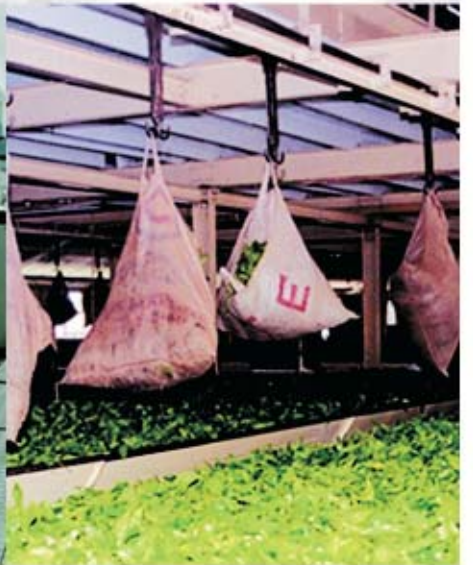


ANNUAL REPORT 2018 - 19



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. Parikh & Associates, Chartered Accountants M/s. L.A.B.H. & 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 / mail@bengaltea.com Website : www.bengaltea.com
REGISTRAR & SHARE TRANSFER AGENT	C. B. Management Services (P) Ltd. P-22, Bondel Road, Kolkata 700 019 Telephone : 91 33 4011 6716/17/23/28, Fax : 4011-6739 E-mail : rta@cbmsl.com

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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 36th Annual General Meeting (AGM) of the Members of **Bengal Tea & Fabrics Limited** will be held at "Bharatiya Bhasha Parishad", 36 A, Shakespeare Sarani, Kolkata 700 017 on Saturday, the 10th day of August, 2019 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, 2019 and the Reports of the Board of Directors and Auditors thereon and to pass the following resolution as an **Ordinary Resolution** :

"**RESOLVED THAT** the Audited Financial Statements of the Company for the financial year ended 31st March, 2019 including the Audited Balance Sheet as at 31st March, 2019, 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 Mrs. Shubha Kanoria (DIN: 00036489) who retires by rotation in terms of Section 152 (6) of Companies Act, 2013 and being eligible, offers herself for re-appointment and to pass the following resolution as an **Ordinary Resolution** :

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

SPECIAL BUSINESS**3. Re-appointment of Mr. Adarsh Kanoria as the Managing Director of the Company**

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

"**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198 and other applicable provisions of the Companies Act, 2013, read with Schedule V of the said Act [including any statutory modification(s) or re- enactment thereof for the time being in force]; re-appointment of Mr. Adarsh Kanoria, (DIN: 00027290) as the Managing Director of the Company, for a period of three years with effect from 1st day of January, 2020 be and is hereby approved upon the terms and conditions contained in the draft Agreement approved by a resolution passed by the Board of Directors of the Company on the recommendation of the Nomination and Remuneration Committee, as set out in the Explanatory Statement attached to this notice.

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

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

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

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

"**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198 and other applicable provisions of the Companies Act, 2013, read with Schedule V of the said Act (including any statutory modification(s) or re- enactment thereof for the time

**NOTICE (Contd.)**

being in force); re-appointment of Mr. Kailash Prasad Khandelwal, (DIN:00914834) as the Whole-time Director of the Company, for a period of three years with effect from 1st day of January, 2020 be and is hereby approved upon the terms and conditions contained in the draft Agreement approved by a resolution passed by the Board of Directors of the Company on the recommendation of the Nomination and Remuneration Committee, as set out in the Explanatory Statement attached to this notice.

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

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

5. **Appointment of Branch Auditors of the Company**

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

"RESOLVED THAT pursuant to the provisions of Section 139, 143 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s Khandhar & Associates, Chartered Accountants, (Firm Regn. No. 11894W), be and are hereby appointed as the Branch Auditors of the Company, to conduct the audit of the Textile Division and to hold office from the 36th Annual General Meeting of the Company till the conclusion of the 41st Annual General Meeting on a remuneration of ₹ 1,75,000/- p.a. plus out of pocket expenses and taxes, if any.

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

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

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

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s N. D. Birla & Co., (Firm Regn. No. 000028) appointed by Board of Directors of the Company as the Cost Auditors for the Textile Division of the Company, to conduct the audit of cost records of the Textile Division of the Company for the financial year ending 31st March, 2020, be paid a 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."

7. **Fixation of Remuneration of Cost Auditors of the Tea Division of the Company**

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

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. D. Radhakrishnan & Co., (Firm Regn. No. 000018) appointed by Board of Directors of the Company as the Cost Auditors of the Tea Division of the Company, to conduct the audit of cost records of Tea Division of the Company for the financial year ending 31st March, 2020, 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."



NOTICE (Contd.)

8. Alteration of Articles of Association of the Company

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

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

The existing Article 76 be read as Article 76 (1) and after that the following new clause shall be inserted as Article 76 (2)

"Disqualification of a Director :

Director of the Company shall be considered as disqualified in any of the following cases :

- a) *The Company in which he is a director has not filed financial statements or Annual return for a continuous period of three financial years, or*
- b) *The Company in which he is a director has failed to repay the deposits accepted by the company or failed to pay interest thereon or failed to redeem any debentures on due date or failed to pay interest due thereon or failed to pay any dividend declared and such failure to pay or redeem continues for one year or more, or*
- c) *The name of the Company in which he is a director is appearing in the list of wilful defaulters and/or the name of such director appears on the list of defaulter as per the definition given in RBI directions/ guidelines or the lender banks guidelines or as may be hosted by any bank or RBI at their designated website."*

Registered Office :

Century Towers, 4th Floor

45, Shakespeare Sarani, Kolkata 700 017

Dated : 25th May, 2019

By Order of the Board
for Bengal Tea & Fabrics Ltd.

Sd/-

SUNITA SHAH

Company Secretary

(Membership No. F8495)

NOTES :

1. The Explanatory Statement setting out material facts pursuant to Section 102 of the Companies Act, 2013, SS-2 on General Meetings with respect to Special Business in item nos. 3 to 8 of the Notice is annexed hereto.
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of the member and the proxy need not be a member of the Company. Proxies, in order to be effective, must be received by the Company not less than 48 hours before the commencement of the meeting. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. 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 accountholder, etc.) at the venue of the meeting for identification. Proxies submitted on behalf of the Companies, Societies etc., must be supported by an appropriate resolution/authority, as applicable. A Proxy Form is annexed to this Notice.
3. Corporate members intending to send their authorized representative(s) to attend the meeting are requested to send a certified copy of the Board Resolution pursuant to Section 113 of the Companies Act, 2013 authorizing their representative to attend and vote on their behalf at the meeting.
4. 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 Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 "(Listing Regulations)".
5. The Register of Members and Share Transfer Books of the Company shall remain closed from 4th August, 2019 to 10th August, 2019 (both days inclusive) for the purpose of the 36th Annual General Meeting.

**NOTICE (Contd.)**

6. The Notice of the 36th AGM and the Annual Report for the year ended 2018 - 19 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, 5th July, 2019. 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.
7. 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.
8. 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.
9. 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.
10. 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.
11. 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.
12. **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.**
13. 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.
14. **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 instruments. 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.
15. 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.
16. 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).

**NOTICE (Contd.)**

17. SEBI vide Circular No. SEBI/LAD-NRO/GN/2018/24 dated 8th June, 2018 and Circular No. SEBI/LAD-NRO/GN/2018/49 dated 30th November, 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 dematerialized form with a depository w.e.f. 1st April, 2019. 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.
18. 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 Investor Education and Protection Fund (IEPF) on expiry of 7 years from the date of transfer of dividend amount to unclaimed dividend account.
19. 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.**
22,616 equity shares against 391 folios corresponding to the dividend for the year ended on 31st March, 2010 which remained unclaimed for seven consecutive years have been transferred to Demat Account of IEPF Authority.
20. 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 36th Annual General Meeting.
21. A copy of the documents referred to in the Notice and accompanying Explanatory Statement will be open for inspection to the Members at the Registered Office of the Company on any working day, between 11 a.m. to 1.00 p.m. except Sundays and Public Holidays from the date hereof upto the date of the AGM, without any fee.
22. **Voting through electronic means**
 - I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by Companies (Management and Administration) Rules, 2015, the Company is pleased to provide its members a facility to exercise their right to vote using an electronic voting system from a place other than the venue of the AGM ("remote e-voting") at the 36th 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.



NOTICE (Contd.)

- (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 no. in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.

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

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

- (vii) After entering these details appropriately, click on **"SUBMIT"** tab.
- (viii) Members holding shares in physical form will 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 5th July, 2019. Please follow the instructions as prompted by the mobile app while voting on your mobile.



NOTICE (Contd.)

(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, 7th August, 2019 <9.00a.m.>** and ends on **Friday, 9th August, 2019 <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 **3rd August, 2019** (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 36th AGM and holds shares as on the cut-off date of 3rd August, 2019 (close of business hours), may obtain the login ID and password for remote e-voting by sending a request to the Company's RTA at rta@cbmsl.com

(xxi) A facility for voting through ballot Paper will be made available at the Annual General Meeting venue and the Members attending the meeting who have not cast their vote by remote e-voting can exercise their right during the meeting on 10th August, 2019 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 3rd August, 2019 (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 the Scrutinizers to scrutinize the remote e-voting and voting process to be carried out at the AGM in a fair and transparent manner.
- IV. The scrutinizer shall within a period of not exceeding three working days from the conclusion of the meeting unblock the votes cast through remote e-voting, after counting the votes cast at the meeting in the presence of at least two witnesses not in employment of the Company and make a consolidated scrutinizer's report of the votes cast in favour or against, if any and forward to the Chairman of the AGM.
- V. The Results on resolutions shall be declared after the AGM of the Company and the resolutions will be deemed to be passed on the AGM date subject to receipt of the requisite numbers of votes in favour of the Resolutions.
- VI. The Consolidated Results declared along with the Scrutinizer's report (s) shall be placed on the Company's website www.bengaltea.com and on the website of CDSL within three days of passing of the resolutions at the AGM of the Company. The results will also be communicated to BSE Limited where the shares of the Company are listed.



NOTICE (Contd.)

23. Explanatory Statements pursuant to Section 102(1) of the Companies Act, 2013 in respect of Item Nos. 3-8 of the Notice are as under:

In respect of Item No. 3

Mr. Adarsh Kanoria (DIN: 00027290) aged about 52 years, has vast experience in the field of Tea & Textiles. Mr. Kanoria, Managing Director of the Company is a Commerce Graduate with Honours and did a Diploma in case studies from Harvard Business School, U.S.A. He has over 32 years of experience in Tea and Textile business. He is a reputed industrialist in Eastern India. He is the Chairman of the Finance & Taxation Sub Committee of Tea Association of India. He is a Director on the Board of Confederation of Indian Textile Industry and Indian Chamber of Commerce. Mr. Adarsh Kanoria and Mrs. Shubha Kanoria both the directors of the Company are inter-related as they are Husband and Wife.

Mr. Kanoria was appointed as the Managing Director of the Company for a period of 3 (Three) years w.e.f. 1st January, 2017 and his tenure would expire on 31st December, 2019. He holds 5,36,137 Equity Shares of the Company as on 31st March, 2019. He is the Chairman of the Share Transfer Committee, Share Transfer Sub-Committee and CSR Committee and a Member of Stakeholders Relationship Committee of the Company.

Mr. Kanoria is associated with the Company since long and in view of his vast experience, the Board of Directors of the Company at their meeting held on 25th May, 2019 has re-appointed Mr. Adarsh Kanoria as the Managing Director of the Company for a further period of three years w.e.f. 1st January, 2020 on such terms and conditions as mentioned in the draft agreement, to be entered into between the Company and Mr. Adarsh Kanoria subject to the approval of the members.

