
Venue : Kalakunj, 48, Shakespeare Sarani, Kolkata – 700 017





BENGAL TEA & FABRICS LIMITED

CIN: L51909WB1983PLC036542

Regd. Office: Century Towers, 4th Floor, 45, Shakespeare Sarani, Kolkata – 700 017
Telefax: +91 33 2283-6416/6417, E-Mail: investor@bengaltea.com Website: www.bengaltea.com

ATTENDANCE SLIP 35th 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 35th Annual General Meeting of the Company held on Saturday, 11th August, 2018 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 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 35th Annual General Meeting of the Company to be on held on Saturday, 11th August, 2018 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 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.cdsi.com> or www.bengaltea.com.

The remote e-voting particulars are set out below.

EVS (Remote e-Voting Sequence number)	USER ID	PAN/SEQUENCE NO.

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

Commencement of remote e-voting	End of remote e-voting
8th August, 2018 from 9.00 am	10th August, 2018 till 5.00 pm

Please read the instructions given at point no. 23 of the Notice to 35th Annual General Meeting of the Company dated 25th June, 2018 carefully before availing remote e-voting facilities.