In accordance with the requirements of Schedule V to the Companies Act, 2013 it is informed that the Company has not made any default in repayment of any of its debts (including public deposits) or debentures or interest payable thereon for a continuous period of thirty days in the preceding financial year 2018-19 and the Nomination and Remuneration Committee, vide a resolution has also approved the remuneration payable to Mr. Adarsh Kanoria. A statement containing the requisite information in accordance with the requirement of Section II of Part II of Schedule V to the Companies Act, 2013 is also attached to this notice.

Mr. Adarsh Kanoria held the directorships of the following other companies as on 31st March, 2019:

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

* Only Audit Committee & Stakeholders Relationship Committees are being considered.

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

Tenure : 3 years starting from 1st January, 2020 and ending on 31st December, 2022.

Basic Salary per month : ₹ 4,30,000 – ₹ 4,65,000 – ₹ 5,00,000

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

**NOTICE (Contd.)**

Allowances & Perquisites : The value of allowances and perquisites referred in item (i) to (v) below shall be evaluated as per Income Tax Rules, 1962 wherever applicable and shall be subject to maximum ceiling of 35% (Thirty five percent) of annual basic salary.

(i) Housing

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

(ii) Medical Benefits

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

(iii) Club Fees

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

(iv) Motor Car

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

(v) Telephone

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

(vi) Re-imbursement of Expenses

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

(vii) Earned Leave

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

(viii) Retirement Benefits

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

In the event of loss or inadequacy of profits

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

General :

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



NOTICE (Contd.)

4. That the terms and conditions of this agreement of service, may be varied from time to time by the Board of Directors of the Company, within the maximum amount payable to the said Managing Director in accordance with the applicable provisions of the Companies Act, 2013.

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

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

Except Mr. Adarsh Kanoria and Mrs. Shubha Kanoria and their relatives, none of the Directors, Key Managerial Personnel or their relatives are interested or concerned, financially or otherwise, in the resolution set out at Item No. 3.

In respect of Item No. 4

Mr. Kailash Prasad Khandelwal, (DIN: 00914834) aged about 63 years, is a Commerce Graduate with Honours having experience of over 45 years in the Tea Industry. He was appointed as the Whole-time Director of the Company for a period of 3 (Three) years w.e.f. 1st January, 2017 and his tenure would expire on 31st December, 2019. He does not hold any shares of the Company as on 31st March, 2019. He is a Member of Share Transfer Sub-committee of the Company. Mr. Khandelwal is not related with any of the Directors on the Board.

Mr. Khandelwal is associated with the Company since its inception and in view of his vast experience, the Board of Directors of the Company at their meeting held on 25th May, 2019 has re-appointed him as the Whole-time Director of the Company for a further period of three years w.e.f 1st January, 2020 on terms and conditions as mentioned in the draft agreement, to be entered into between the Company and Mr. Khandelwal subject to the approval of the members.

In accordance with the requirements of Schedule V to the Companies Act, 2013 it is informed that the Company has not made any default in repayment of any of its debts (including public deposits) or debentures or interest payable thereon for a continuous period of thirty days in the preceding financial year 2018-19 and the Nomination and Remuneration Committee, vide a resolution has also approved the remuneration payable to Mr. Khandelwal. A statement containing the requisite information in accordance with the requirement of Section II of Part II of Schedule V to the Companies Act, 2013 is also attached.

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

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

Tenure : 3 years starting from 1st day of January, 2020 and ending on 31st December, 2022.

Basic Salary per month : ₹ 2,25,000 – ₹ 2,45,000 – ₹ 2,60,000

Allowance and Perquisites : The value of allowance and perquisites referred in item (i) to (v) below shall be evaluated as per Income Tax Rules, 1962 wherever applicable and shall be subject to maximum ceiling of 25% (Twenty five percent) of annual basic salary.

(i) House Rent Allowance

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

(ii) Leave Travel Assistance

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



NOTICE (Contd.)

(iii) Medical Benefits

- (a) Personal Accident Insurance for self;
- (b) Payment of Mediclaim Insurance for self and family or any reimbursement thereof by the Company; and
- (c) Reimbursement of Medical expenses incurred for self and family, subject to a limit of ₹ 15,000/- (Rupees Fifteen Thousand Only) in a year.

(iv) Motor Car

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

(v) Telephone

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

(vi) Re-imbursement of Expenses

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

(vii) Earned Leave

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

(viii) Retirement Benefits

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

In the event of loss or inadequacy of profits

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

General

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

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

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

**NOTICE (Contd.)**

Except Mr. Kailash Prasad Khandelwal, 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

As per Section 143 read with Section 139 of the Companies Act, 2013, the Shareholders of the Company, can appoint the Branch Auditors of the Company for a term of 5 years if they are Individuals and for 2 terms of 5 years each if they are Audit Firms.

M/s Sorab S. Engineer & Co., Chartered Accountants (Firm Regn. No. 110417W), were appointed as the Branch Auditors of the Textile Division of the Company, and have already served 2 terms of 5 years. Their term will end with the conclusion of the 36th AGM. The Chairman proposed the name of M/s Khandhar & Associates, Chartered Accountants, (Firm Regn. No. 11894W), for appointment as Branch Auditors of the Company for a period of 5 years effective from the conclusion of the 36th Annual General meeting till the conclusion of the 41st Annual General meeting of the Company. A letter has been received from the said firm seeking appointment and indicating their eligibility under Section 141 of the Companies Act, 2013. In terms of Section 177 (4) of the Companies Act, 2013 and the Listing Regulations, the Audit Committee have recommended the appointment of M/s Khandhar & Associates, Chartered Accountants, (Firm Regn. No. 11894W), as Branch Auditors for a term of 5 years on a remuneration of ₹ 1,75,000/- p.a. plus out of pocket expenses and taxes, if any.

Your Directors recommend the appointment of M/s Khandhar & Associates, Chartered Accountants, as Branch Auditors of the Textile Division of the Company, to conduct the audit of the Textile Division as an Ordinary Resolution.

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

M/s N. D. Birla & Co., (Firm Regn. No. 000028), Cost Accountants have been conducting the Cost Audit for the Tea Division of the Company from last few years. 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 25th May, 2019 to conduct the audit of the cost records of the Textile Division of the Company for the financial year ending on 31st March, 2020.

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 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, 2020.

Your Directors recommend the resolution to be passed as an Ordinary 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

M/s. D. Radhakrishnan & Co., (Firm Regn. No. 000018), Cost Accountants have been conducting the Cost Audit for the Tea Division of the Company from last few years. 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 25th May, 2019 to conduct the audit of the cost records of the Tea Division of the Company for the financial year ending on 31st March, 2020.

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, 2020.

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



NOTICE (Contd.)

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. 7 of the Notice.

In respect of Item No. 8

The Board of Directors in their meeting held on 25th May, 2019 proposed to amend the old Article No. 76 of the existing Articles of Association of the Company by renaming the Article 76 as 76 (1) and by inserting new clause for disqualification of Directors as Article 76 (2). By virtue of the proposed amendment in the Articles of Association, the Company agrees not to induct any person, who has been identified as wilful defaulter as per definition given in RBI directions/ guidelines or the Lending Bank's guidelines as a Director on the Board of the Company. If any Director is declared as wilful defaulter by banks, as per the definition referred herein above, he shall cease to be a Director of the Company as soon as it comes to the notice of the Company.

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

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

None of the Directors, Key Managerial Personnels or their relatives are interested or concerned, financially or otherwise, in the resolution set out at Item No. 8.

STATEMENT CONTAINING INFORMATION AS REQUIRED UNDER SECTION II(B)(iv) OF PART II OF SCHEDULE V OF THE COMPANIES ACT, 2013 AND FORMING PART OF THE NOTICE OF 36th ANNUAL GENERAL MEETING

I. GENERAL INFORMATION

(1) Nature of Industry

Manufacture of Tea and Fabrics

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

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

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

Not Applicable

(4) Financial performance based on given indicators : (Amount in ₹ lakhs)

Financial Year ended	31.03.2019		31.03.2018	
	Continued	Discontinued	Continued	Discontinued
Gross Sales & Other Income	11,224.96	-	12,322.67	2,344.32
Profit before Tax	(177.37)	52.97	433.14	(1,163.90)
Profit after Tax	(70.93)	38.63	589.84	(1,091.37)
Equity Share Capital	901.07		901.07	
Reserve and Surplus (excluding revaluation reserve)	8,686.56		8,784.35	
Net Worth	9,587.63		9,685.42	

(5) Export performance and net foreign exchange collaborations : (Amount in ₹ lakhs)

Financial Year ended	31.03.2019	31.03.2018
Foreign Exchange Earnings (FOB Value of exports)	45.90	312.35
Foreign Exchange Outgo	59.21	63.00



NOTICE (Contd.)

(6) Foreign investments or collaborations, if any

NIL

II. INFORMATION ABOUT THE APPOINTEES :

• Mr. Adarsh Kanoria

(1) Background details

Mr. Adarsh Kanoria (DIN: 00027290) aged about 52 years, has vast experience in the field of Tea & Textiles. Mr. Kanoria, Managing Director of the Company, is a Commerce Graduate with Honours and did a Diploma in case studies from Harvard Business School, U.S.A. He has over 32 years of experience in Tea and Textile business.

(2) Past remuneration

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

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

Perquisites : The following perquisites, subject to a maximum ceiling of 50% of the annual salary were paid to Mr. Adarsh Kanoria:

- (a) Provision of House, Motor Car with chauffeur, Fringe Benefits like gas, electricity, water, phone facilities, Medical Benefits (comprising personal accident insurance for self subject to maximum of ₹ 10,000/- p.a.), Club Fees (subject to maximum of two clubs and excluding life membership and admission fees), etc. The above perquisites were valued in accordance with the Income Tax Rules, 1962, wherever applicable.
- (b) Mr. Adarsh Kanoria was entitled for a leave of 45 days in a year, subject to maximum ceiling of 90 days carry forward, encashable at the end of the service. The Company contributed towards provident fund to the extent the same was not taxable under the Income Tax Act, 1961. He was also entitled for gratuity in accordance with the applicable rules.

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

(3) Recognition or Awards

Mr. Adarsh Kanoria is a reputed industrialist in Eastern India. He is the Chairman of the Finance & Taxation Sub Committee of Tea Association of India. He is a Director on the Board of Confederation of Indian Textile Industry and Indian Chamber of Commerce.

(4) Job profile and his suitability

Mr. Adarsh Kanoria has been successfully managing the overall affairs of the Company, as the Managing Director since 1st day of January 2002. He has over 32 years experience in Tea and Textile business. Under his able guidance and leadership the Company has performed better than the industry. The Company has also successfully completed and implemented the closure of the spinning section of the Textile division and addressed all issues related to the same in effective and satisfactory manner.

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

(5) Remuneration Proposed

As referred in Explanatory Statement (Item no. 3) of the Notice.



NOTICE (Contd.)

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

There is actually no peer group company operating in both the industries in which the company has its business i.e. Tea & textile hence the comparative data are not available. However, Managing Director of Vippy Spinpro Limited, a company dealing in Textiles having a turnover of ₹ 105.15 Crores had paid a remuneration of ₹ 82.97 lakhs as reported in the Annual Report for the financial year 2017-18 of the said Company.

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

Mr. Adarsh Kanoria has no pecuniary relationship with the Company other than his remuneration as Managing director and member/promoter of the Company. Relationship by way of Accounting Standard – 18 are disclosed in the Annual Report for the year 2018-19. Mrs. Shubha Kanoria, Director is related to Mr. Adarsh Kanoria, being his wife.

• **Mr. Kailash Prasad Khandelwal**

(1) Background details

Mr. Kailash Prasad Khandelwal, is a Commerce Graduate with Honours. Mr. Khandelwal possesses an overall experience of over 45 years in the Tea Industry and has been instrumental in the business growth of the Company.

(2) Past remuneration

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

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

- (i) House Rent Allowance per month @ 20% of Basic Salary.
- (ii) Re-imbursement of Leave Travel Expenses upto a maximum of ₹ 30,000/- (Rupees Thirty Thousand only).
- (iii) (a) Personal Accident Insurance for self;
- (b) Payment of Medclaim Insurance for self and family or any reimbursement thereof by the Company; and
- (c) Reimbursement of Medical expenses incurred for self and family, subject to a limit of ₹ 15,000/- (Rupees Fifteen Thousand Only) in a year.
- (iv) Provision of Motor Car facility with driver.
- (v) Reimbursement of telephone expenses.
- (vi) The Whole-time Director was entitled for reimbursement/payment of entertainment and/or other expenses, if any, actually and properly incurred for and on behalf of the Company and such payment shall not form part of the remuneration for the purpose of computation of ceilings, wherever applicable.
- (vii) Mr. Kailash Prasad Khandelwal was entitled for a leave of 45 days in a year, subject to maximum ceiling of 90 days carry forward, encashable at the end of the service. The Company contributes, towards provident fund to the extent the same is not taxable under the Income Tax Act, 1961. He is also entitled for gratuity in accordance with the applicable rules.

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

(3) Recognition or Awards : None

(4) Job profile and his suitability

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

With sufficient past experience and indepth knowledge of the Tea Industry, Mr. Khandelwal is best suited for the position.



NOTICE (Contd.)

(5) Remuneration Proposed

As referred in Explanatory Statement (Item no. 4) of the Notice.

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

There is actually no peer group company operating in both the industries in which the company has its business i.e Tea & textile. However, the Whole-time Director of Sarla Performance Fibers Limited, a company dealing in Textiles having a turnover of ₹ 278.65 Crores was paid a remuneration of ₹ 138.00 lakhs as reported in the Annual Report for the financial year 2017-18 of the said Company.

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

Mr. Kailash Prasad Khandelwal has no pecuniary relationship with the Company other than his remuneration as Whole-time Director of the Company. Relationship by way of Accounting Standard – 18 are disclosed in the Annual Report for the year 2018-19.

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

III. OTHER INFORMATION :

(1) Reasons of loss or inadequate profit

The Company has a loss from its operations in the current year in Textile Division wherein its yarn Unit was closed w.e.f. 15th September, 2017 and now it is taking steps to optimize the performance of other units which should improve the profitability of the Company. This is an enabling provision for payment of remuneration in the scenario of loss/inadequacy of profits.

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

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

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

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

IV. DISCLOSURE :

(1) The Shareholders of the Company are being informed of the remuneration package of Mr. Adarsh Kanoria and Mr. Kailash Prasad Khandelwal and all elements thereof are given in explanatory statement attached to the Notice of 36th Annual General Meeting.

(2) As required, the disclosure relating to remuneration packages such as salary and benefits, service contracts and notice period of Mr. Adarsh Kanoria and Mr. Kailash Prasad Khandelwal have been mentioned in the Corporate Governance Report annexed to the Directors Report.

Registered Office :

Century Towers, 4th Floor
45, Shakespeare Sarani, Kolkata 700 017
Dated : 25th May, 2019

By Order of the Board
for Bengal Tea & Fabrics Ltd.
Sd/-
SUNITA SHAH
Company Secretary
(Membership No. F8495)



ANNEXURE TO NOTICE OF 36th ANNUAL GENERAL MEETING

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

Mrs. Shubha Kanoria, (DIN: 00036489) aged about 52 years was appointed w.e.f. 10th May, 2014 on the Board of the Company. She has a Bachelors Degree in Arts. She is on the Board of Public and Private Companies. She has been acting as the Managing Director of Rydak Enterprises & Investment Limited. Mrs. Shubha Kanoria and Mr. Adarsh Kanoria, Directors of the Company are inter-related as they are Husband and wife. She holds 4,49,216 shares of the Company as on 31st March, 2019. She is a Member of Internal Complaints committee of the Company. Mrs. Kanoria, retires at the ensuing Annual General Meeting and being eligible offers herself for re-appointment

Mrs. Kanoria 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 Mrs. Kanoria in terms of Section 164(2) and Rule 14(1) of Companies (Appointment and Qualification of Directors) Rules, 2014 confirming her eligibility. A brief resume, experience, functional expertise and membership on various Board and Committee for Mrs. Kanoria, proposed to be re-appointed at Serial No. 2 of the Notice convening the 36th Annual General Meeting, as per the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are furnished below:

Date of Birth	03.11.1967
Date of first appointment	10.05.2014
Qualification	Bachelors Degree in Arts
Experience in specific functional areas	20 years
Directorship in other Companies apart from this Company	1. Rydak Enterprises & Investment Limited 2. Kanoria Exports Private Limited
*Chairman/Member of the Committee in which she is a Director apart from this Company	Nil
Shares of the Company held by her Equity : a) Own b) Beneficiary basis	449216 Nil

* Only Audit Committee & Stakeholders Relationship Committees are being considered.



DIRECTORS' REPORT

Dear Members,

The Directors of the Company present their 36th Annual Report and Company's Audited Accounts for the year ended 31st March, 2019.

FINANCIAL SUMMARY/HIGHLIGHTS

The financial results for the year ended 31st March, 2019 and the corresponding figures for the last year are as under:

	(Amount in ₹ Lakhs)	
	2018-2019	2017-2018
Profit before Interest, Depreciation and Tax	544.61	1301.99
Less : Finance Cost	245.42	279.75
Depreciation & Amortization Expense	476.56	589.10
Profit/(Loss) after Interest & Depreciation but before Tax	721.98	868.85
	(177.37)	433.14
Less: Tax Expense for Current Year	-	8.25
Income Tax for Earlier Years	(1.32)	(5.23)
Deferred Tax Provision/(Written Back)	(105.12)	(159.72)
Profit/(Loss) from Continuing Operations	(106.44)	(156.70)
	(70.93)	589.84
Profit/(Loss) before Tax from Discontinued Operations	52.97	(1163.90)
Less: Tax Expense of Discontinued operations	14.34	(72.53)
Profit/(Loss) after Tax from Discontinued Operations	38.63	(1091.37)
Other Comprehensive Income for the year, net of tax	(65.49)	41.16
Total Comprehensive Income for the year	(97.79)	(460.37)

TRANSFER TO RESERVES

The balance in Other Equity stands at ₹ 8686.56 Lakhs (Previous year ₹ 8784.35 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, 2019.

OPERATIONS

Tea Division

The performance of this Division was adversely impacted due to the following factors:

- During the year under review, your Company achieved a production of 21.06 lakh kgs of Black Tea as compared to 21.88 lakh kgs in the previous year impacted due to flood and adverse growing conditions in your estates.
- Market for quality teas was subdued and our sales realization was lower than that of the previous year which was in line with auction averages for our kind of teas.
- Further, there was a steep wage hike of ₹ 30/- per man-day which has increased the cost of production significantly.

The production of tea during current year is marginally higher and we are expecting to increase the quantity and quality of produce by taking steps like shear plucking and better manpower deployment in plucking. Steps are being taken to increase production of orthodox teas which will have positive impact on the bottom line.

Your Company is going ahead with the production and marketing of Packet tea under the brand name "CLASSIC GOLD" tea.



DIRECTORS' REPORT (Contd.)

TEXTILE DIVISION

The year under review has been a difficult one for this division. Effect of GST on fabrics was felt and the intake of fabric for job work was greatly reduced due to sluggish market condition.

Management is taking steps to increase the value addition and quality of fabrics by adding balancing equipments and improving the product mix. We are confident about increasing production of quality fabrics and optimizing the cost of production. This would result in significant improvement in the performance of this division.

FUTURE PROSPECTS

The demand in Indian textile market is led by its young population. The new generation is fashion forward and are always ready for experiments in fashion unlike the earlier generation. To serve their requirement and to be relevant in the market the need of the time is to upgrade the production facilities to offer value added fashion products. Keeping this in mind we have proposed for the expansion of printing section, sueding and other machineries where in we will be able to offer value added fashionable product to the Ready Made Garments(RMG) sector. This will also help us in utilizing most of our capacities in selling in house product and thereby increasing the turnover. The value addition will also help getting better margin to help improving our bottomline.

Land at Dholka, Gujarat

Due to sluggish demand in Real estate, the plots of land at Dholka, Gujarat has not attracted remunerative prices. All efforts are being made to attract remunerative prices for the plots.

Subsidiary of Rydak Enterprises & Investment Limited

The Company is a subsidiary of Rydak Enterprises & Investment Limited (CIN: U15491WB1983PLC036235), Promoter with a holding of 50,60,870 equity shares i.e. 56.19% of the total Share Capital of the Company.

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

There are no 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 Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), 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 Listing Regulations, 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

An extract of the Annual Return in Form MGT-9, as required under Section 92 of the Companies Act, 2013 ("the Act"), is annexed as **Annexure – "C"** which forms an integral part of this Report and is also available on the Company's website viz., www.bengaltea.com.

BOARD MEETINGS

During the year under review 6 (Six) meetings of the Board of Directors were held on 19th May, 2018, 25th June, 2018, 11th August, 2018, 10th November, 2018, 19th January, 2019 and 9th February, 2019.

Apart from meeting of the Board of Directors different committees met several times during financial year ended 31st March, 2019.



DIRECTORS' REPORT (Contd.)

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, 2019, 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 Meetings' 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 and Regulation 16(1) (b) of the Listing Regulations. In the opinion of the Board, the Independent Directors, fulfil the conditions of independence specified in Section 149(6) of the Act and Regulation 16(1) (b) of the Listing Regulations. The Independent Directors have also confirmed that they have complied with the Company's Code of Conduct.

DIRECTORS

In accordance with the provisions of Section 152 of the Act and the Company's Articles of Association, Mrs. Shubha Kanoria (DIN: 00036489) retires by rotation at the ensuing Annual General Meeting and being eligible, offers herself, for re-appointment in compliance with the provisions of the Companies Act, 2013.

During the year under review, subject to the approval of the members in the general meeting, the Board of Directors on 25th May, 2019 on recommendation of the Nomination and Remuneration Committee have proposed to re-appoint Mr. Adarsh Kanoria (DIN: 00027290) as the Managing Director and Mr. Kailash Prasad Khandelwal (DIN: 00914834) as the Whole-time Director of the Company w.e.f. 1st January, 2020 for a further period of 3 years on such terms as are set out in the Notice dated 25th May, 2019.

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 Listing Regulations has been provided in the Explanatory Statement and Annexure to the Notice of the 36th 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), Wholetime 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, 2019 are mentioned in the Extracts of the Annual Return attached as **Annexure – "C"** and forms a part of this Report of the Directors.



DIRECTORS' REPORT (Contd.)

NOMINATION & REMUNERATION POLICY

Pursuant to Section 178(3) of the Companies Act, 2013, Nomination and Remuneration Committee formulated the criteria for determining qualification, positive attributes and independence of a director. The Committee has also recommended to the Board a policy relating to the remuneration for directors, key managerial personnel, Senior Management of the Company and other employees. The Policy broadly lays down the guiding principles, philosophy and the basis for payment of remuneration to Executive and Non-executive Directors (by way of sitting fees and commission), Key Managerial Personnel, Senior Management and other employees. The policy also provides the appointment of Key Managerial Personnel/Senior Management and performance evaluation which are considered by the Nomination and Remuneration Committee and the Board of Directors while making selection of the candidate.

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. Listing Regulations 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 9th February, 2019 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 Board of Directors expressed their satisfaction with the evaluation process. The evaluation process has been explained in the Corporate Governance Report section in this Annual Report.

PUBLIC DEPOSITS

During the year 2018 - 19, your Company did not accept/renew any deposits and as such, no amount of principal or interest was outstanding as on 31st March, 2019.

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, 2019.

PARTICULARS OF RELATED PARTY TRANSACTIONS

During the year there were no material related party transactions with promoters, the directors or the management, their subsidiaries or relatives etc. during the Financial Year 2018-19 by your Company that may have a potential conflict with the interests of the



DIRECTORS' REPORT (Contd.)

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. All Related Party Transactions are placed before the Audit Committee for approval. Omnibus approval was obtained on a yearly basis for transactions which are of repetitive nature.

The Company has formulated a policy on Related Party Transactions. The link of the policy is :

http://bengaltea.com/wp-content/uploads/2019/03/Related-Party-Transaction-policy_OCR.pdf

All related party transactions entered during the Financial Year were in the ordinary course of the business and on arm's length basis which have been provided in the Notes to the Accounts.

Disclosures of transactions of the Company with any person or entity belonging to the promoter/promoter group which hold(s) 10% or more shareholding in the Company

The disclosures of transactions of the Company with any person or entity belonging to the promoter/promoter group which hold(s) 10% or more shareholding in the Company is given in Note No. 46 of the Notes to the Financial Statements.

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 and accordingly, such accounts are made and records have been maintained relating to Tea and Textile Divisions every year.

PARTICULARS OF COST AUDITORS APPOINTED FOR THE FINANCIAL YEAR 2018-19

The Company has appointed the following Cost Auditors for Tea & Textile Division for the year ended 31st March, 2019:

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

The Board of Directors, on the recommendation of Audit Committee, have re-appointed the Cost Auditors to audit the cost accounts relating to the Tea and Textile Division the Company for the financial year 2019-20. As required under the Act, a resolution seeking member's approval for the remuneration payable to the Cost Auditor forms part of the Notice convening the Annual General Meeting for their ratification.

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, 2019 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"**.



DIRECTORS' REPORT (Contd.)

RISK MANAGEMENT POLICY

Risk management is embedded in your Company's operating framework. Your Company believes that managing risks helps in maximizing returns. The Company's approach to addressing business risks is comprehensive and includes periodic review of such risks and a framework for mitigating controls and reporting mechanism of such risks. 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 FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has an adequate system of internal control procedures which are constantly assessed and strengthened with new/revised standard operating procedures. The Company's internal control system is commensurate with the size and nature of business. The main thrust of internal audit is to test and review controls, appraisal of risks and business processes, besides benchmarking controls with best practices in the industry. 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 were monitored and evaluated by the internal auditors and their audit reports were periodically reviewed by the Audit Committee. The observations and comments of the Audit Committee are placed before the Board and suitable steps are 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 have been annexed in the prescribed format as **Annexure – "G"**. The average net profit for last three years to current financial year 2018-19 was negative. Accordingly, there was no CSR expenditure for the current financial year.

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.

Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 11th August, 2018 (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 31.03.2019 (Amount in ₹)
2011-12	NIL	NIL
2012-13	03.08.2013	327953.00
2013-14	09.08.2014	638008.00
2014-15	08.08.2015	176966.00
2015-16	01.08.2016	188808.50
2016-17	NIL	NIL
2017-18	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.

22616 equity shares against 391 folios corresponding to the dividend for the year ended on 31st March, 2010 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 6th August, 2018 on the Company's website (www.bengaltea.com) and also on the Ministry of Corporate Affairs' website: www.mca.gov.in.

**DIRECTORS' REPORT (Contd.)****NAME OF COMPANIES WHICH HAVE CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR**

None

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

The Company has in place Internal Complaints Committee for the Registered Office, Tea Division and Textile Division. The following is the summary of Sexual Harassment complaints received and disposed off during the year 2018-19:

No. of Complaints pending as on 1st April, 2018: NIL

No. of Complaints received : NIL

No. of Complaints Disposed off : NIL

ACKNOWLEDGEMENT

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

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

Sd/-
ADARSH KANORIA
Managing Director
DIN : 00027290

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

Place : Kolkata
Dated : 25th May, 2019



MANAGEMENT DISCUSSION & ANALYSIS REPORT

ANNEXURE - "A"

(Forming part of Directors' Report for the financial year ended 31st March, 2019)

TEA DIVISION

Industry Structure and Developments : India is one of the largest Black Tea producer in the world produced approximately 1338 million kgs during the calendar year 2018. Stagnant demand for quality teas and higher availability of common medium variety of teas has led to tepid 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 lower as compared to previous year. Subdued demand for quality teas led to lower average sales realization. The gist of performance of the division during the financial year 2018-19 is as under:

Black Tea*			
	Production (Lakh Kgs)	Sales (Lakh Kgs)	Average Realisation (₹ /Kgs)
2018-19	21.16	20.78	206.85
2017-18	21.88	21.89	214.30
Change (%)	(3.29)	(5.07)	(3.48)

* includes operation of traded goods

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 labor 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 : Lower production coupled with lower average realization and increase in wages have adversely affected the profitability of this division.

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. Now the focus is shifting from selling/exporting fabrics to selling garments in both the domestic and export markets and the mills have started putting garment units to explore the same. The Indian Ready Made Garments (RMG) sector is growing very fast and the spur in the sale on online market platform has given further boost to that. Now all online companies have either started or are planning to start their own private label and this is going to further boost the demand in this sector.

Opportunities and Threats:

The Indian Textile industry have strong growth potential in value added products due to fashion conscious young population mostly catered by RMG sector driving the demand.

Increase in raw material prices & power cost are the challenges to the textile industry. At the same time, demand of consistent quality, on time delivery for executing orders of RMG sector pose serious challenge if the same is not handled efficiently within the organization in textile Industry.

Further, non availability of skilled labour and increase in input cost like raw materials and power poses a threat to textile industry in India.



MANAGEMENT DISCUSSION & ANALYSIS REPORT (Contd.)

Product-wise Performance:

Fabrics : The production and sales both got reduced from last year due to the post effect of GST and sluggish market condition. Besides fast changes in fashion also affected the sales as we were not equipped to produce the required fabrics. The average realization fell marginally due to excess greige sale. To increase production, sales and realisation, we are working on multiple front which can be classified as under :

1. Product Development in existing range,
2. Manufacturing capacities for the value added products like lycra, sueding, calendar and printed fabrics to explore the ever increasing readymade segment,
3. Optimum utilization of the capacities,
4. Quality products,
5. On time delivery,
6. Improved services and communication,
7. Consistency in appearance of the color and finish of the fabrics.

The gist of performance of the division during the financial year is as follows :

	Production (Lakh Mtrs.)	Sales (Lakh Mtrs.)	Average Realisation (₹ per Mtr.)
2018-19	72.72	72.83	84.38
2017-18	73.93	74.30	87.90
Change (%)	(1.64)	(2.00)	(4.00)

Outlook

During the current year, we are expecting good demand of finished products in RMG sector of the domestic market. Besides we have initiated work on all the above mentioned points and this has helped us in increasing the production and we will further strive to optimize this to the full licensed capacity after executing the expansion plan. The increased production will help us in mitigating the impact of overhead expenses and rising input cost.

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.

Key Financial Ratios

In accordance with SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the Company is required to give the following:

A. Details of significant changes (i.e. change of 25% or more as compared to the immediate previous financial year) in key financial ratios or sector specific ratios along with detailed explanations therefor :

Sl.	Key Financial Ratios *	2018-19	2017-18	Difference (%)
1	Debtors Turnover Ratio (%)	7.12	6.42	10.90
2	Inventory Turnover Ratio (%)	13.11	14.39	(8.90)
3	Interest Coverage Ratio (times)	2.22	4.65	(52.25)
4	Current Ratio (times)	1.54	1.72	(10.46)
5	Debt Equity Ratio (times)	0.24	0.27	(11.11)
6	Operating Profit Margin (%)	2.73	8.40	(67.50)
7	Net Profit Margin (%)	(1.60)	3.56	(144.94)

Notes on significant changes in financial ratios where change is > 25% :

Reduction in profitability of Tea Division coupled with poor performance of the Textile Division led to reduced operating profit before depreciation resulting in erosion of Interest Coverage Ratio, Operating Profit Margin percentage and Net Profit Margin percentage.



MANAGEMENT DISCUSSION & ANALYSIS REPORT (Contd.)

- B. Details of any change in Return on Net Worth as compared to the immediately previous financial year along with a detailed explanation thereof

Key Financial Ratios *	2018-19	2017-18	Difference (%)
Return on Net Worth (%)	(0.76)	6.54	(111.62)

Notes on significant changes in financial ratios where change is > 25% :

Reduction in profitability of Tea Division coupled with poor performance of the Textile Division led to reduction in profit margin which adversely affected the return on Net Worth.

*** Above ratios do not include those relating to Discontinued Operations**

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, 2019 were 218 and 1387 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 : 25th May, 2019



REPORT ON CORPORATE GOVERNANCE

ANNEXURE - "B"

(Forming part of Directors' Report for the financial year ended 31st March, 2019)

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Your Company's Corporate Governance philosophy is based on transparency, accountability, values and ethics, which forms an integral part of the Management's initiative in its ongoing pursuit towards achieving excellence, growth and value creation. Your Company is committed to highest standards of Corporate Governance and disclosure practices to ensure that its affairs are managed in the best interest of all stakeholders – the members, the Company's customers, employees, 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 2018-19 is as under :

Name of the Directors	Other Listed entities where the person is a director	Category of Directorship in other Listed Entities	No. of other Directorships ¹	No. of other Board Committee(s) ² in which he is		Attendance at last AGM held on 11.08.2018	Attendance at Board Meetings
				Member	Chairman		
Mr. Adarsh Kanoria ³ - Chairman	-	-	6	-	-	Yes	6
Mr. Kailash Prasad Khandelwal	-	-	1	-	-	Yes	6
Mr. Golam Momen	1. Harrisons Malayalam Ltd. 2. Baghmari Tea Co. Ltd. 3. Williamson Magor & Co. Ltd. 4. The Scottish Assam India Ltd. 5. Kanco Tea & Industries Ltd.	Independent-Non-Executive	12	7	1	Yes	6
Mr. Dharendra Kumar	1. The Scottish Assam India Ltd. 2. J. K. Paper Ltd.	Non-Executive	9	-	-	Yes	6
Mr. Abhijit Datta	1. Hubtown Ltd. 2. Emami Reality Ltd.	Independent-Non-Executive	3	1	1	Yes	3
Mr. Samveg A. Lalbhai	1. Atul Ltd.	Executive	4	-	-	No	2
Mr. Navin Nayar	1. Cheviot Co. Ltd. 2. Kanco Tea & Industries Ltd. 3. Amar Vanijya Ltd.	Independent-Non-Executive	10	4	2	Yes	6
Mrs. Shubha Kanoria ³	-	-	2	-	-	Yes	6
Mr. Ashutosh Bhagat	-	-	11	-	-	Yes	6

1. Also includes directorships other than Public Limited Companies but excludes Foreign Companies.

2. 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. However, Audit Committees & Stakeholders Relationship Committees membership are only considered.

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



REPORT ON CORPORATE GOVERNANCE (Contd.)

Meetings of the Board

During the Financial Year 2018-19, the Board of Directors met 6 (six) times on the following dates: 19th May, 2018, 25th June, 2018, 11th August, 2018, 10th November, 2018, 19th January, 2019 and 9th February, 2019.

Information about the Directors seeking appointment/re-appointment

In accordance with the provisions of Section 152 of the Companies Act, 2013, Mrs. Shubha Kanoria (DIN: 00036489) retires by rotation at the ensuing Annual General Meeting and being eligible, offers herself, for re-appointment in compliance with the provisions of the Companies Act, 2013.

Subject to the approval of the members in the general meeting, the Board of Directors on 25th May, 2019 have proposed to re-appoint Mr. Adarsh Kanoria (DIN 00027290) as the Managing Director and Mr. Kailash Prasad Khandelwal (DIN: 00914834) as the Whole-time Director of the Company w.e.f. 1st January, 2020 for a period of 3 years on such terms as are set out in the Notice dated 25th May, 2019. The Nomination & Remuneration Committee and the Board of Directors have recommended their re-appointment.

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 Listing Regulations have been provided in the Explanatory Statement and Annexure to the Notice of the 36th AGM of the Company.

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

The Board of Directors confirm that in their opinion, the independent directors fulfill the conditions specified in Listing Regulations and Companies Act, 2013 and are independent of the management.

Skills/expertise/competence of the Board of Directors

The following is the list of core skills/expertise/competencies identified by the Board of Directors as required in the context of the Company's business and that the said skills are available with the Board Members :

- i) Knowledge on Company's businesses, policies and culture, major risks/threats and potential opportunities and knowledge of the industries in which the Company operates.
- ii) Behavioural skills - attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company, Strategic thinking, decision making, protect interest of all stakeholders.
- iii) Business Strategy, Sales & Marketing: Understanding the grade, quality of the products and market share.
- iv) Corporate Governance, Administration: Insights in developing Board and Management accountability, protecting shareholders interest and observing appropriate governance practices.
- v) Financial and Management skills: Understanding the financial statements, financial control, risk management.
- vi) Technical/Professional skills and specialized knowledge in relation to Company's business including legal and regulatory aspects.

3. AUDIT COMMITTEE

The Audit Committee comprises of 4 (four) non-executive Directors of whom the Chairman and the 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.



REPORT ON CORPORATE GOVERNANCE (Contd.)

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.
- viii) Review compliance with the provisions of Code of Conduct for Prevention of Insider Trading and shall verify that the systems for internal control are adequate and are operating effectively.

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	19.05.2018
Mr. Golam Momen	Independent & Non-Executive	5	25.06.2018
Mr. Dharendra Kumar	Independent & Non-Executive	5	11.08.2018
Mr. Navin Nayar	Independent & Non-Executive	5	10.11.2018
			09.02.2019

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.

All the recommendations of the Audit Committee have been accepted by the Board of Directors.

4. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee has been constituted by the Board in compliance with the requirements of Section 178 of the Act and Regulation 19 of the Listing Regulations.

Terms of Reference : The terms of reference of the Nomination and Remuneration Committee (NRC) has been reviewed and it covers the areas mentioned in Section 178 of the Act and Regulation 19 read with Part D (A) of Schedule II to the Listing Regulations. The terms of reference of the NRC, inter-alia are as follows:

- (a) formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to, the remuneration of the directors, key managerial personnels and other employees;
- (b) formulation of criteria for evaluation of performance of independent directors and the Board of Directors;
- (c) devising a policy on diversity of Board of Directors;
- (d) identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal.



REPORT ON CORPORATE GOVERNANCE (Contd.)

- (e) whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- (f) recommend to the board, all remuneration, in whatever form, payable to senior management.

Composition, Meeting & Attendance

Name of the Members	Category of Director	No. of Meetings attended	Date on which Meeting held
Mr. Dharendra Kumar – Chairman	Independent & Non-Executive	1	The meeting of Nomination & Remuneration Committee was held on 19.05.2018
Mr. Golam Momen	Independent & Non-Executive	1	
Mr. Abhijit Datta	Independent & Non-Executive	1	
Mr. Samveg A. Lalbhai	Non-Executive	1	

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

Remuneration to Directors paid during the financial year 2018-2019 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	45,75,000	9,77,314	5,49,000	—	—	01-01-2017 to 31-12-2019	3 Months*	5,36,137
Mr. Kailash Prasad Khandelwal	23,85,000	5,75,076	2,86,200	—	—	01-01-2017 to 31-12-2019	3 Months*	—
Mr. Golam Momen	—	—	—	—	2,00,000	NA	NA	750
Mr. Abhijit Datta	—	—	—	—	1,00,000	NA	NA	—
Mr. Dharendra Kumar	—	—	—	—	2,00,000	NA	NA	—
Mr. Samveg A. Lalbhai	—	—	—	—	50,000	NA	NA	—
Mr. Ashutosh Bhagat	—	—	—	—	1,20,000	NA	NA	—
Mrs. Shubha Kanoria	—	—	—	—	1,20,000	NA	NA	4,49,216
Mr. Navin Nayar	—	—	—	—	1,70,000	NA	NA	—

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

Evaluation of Board & Committee

As per the requirement of Companies Act, 2013 and SEBI (LODR) Regulations, 2015, the Independent Directors have evaluated the performance of the Executive directors, Non executive 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.



REPORT ON CORPORATE GOVERNANCE (Contd.)

The Nomination & Remuneration Committee evaluated the performance of the Executive directors, Non executive Directors, Key Managerial Personnel and other Senior Managerial Persons. Further the performance evaluation of the Independent Directors was carried out by the entire Board on parameters such as guidance/support to management outside Board/Committee meetings, degree of fulfilment of key responsibilities, effectiveness of meetings etc. The Board of Directors have also evaluated the performance of all Board level Committees viz., Audit, Nomination and Remuneration, Stakeholders' Relationship and Corporate Social Responsibility Committees. The Directors expressed their satisfaction with the evaluation process. The same was found to be satisfactory.

Board Evaluation

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

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

After deliberation, the Independent Directors expressed their overall satisfaction.

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



REPORT ON CORPORATE GOVERNANCE (Contd.)

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	2
2.	Number of complaints resolved during the year till 31st March, 2019	2
3.	Number not solved to the satisfaction of the shareholders till 31st March, 2019	Nil
4.	Number of complaints pending as at 31st March, 2019	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 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 10th November, 2018 in the financial year 2018-19. The details of the CSR Policy of the Company along with the details of 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 9th February, 2019 inter alia, to :

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

Four 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
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.
35th AGM	11.08.2018	Kalakunj, 48, Shakespeare Sarani, Kolkata 700 017	10.30 A.M.

No Special Resolution was passed at the 34th AGM. However, Special Resolutions were passed at the 33rd AGM and 35th AGM.



REPORT ON CORPORATE GOVERNANCE (Contd.)

During the financial year 2018-19, the Company had passed Special Resolutions. 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 voting 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 11th August, 2018 to Mr. Adarsh Kanoria, Chairman which is as follows :

Sr. No.	Date of Declaration of Voting Results at the 35th AGM	Description	Vote in favour of the Resolution		Vote against the Resolution	
			No. of Votes	% of Total Votes	No. of Votes	% of Total Votes
1.	13.08.2018	Special Resolution for Re-appointment of Mr. Golam Momen (DIN: 00402662) as an Independent Director of the Company	69,79,765	99.999	100	0.001
2.	13.08.2018	Special Resolution for Re-appointment Mr. Dharendra Kumar (DIN: 00153773), as an Independent Director of the Company	69,79,765	99.999	100	0.001
3.	13.08.2018	Special Resolution for Re-appointment Mr. Abhijit Datta (DIN: 00790029), as an Independent Director of the Company	69,79,765	99.999	100	0.001
4.	13.08.2018	Special Resolution for Sale or disposal of the Company's Bunglow situated at Asarwa House, Dr. Balwantrao Mehta Marg, Shahibaug, Ahmedabad, Gujarat	69,79,758	99.999	107	0.001

9. AFFIRMATIONS AND DISCLOSURES

a. Related Party Transactions

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

b. Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during last three Financial Years.

The Company has complied with all requirements specified under the Listing Regulations as well as other regulations and guidelines of Stock Exchange and SEBI except delay in Filing of Annual Report in BSE Listing Centre for the year ended 31st March, 2018 for which a fine was imposed. The Company has paid the same. Apart from this there were no strictures or penalties imposed by either SEBI or Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital markets during the last three Financial years.

c. 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 which was revised vide Board Meeting dated 9th February, 2019 the details of which are available on the Company's Website: www.bengaltea.com



REPORT ON CORPORATE GOVERNANCE (Contd.)

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 Code of Conduct or policy. The mechanism provides for adequate safeguards against victimization of employees and Directors to avail of the mechanism and also provide for direct access to the Managing Director/CFO/Chairman of the Audit Committee in exceptional cases.

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

d. Risk Management Policy

Business risk evaluation and management is an ongoing process within the Company. The assessment is periodically examined by the Board. The Company has formulated a Risk Management Policy 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.

e. Commodity price risk or foreign exchange risk and hedging activities

The Company has adequate risk assessment and minimization system in place including for commodities. . The Management monitors the commodities/raw materials whose prices are volatile and suitable steps are taken to minimize the risk. The Company does not have material exposure of any commodity and accordingly, no hedging activities for the same are carried out. Therefore, there is no disclosure to offer in terms of SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2018/0000000141 dated November 15, 2018 pertaining to Regulation 34(3) read with clause 9(n) of Part C of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

f. A certificate has been received from a Company Secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority.

g. Total fees for all services paid by the Company to the statutory auditor and all entities in the network firm/network of which the statutory auditor is a part, is given in **Note 36.1** of the Notes to the Financial Statements.

h. Credit ratings and any revisions thereto for debt instruments or any fixed deposit programme or any scheme or proposal involving mobilization of funds, whether in India or abroad:

The Company has not issued any debt instruments and does not have any fixed deposit programme or any scheme or proposal involving mobilization of funds in India or abroad during the financial year ended 31st March, 2019. The ratings given by CARE for short-term borrowings and long-term borrowings of the Company are A3+ and BBB respectively. There was no revision in the said ratings during the year under review.

i. Subsidiary Companies

The Company has no subsidiary as on date. However, the policy is formulated in terms of the requirement of the Listing Regulations. The Board of Directors of the Company has approved a Policy for determining Material Subsidiaries which is in line with the Listing Regulations as amended. The said policy has been uploaded on the website of the Company viz. www.bengaltea.com.



REPORT ON CORPORATE GOVERNANCE (Contd.)

j. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The details of number of complaints filed and disposed of during the year and pending as on 31st March, 2019 is given in the Directors' Report.

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. 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	Arthik Lipi
	(English)	(Bengali)
30.06.2018	13.08.2018	13.08.2018
30.09.2018	12.11.2018	12.11.2018
31.12.2018	11.02.2019	11.02.2019

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, 2019.

12. GENERAL SHAREHOLDER INFORMATION

Annual General Meeting : Date : 10th August, 2019
Time : 10.30 A.M.
Venue : Bharatiya Bhasha Parishad, 36 A, Shakespeare Sarani, Kolkata 700 017

Financial Year : 1st April, 2018 to 31st March, 2019

Date of Book Closure : 4th August, 2019 to 10th August, 2019 (Both days inclusive)

Financial Calender (Tentative) :

i.	Financial Year	1st April, 2019 to 31st March, 2020
ii.	First quarter results	On or before 14th August, 2019
iii.	Half yearly results	On or before 14th November, 2019
iv.	Third quarter results	On or before 14th February, 2020
v.	Audited Financial Statements	On or before 30th May, 2020

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 2019-2020.



REPORT ON CORPORATE GOVERNANCE (Contd.)

Market Price Data and Number of Shares traded at BSE Ltd during the Financial Year 2018-2019

	April	May	June	July	August	September	October	November	December	January	February	March
High	61.70	56.20	53.40	54.95	56.80	53.25	48.00	57.20	53.90	55.00	48.00	46.20
Low	50.05	50.30	45.60	48.45	48.50	45.60	40.70	45.00	46.90	46.00	37.10	39.00
Volume	3539	9310	13687	13402	15534	14011	16417	24439	1736	6436	2528	4814

Performance in comparison to broad based indices

	31.03.2019	31.03.2018	Change (%)
Share Prices of BTFL (₹)	39.05	52.10	(25.05%)
V/s BSE Sensex	38672.91	32968.68	17.30%

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

Distribution of Shareholding as on 31st March, 2019

Sl. No.	Category of Shareholders (No. of Shares Held)	No. of Shareholders	Percentage of Shareholders	No. of Shares Held	Percentage of Holding
1	Upto 50	6,773	75.52	3,10,712	3.45
2	51-100	903	10.06	84,945	0.94
3	101-500	951	10.60	2,50,992	2.79
4	501-1000	153	1.71	1,26,466	1.40
5	1001-2000	76	0.85	1,14,957	1.28
6	2001-3000	26	0.29	64,907	0.72
7	3001-4000	9	0.10	31,746	0.35
8	4001-5000	17	0.19	79,258	0.88
9	5001-10000	23	0.26	1,70,735	1.90
10	10001 & above	38	0.42	77,71,267	86.29
	Total	8,969	100.00	90,05,985	100.00

Shareholding Pattern as on 31st March, 2019

Sl. No.	Category	Number of Shares held	Percentage of Shareholding(%)
1	Promoters	66,08,712	73.38
2	Institutional Investors (Financial Institutions, Insurance Companies, Banks, Mutual Funds etc)	39,593	0.44
3	Body Corporates (other than above)	1,92,478	2.14
4	Resident Public	19,64,181	21.81
5	NRIs' / Foreign Nationals	1,460	0.02
6	The Official Trustee of West Bengal	11,520	0.13
7	Clearing Members	49	0.00
8	IEPF	1,87,992	2.08
	Total	90,05,985	100.00



REPORT ON CORPORATE GOVERNANCE (Contd.)

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. Out of total equity shares of the Company 86,30,248 equity shares have been dematerialised upto 31st day of March, 2019. 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

Place : Kolkata
Dated : 25th May, 2019

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

Annual Compliance with the Code of Conduct for the Financial Year 2018-2019

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, 2019 from all the Board Members and Senior Management Personnel's.

For **Bengal Tea & Fabrics Ltd.**

Place : Kolkata
Dated : 25th May, 2019

Sd/-
ADARSH KANORIA
Managing Director
(DIN : 00027290)

**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 31st March, 2019 as per the 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, 2019, 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 : 23rd day of May, 2019

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



REPORT ON CORPORATE GOVERNANCE (Contd.)

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,
The Members of
Bengal Tea & Fabrics Limited,
Century Towers, 45, Shakespeare Sarani, 4th Floor
Kolkata-700 017

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Bengal Tea & Fabrics Limited having CIN : L51909WB1983PLC036542 and having registered office at Century Towers, 45, Shakespeare Sarani, 4th Floor, Kolkata-700 017 (hereinafter referred to as 'the Company'), produced before me/us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my/our opinion and to the best of my/our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in the Company
1	Mr. Adarsh Kanoria	00027290	05.01.1991
2	Mr. Kailash Prasad Khandelwal	00914834	09.11.2013
3	Mr. Samveg A. Lalbhai	00009278	06.05.2004
4	Mr. Golam Momen	00402662	05.12.1987
5	Mr. Dharendra Kumar	00153773	13.08.2003
6	Mr. Abhijit Datta	00790029	27.07.2009
7	Mrs. Shubha Kanoria	00036489	10.05.2014
8	Mr. Navin Nayar	00136057	10.05.2014
9	Mr. Ashutosh Bhagat	00059842	10.05.2014

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of 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 : 24th day of May, 2019

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, 2019
[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies
(Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

- i) CIN : L51909WB1983PLC036542
- ii) Registration Date : 16.07.1983
- iii) Name of the Company : Bengal Tea & Fabrics Limited
- iv) Category/Sub-Category of the Company : Public Company / Limited by shares
- v) Address of the Registered Office and Contact details : Century Towers, 4th Floor,
45, Shakespeare Sarani, Kolkata-700 017
Phone : 033-2283 6416 / Fax No.033-2283 6417
E-Mail : 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	38.89
2	Weaving, manufacture of cotton and cotton mixture fabrics	13121	61.11

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 Century Towers, 4th Floor, 45, Shakespeare Sarani, Kolkata-700 017	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 at 01-04-2018)				No. of Shares held at the end of the year (As at 31-03-2019)				% 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	—	1927	1927	0.02	—	1927	1927	0.02	—
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)	37,666	13447	51113	0.57	37666	13447	51113	0.57	-



Form No. MGT-9 (Contd.)

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

Category of Shareholders	No. of Shares held at the beginning of the year (As at 01-04-2018)				No. of Shares held at the end of the year (As at 31-03-2019)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Non-Institutions									
a) Bodies Corporate									
i) Indian	175378	2689	178067	1.98	190439	2039	192478	2.14	0.16
ii) Overseas	—	—	—	—	—	—	—	—	—
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	889239	379057	1268296	14.08	844671	346401	1191072	13.23	(0.86)
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	719345	12850	732195	8.13	760259	12850	773109	8.58	0.45
c) Others (Specify)									
i) Qualified Foreign Investor	—	—	—	—	—	—	—	—	—
ii) Trust Foundations	—	—	—	—	—	—	—	—	—
iii) Non-Resident Individuals	1059	—	1059	0.01	1460	—	1460	0.02	0.01
iv) Foreign Portfolio Investor	—	—	—	—	—	—	—	—	—
v) Unclaimed shares	—	—	—	—	—	—	—	—	—
vi) Clearing Members	1242	—	1242	0.01	49	—	49	—	(0.01)
vii) LLP	426	—	426	0.01	426	—	426	0.01	—
viii) Employee	1125	700	1825	0.02	1900	—	1900	0.02	—
ix) Director & Relatives	500	1000	1500	0.02	500	1000	1500	0.02	—
x) IEPF #	161550	—	161550	1.79	184166	—	184166	2.04	0.25
Sub-total (B)(2)	1949864	396296	2346160	26.05	1983870	362290	2346160	26.05	(0.00)
Total Public Shareholding (B) = (B)(1)+(B)(2)	1987530	409743	2397273	26.62	2021536	375737	2397273	26.62	—
C. Shares held by Custodian for GDRs & ADRs	—	—	—	—	—	—	—	—	—
Grand Total (A+B+C)	8596242	409743	9005985	100.00	8630248	375737	9005985	100	—

161550 equity shares against 2775 folios corresponding to the dividend for the year ended 31st March, 2009 and 22616 equity shares against 391 folios corresponding to the dividend for the year ended on 31st March, 2010 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 01-04-2018)			Shareholding at the end of the year (As on 31-03-2019)			% of Change in shareholding during the year
		No. of Shares	% of total shares of the Company	% of shares pledged/encumbered to total shares	No. of Shares	% of total shares of the Company	% of shares Pledged/encumbered to total shares	
1	Rydak Enterprises & Investment Limited	5060870	56.19	-	5060870	56.19	-	
2	Adarsh Kanoria	536137	5.95	-	536137	5.95	-	-
3	Shubha Kanoria	449216	4.99	-	449216	4.99	-	-
4	Kushagra Kanoria	292489	3.25	-	292489	3.25	-	-
5	Adarsh Kanoria (Minor) A/c Varenia Kanoria	270000	3.00	-	270000	3.00	-	-
	Total	6608712	73.38	-	6608712	73.38	-	-

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

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative shareholding during the year (01.04.2018 to 31.03.2019)	
		No. of shares at the beginning (01.04.2018)/ end of the year (31.03.2019)	% of total shares of the Company				No. of shares	% of total shares of the Company
1	Rydak Enterprises & Investment Limited	5060870 5060870	56.19 56.19	April 01, 2018 March 31, 2019	Nil movement during the year	NA	5060870	56.19
2	Adarsh Kanoria	536137 536137	5.95 5.95	April 01, 2018 March 31, 2019	Nil movement during the year	NA	536137	5.95
3	Shubha Kanoria	449216 449216	4.99 4.99	April 01, 2018 March 31, 2019	Nil movement during the year	NA	449216	4.99
4	Kushagra Kanoria	292489 292489	3.25 3.25	April 01, 2018 March 31, 2019	Nil movement during the year	NA	292489	3.25
5	Varenia Kanoria	270000 270000	3.00 3.00	April 01, 2018 March 31, 2019	Nil movement during the year	NA	270000	3.00



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 (01.04.2018 to 31.03.2019)	
		No. of shares at the beginning (01.04.2018)/ end of the year (31.03.2019)	% of total shares of the Company				No. of shares	% of total shares of the Company
1	Santosh Sitaram Goenka	202924	2.25	April 01, 2018				
				June 15, 2018	(3,103)	Transfer	199821	2.22
				June 22, 2018	(31)	Transfer	199790	2.22
				July 13, 2018	(193)	Transfer	199597	2.22
				July 20, 2018	(500)	Transfer	199097	2.21
		199097	2.21	March 31, 2019			199097	2.21
2	Investor Education and Protection Fund Authority Ministry of Corporate Affairs	161550	1.79	April 01, 2018				
		184166	2.04	August 31, 2018 March 31, 2019	22,616	Transfer	184166 184166	2.04 2.04
3	Deepa Bagla	126370	1.40	April 01, 2018				
				July 20, 2018	2000	Transfer	128370	1.43
				July 27, 2018	867	Transfer	129237	1.44
				Aug 03, 2018	1	Transfer	129238	1.44
				Aug 17, 2018	650	Transfer	129888	1.44
				Aug 24, 2018	1440	Transfer	131328	1.46
				Aug 31, 2018	1150	Transfer	132478	1.47
				Sep 07, 2018	400	Transfer	132878	1.48
		132878	1.48	March 31, 2019			132878	1.48
4	Sunita Santosh Goenka	63319	0.70	April 01, 2018				
		63319	0.70	March 31, 2019	Nil movement during the year	NA	63319	0.70
5	Camel Tread Company Pvt. Ltd.	31614	0.35	April 01, 2018				
				September 21, 2018	502	Transfer	32116	0.36
				September 28, 2018	9474	Transfer	41590	0.46
				October 05, 2018	3390	Transfer	44980	0.50
				October 12, 2018	8740	Transfer	53720	0.60
		53720	0.60	March 31, 2019			53720	0.60



Form No. MGT-9 (Contd.)

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

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

Sl.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative share- holding during the year (01.04.2018 to 31.03.2019)	
		No. of shares at the beginning (01.04.2018)/ end of the year (31.03.2019)	% of total shares of the Company				No. of shares	% of total shares of the Company
6	Supriya Punit Agarwal	47349	0.53	April 01, 2018				
				June 22, 2018	(102)	Transfer	47247	0.52
				July 06, 2018	(2,450)	Transfer	44797	0.50
				Aug 10, 2018	(500)	Transfer	44297	0.49
		44297	0.49	March 31, 2019			44297	0.49
7	Anushikha Investments Pvt Ltd*	3600	0.04	April 01, 2018				
				March 29, 2019	35,847	Transfer	39447	0.44
		39447	0.44	March 31, 2019			39447	0.44
8	R N Rubesh	34830	0.39	April 01, 2018	Nil movement	NA		
		34830	0.39	March 31, 2019	during the year		34830	0.39
9	Kishor Shah	33142	0.37	April 01, 2018	Nil movement	NA		
		33142	0.37	March 31, 2019	during the year		33142	0.37
10	Gaurav Garg*	21083	0.23	April 01, 2018				
				April 06, 2018	354	Transfer	21437	0.24
				April 13, 2018	515	Transfer	21952	0.24
				June 01, 2018	432	Transfer	22384	0.25
				June 08, 2018	1,229	Transfer	23613	0.26
				June 15, 2018	2,187	Transfer	25800	0.29
				June 22, 2018	1,501	Transfer	27301	0.30
				July 06, 2018	449	Transfer	27750	0.31
				October 05, 2018	50	Transfer	27800	0.31
				December 28, 2018	135	Transfer	27935	0.31
				January 11, 2019	1,665	Transfer	29600	0.33
				February 15, 2019	400	Transfer	30000	0.33
		30000	0.33	March 31, 2019			30000	0.33



Form No. MGT-9 (Contd.)

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

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

Sl.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative share- holding during the year (01.04.2018 to 31.03.2019)	
		No. of shares at the beginning (01.04.2018)/ end of the year (31.03.2019)	% of total shares of the Company				No. of shares	% of total shares of the Company
11	Rajesh Damodar Wadhvani #	24466	0.27	April 01, 2018	1000	Transfer		
				December 07, 2018			25466	0.28
		25466	0.28	March 31, 2019			25466	0.28
12	Aryav Securities Pvt. Ltd. #	35847	0.40	April 01, 2018	(35,847)	Transfer		
				March 22, 2019			-	-
		-	-	March 31, 2019			-	-
13	Rajendra Prasad Agarwal#	27347	0.30	April 01, 2018	Nil movement during the year	NA		
		27347	0.30	March 31, 2019			27347	0.30

* Not in the Top 10 Shareholders as on 1st April, 2018. The same has been reflected above since the Shareholders were among one of the Top 10 Shareholders as on 31st March, 2019

Ceased to be in the list of Top 10 Shareholders as on 31st March, 2019. The same has been reflected above since the Shareholders were amongst one of the Top 10 Shareholders as on 1st April, 2018.



Form No. MGT-9 (Contd.)

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

v) Shareholding of Directors and Key Managerial Personnels :

Sl. No.	Name	Shareholding		Date	Increase/Decrease in the share-holding	Reason	Cumulative Shareholding during the year (01.04.2018 to 31.03.2019)	
		No. of shares at the beginning (01.04.2018)/end of the year (31.03.2019)	% of total shares of the Company				No. of shares	% of total shares of the Company
1	Golam Momen	750	0.01	April 01, 2018	Nil Movement during the year	NA		
		750	0.01	March 31, 2019			750	0.01
2	Mamoona Momen	750	0.01	April 01, 2018	Nil Movement during the year	NA		
		750	0.01	March 31, 2019			750	0.01
3	Sunita Shah	-	-	April 01, 2018	99	Transfer	99	0.00
				April 27, 2018	151	Transfer	250	0.00
				June 15, 2018	250	Transfer	500	0.00
				October 12, 2018	100	Transfer	600	0.01
				October 29, 2018			600	0.01
		600	0.01	March 31, 2019			600	0.01

Note : 1. Shareholding of all other Directors NIL

2. Mr. Kailash Prasad Khandelwal, Wholetime Director and Mr. Atul Doshi (CFO) does not hold any shares in the Company as on 31st March, 2019

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 (01-04-2018)				
i) Principal Amount	2,596.49	-	-	2596.49
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	2,596.49	-	-	2,596.49
Change in Indebtedness during the financial year				
Addition	-	-	-	-
Reduction	(249.37)	-	-	(249.37)
Net Change	(249.37)	-	-	(249.37)
Indebtedness at the end of the financial year (31-03-2019)				
i) Principal Amount	2,347.12	-	-	2,347.12
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	2,347.12	-	-	2,347.12



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	45.75	29.07	74.82
	(b) Value of Perquisites u/s 17(2) of the Income Tax Act, 1961	9.77	0.53	10.30
	(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	5.49	2.86	8.35
	Total (A)	61.01	32.46	93.47
	Ceiling as per the Act	84.00	84.00	168.00

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	0.60	1.20	—	1.20	1.20	—	5.40
	Committee meetings	0.80	0.40	0.80	—	—	0.50	—	2.50
2	Commission	—	—	—	—	—	—	—	—
3	Others, please specify	—	—	—	—	—	—	—	—
	Total (I)	2.00	1.00	2.00	0.00	1.20	1.70	—	7.90
II	Other Non-Executive Directors –								
1	Fee for attending Board meetings	—	—	—	0.40	—	—	1.20	1.60
	Committee meetings	—	—	—	0.10	—	—	—	0.10
2	Commission	—	—	—	—	—	—	—	—
3	Others, please specify	—	—	—	—	—	—	—	—
	Total (II)	—	—	—	0.50	—	—	1.20	1.70
	Total (B)=(I+II)	2.00	1.00	2.00	0.50	1.20	1.70	1.20	9.60
	Total Managerial Remuneration (A+B)								103.07
	Overall Ceiling as per the Act								168.00

Overall ceiling limit is calculated as per provisions of Companies Act, 2013, the same is not applicable to sitting fees paid to 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
1	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	10.09	24.21	34.30
	(b) Value of Perquisites u/s 17(2) of the Income Tax Act, 1961	0.05	0.502	0.55
	(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	0.82	2.38	3.20
	Employer Contribution to PF & Other Funds			
	Total	10.96	27.09	38.05

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, 2019
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

The Members,

Bengal Tea & Fabrics Limited

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, 2019 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, 2019 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.

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

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

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreement 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 was no change in the composition of the Board of Directors during the period under review.

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

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

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

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

Place : Kolkata
Date : 22.05.2019

For H M Choraria & Co.
Practising Company Secretaries
Sd/-
(H M Choraria)
Proprietor
FCS No. 2398
C P No.: 1499



ANNEXURE - "E"

PARTICULARS OF EMPLOYEES

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

Requirements of Rule 5(1)	Details
(i) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year	Mr. Adarsh Kanoria - MD - 33.64 : 1 Mr. Kailash Prasad Khandelwal - WTD - 17.80 : 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 - 7.02% Mr. Kailash Prasad Khandelwal - WTD - 8.04% 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 Personnels : Mr. Atul Doshi - CFO - 9.35% Mrs. Sunita Shah - CS - 10.74%
(iii) The percentage increase in the median remuneration of employees in the financial year	About 1.37%
(iv) The number of permanent employees on the rolls of the Company	1605 employees as on 31.03.2019
(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 8.76 % in the Tea Division and 4% in the Textile Division, respectively. Average salary increase of the Managerial personnel were 8.91% 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, 2019 is as per the Remuneration Policy of the Company.

* Non-Executive/Independent Directors have been paid sitting fees only for meetings 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*\$	52	Managing Director	61.01	B.COM (HONS), Diploma in Case Studies from Harvard Business School, USA	32	05.01.1991	First Employment
2	Kailash Prasad Khandelwal	63	Whole-Time Director	32.96	B.COM	44	01.01.1974	First Employment
3	Atul Doshi	57	Chief Financial Officer	27.09	Chartered Accountant, ACMA (U.K.)	35	13.11.2014	Visa Comtrade Limited
4	Anil Kumar Tiwari	62	General Manager - Garden	19.90	M. Sc(Bot)	31	29.02.2008	Pallorbund Tea Ltd.
5	Kushagra Kanoria**\$	25	Vice President - Group	18.39	B.Sc in Engineering (Computer Science) from the University of Michigan, USA	2	01.07.2017	Deutsche Bank AG, 60, Wall Street New York, USA
6	Bhavin D. Lakhani	43	G.M. (Weaving)	14.96	Diploma in Textile	22	16.10.2012	Donear Industries Ltd.
7	Manish Kumar Agarwal	38	AGM- Finance & Accounts	13.49	ACA, B.COM (H)	9	23.03.2015	Stone India Limited
8	Prema Sharma	54	DM - Factory (Tea)	12.47	B.A.	27	03.11.1992	First Employment
9	Sunita Shah	34	Company Secretary - Group	10.96	M. COM, FCS, LLB	10	10.09.2012	VCK Capital Market Services Limited
10	Rajkumar Basotia	50	President#	10.23#	B.Com.	26	06.09.1993	RSWM Ltd.
11	Sanjay Singh Rathore	52	President #	9.69#	M.B.A.(Mktg.)	25	03.12.2018	Grasim Bhiwani Textile Mills Ltd.

* 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.

\$ Adarsh Kanoria and Kushagra Kanoria holds >2% equity shares of the Company.

Employed for part of the year

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 - "F"

ANNEXURE TO DIRECTORS' REPORT

INFORMATION AS PER SECTION 134 (3) (m) OF THE COMPANIES ACT, 2013 READ WITH RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019

A. CONSERVATION OF ENERGY :

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

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

TEXTILE DIVISION :

- (a) Fixed 2 Nos. Inverter in ETP Circulation Pump
- (b) Fixed 1 No. inverter in ETP Final Well Pump
- (c) Electrical Conversion done in Jumbo Jigar machine.
- (d) Pollution Control :

2. Pollution Control

TEA DIVISION :

The Division is in the process of setting up an Effluent and water treatment plant at its factory.

TEXTILE DIVISION :

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:

Nil

(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:

Nil

(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 : ₹ 0.17 Lakhs

C. FOREIGN EXCHANGE EARNINGS AND OUTGO :

During the year 2018-19, the Company had spent a net sum of ₹ 13.31 lakhs (net) in foreign exchange.

i) Foreign Exchange Earnings : ₹ 45.90 Lakhs

ii) Foreign Exchange Outgo : ₹ 59.21 Lakhs



ANNEXURE - "G"

ANNUAL REPORT ON CSR ACTIVITIES

- 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](http://bengaltea.com) and the weblink for the same is <http://bengaltea.com/pdf/CSR%20Policy.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 : (₹ 297.45 Lakhs)
- Prescribed CSR Expenditure (two percent 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 programs (1) Local area or other (2)Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2)Overheads	Cumulative expenditure upto the reporting period	Amount spent : Direct or through implementing agency
NOT APPLICABLE							

Note : The average net profit for the last three financial years to current F.Y. 2018-19 was negative. Accordingly, the CSR expenditure for current Financial Year was NIL.

- 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 Audit of the Financial Statements

OPINION

We have audited the accompanying financial statements of **Bengal Tea & Fabrics Limited** ("the Company"), which comprise the balance sheet as at March 31, 2019, the statement of profit and loss (including other comprehensive income), the cash flow statement and the statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "financial statement").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules there under and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key audit matters	How our audit addressed the key audit matters
<p>Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers" (new revenue accounting standards)</p> <p>The application of the new revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized over a period and estimate of variable consideration. Additionally, new revenue accounting standard contains disclosures which involves collation of information</p>	<p>Principal Audit Procedures</p> <p>We assessed the Company's process to identify the impact of adoption of the new revenue accounting standard. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows :</p> <ul style="list-style-type: none"> • Evaluated the design of internal controls relating to implementation of the new revenue accounting standard. • Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance



INDEPENDENT AUDITORS' REPORT (Contd.)

Key audit matters	How our audit addressed the key audit matter
in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.	<p>obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, re-performance and inspection of evidence in respect of operation of these controls.</p> <ul style="list-style-type: none"> • Tested the relevant information technology systems' access and change management controls relating to contracts and related information used in recording and disclosing revenue in accordance with the new revenue accounting standard. • Selected a sample of continuing and new contracts and performed the following procedures: <ul style="list-style-type: none"> • Read, analysed and identified the distinct performance obligations in these contracts. • Compared these performance obligations with that identified and recorded by the Company. • Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration. • Sample of revenues disaggregated by type and service offerings was tested with the performance obligations specified in the underlying contracts. • Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings.
Evaluation of Uncertain Tax Positions The Company has material uncertain tax positions including matters under dispute which involves significant judgement to determine the possible outcome of these disputes.	Principal Audit Procedures Obtained details of completed tax assessments and demands received during the year ended March 31, 2019 from management. We discussed with the management about their underlying assumptions in estimating the tax provision and the possible outcome of the disputes. We also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions.

OTHER INFORMATION

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholders' Information, but does not include financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance and conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



INDEPENDENT AUDITORS' REPORT (Contd.)

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, 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) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors are also responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- a. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- b. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls;
- c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- d. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and
- e. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



INDEPENDENT AUDITORS' REPORT (Contd.)

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit total revenue of ₹ 6,759 Lakhs and ₹ NIL and loss before tax of ₹ 365 Lakhs and ₹ NIL of Fabric Division & Real Estate Division for the year ended March 31, 2019 respectively and the total assets of ₹ 4,443 Lakhs and ₹ 2,030 Lakhs of Fabric Division & Real Estate Division as at March 31, 2019 respectively, (including Revenue amounting to ₹ NIL, profit before tax of ₹ 53 Lakhs and assets of ₹ 295 Lakhs for the discontinued operations as disclosed in the Financial Statement - Refer Note 39) 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.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section(11) of Section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. 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 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, 2019, taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2019, from being appointed as a director in terms of section 164 (2) of the Act;



INDEPENDENT AUDITORS' REPORT (Contd.)

- 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;
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of the section 197(16) of the Act, as amended:
In our opinion and to the best of our information and according to the explanation given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) 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 :
- The Company has disclosed the impact of pending litigations on its financial position in its financial statements – refer note 40 to the financial statements;
 - The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
 - There has been no delay in transferring amounts, 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 : 25th day of May, 2019

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

[REFERRED TO IN PARAGRAPH 2 (VI) UNDER 'REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS' SECTION OF OUR REPORT TO THE MEMBERS OF BENGAL TEA & FABRICS LTD. OF EVEN DATE]

- The Company has maintained proper records showing full particulars, including quantitative details and situations of fixed assets.
 - 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.
 - 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.
- 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.
- 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.
- 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.
- 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 thereunder.



INDEPENDENT AUDITORS' REPORT (Contd.)

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

6. 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.
7. 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, Goods & Service Tax, Custom duty, Cess and other material statutory dues as applicable to it with the appropriate authorities. No undisputed statutory dues as above were outstanding as at March 31, 2019 for a period of more than six months from the date they became payable.
- b. According to the information and explanations given to us, the details of disputed dues of sales tax, income tax, customs duty, excise duty, service tax, and Cess, if any, which have not been deposited as at March 31, 2019, are as follows :

Name of the Statute	Nature of Dues	Amount (₹ 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
Central Excise	Excise Duty	26.93	2014-15	The Commissioner of Central Excise (Appeal), Ahmedabad
West Bengal Value Added Tax, 2003	VAT	1.18	2011-12	West Bengal Commercial Tax Appellate & Revisional Board
The Central Sales Tax Act, 1956	CST	0.01	2013-14	Revision Petition

8. 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.
9. 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.
10. 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.
11. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the said Act.
12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to the information and explanations 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.



INDEPENDENT AUDITORS' REPORT (Contd.)

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

15. 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.
16. 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 : 25th day of May, 2019

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, 2019 in conjunction with our audit of the 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") 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.



INDEPENDENT AUDITORS' REPORT (Contd.)

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion and 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, 2019, 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.

Other Matter

Our aforesaid reports under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the Internal finance controls over financial reporting in so far as it relates to Fabric Division & Real Estate Division [including discontinued operations as disclosed in the Financial Statements – (Refer Note 39)] is based on the corresponding reports of the other auditors of the branches not visited by us. Our opinion is not modified in respect of this matter.

Place : Kolkata
Dated : 25th day of May, 2019

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

**BALANCE SHEET as at 31st March, 2019**

(Amount in ₹ Lakhs)

	Notes	As at 31st March, 2019	As at 31st March, 2018
ASSETS			
NON-CURRENT ASSETS			
Property, Plant and Equipment	5	6,780.26	7,041.02
Capital Work-in-progress		88.95	80.58
Intangible Assets	6	12.58	3.92
Intangible Assets under Development		1.25	9.85
Financial Assets		6,883.04	7,135.37
Other Financial Assets	7	35.56	58.23
Deferred Tax Assets (net)	8	643.16	551.67
Other Non-current Assets	9	30.08	16.96
CURRENT ASSETS			
Inventories	10	3,494.15	3,462.75
Biological Assets other than Bearer Plants	11	16.11	6.38
Financial Assets			
Investments	12	795.62	742.20
Trade Receivables	13	916.11	659.28
Cash and Cash Equivalents	14	41.62	70.86
Bank Balances other than Note 14	15	38.91	20.01
Loans	16	8.86	9.17
Other Financial Assets	7	27.23	37.71
Current Tax Asset (Net)	17	81.42	79.02
Other Current Assets	9	269.57	127.65
Assets pertaining to Disposal Group	39.2	294.95	697.21
Total Assets		13,576.39	13,674.47
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	18	901.07	901.07
Other Equity	19	8,686.56	8,784.35
LIABILITIES			
NON-CURRENT LIABILITIES			
Financial Liabilities			
Borrowings	20	183.70	816.92
Other Financial Liabilities	25	4.86	4.66
Provisions	21	63.46	86.21
Other Non-current Liabilities	22	27.05	30.54
CURRENT LIABILITIES			
Financial Liabilities			
Borrowings	23	1,863.42	1,559.57
Trade Payables	24		
(A) Total outstanding dues to micro and small enterprises		20.94	7.43
(B) Total outstanding dues to creditors other than micro enterprises and small enterprises		964.07	692.67
Other Financial Liabilities	25	493.96	386.61
Provisions	26	95.64	23.07
Other Current Liabilities	27	267.93	367.14
Liabilities pertaining to Disposal Group	39.2	3.73	14.23
Total Equity and Liabilities		13,576.39	13,674.47
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

Sd/-

ADITYA SINGHI

Partner

Membership No. 305161

Kolkata

Dated : 25th day of May, 2019

Sd/-

A. KANORIA
(DIN : 00027290)

Managing Director

K. P. KHANDELWAL
(DIN : 00914834)

Whole-time Director

A. DOSHI
Chief Financial OfficerS. SHAH
Company Secretary



STATEMENT OF PROFIT & LOSS for the year ended 31st March, 2019

(Amount in ₹ Lakhs)

	Notes	For the year ended 31st March, 2019	For the year ended 31st March, 2018
INCOME			
Revenue from Operations	28	11,061.18	12,173.02
Other Income	29	163.78	149.65
Total Income		11,224.96	12,322.67
EXPENSES			
Cost of Materials Consumed	30	4,654.69	4,769.16
Purchases of Stock-in-trade	31	19.27	44.55
Changes in Inventories of Finished Goods, stock-in-trade and Work-in-progress	32	(30.67)	(21.67)
Employee Benefits Expense	33	2,370.57	2,377.09
Finance Costs	34	245.42	279.75
Depreciation and Amortization Expense	35	476.56	589.10
Other Expenses	36	3,666.49	3,851.55
Total Expenses		11,402.33	11,889.53
(Loss)/Profit before Tax		(177.37)	433.14
Tax Expense :	37		
Current Tax		-	8.25
Deferred Tax		(105.12)	(159.72)
Income Tax for earlier years		(1.32)	(5.23)
(Loss)/Profit for the period from Continuing Operations		(70.93)	589.84
Profit/(Loss) from Discontinued Operations	39.1	52.97	(1,163.90)
Tax Expense of Discontinued Operations		14.34	(72.53)
Profit/(Loss) from Discontinued Operations (after tax)		38.63	(1,091.37)
(Loss) for the year		(32.30)	(501.53)
Other Comprehensive Income	38		
i. Items that will not be reclassified to profit or loss		(65.49)	41.16
ii. Income tax relating to these items		-	-
Other Comprehensive Income for the Year (Net of Tax)		(65.49)	41.16
Total Comprehensive Income for the Period		(97.79)	(460.37)
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		(0.36)	(5.57)
- from Continuing Operations		(0.79)	6.55
- from Discontinued Operations		0.43	(12.12)
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

Sd/-

ADITYA SINGHI

Partner

Membership No. 305161

Kolkata

Dated : 25th day of May, 2019

Sd/-

A. KANORIA
(DIN : 00027290) Managing DirectorK. P. KHANDELWAL
(DIN : 00914834) Whole-time Director

A. DOSHI Chief Financial Officer

S. SHAH Company Secretary

**CASH FLOW STATEMENT for the year ended 31st March, 2019**

(Amount in ₹ Lakhs)

	For the year ended 31st March, 2019		For the year ended 31st March, 2018	
	From Continuing Operations	From Discontinuing Operations	From Continuing Operations	From Discontinuing Operations
A CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit/(Loss) Before Tax and after Exceptional items	(177.37)	52.97	433.14	(1,163.90)
Finance Cost	245.42	10.20	279.75	114.00
Depreciation (including amortization & impairment)	476.56	-	589.10	361.00
Interest Received	(6.03)	(7.54)	(31.35)	-
Rent Received	(0.60)	-	(0.40)	-
Loss/(Profit) on Property, Plant and Equipment sold/discarded (Net)	13.63	(58.53)	(0.20)	(183.10)
Net (Gain) on sale of Investments	(4.83)	-	(13.69)	-
Mark to Market (gain) on Financial Instruments under FVTPL	(52.37)	-	(30.72)	-
Operating Profit/(Loss) before Working Capital Changes	494.41	(2.90)	1,225.63	(872.00)
ADJUSTMENT FOR :				
(Increase)/Decrease in Trade Receivables	(256.83)	3.46	115.23	128.24
Decrease in Non-current & current financial assets	13.77	7.76	8.88	-
(Increase)/Decrease in Non-current & current assets	(164.77)	67.32	215.51	321.10
(Increase)/Decrease in Inventories	(31.40)	0.30	(11.86)	584.50
Increase/(Decrease) in Trade Payables	284.91	-	(508.81)	(95.00)
Increase/(Decrease) in Non-current & current financial liabilities	(37.95)	-	121.31	(68.24)
Increase/(Decrease) in Non-current & current provisions	49.82	-	(118.00)	-
(Decrease) in Non-current & current liabilities	(102.70)	(10.50)	(16.79)	(88.39)
Cash Generated from Operations	249.26	65.44	1,031.10	(89.79)
Income Tax (Paid)/received (Net)	(1.79)	-	(38.44)	-
Net Cash Flow from Operating Activities	247.47	65.44	992.66	(89.79)
B CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Property, Plant and Equipment	(243.81)	-	(463.75)	-
Sale of Property, Plant and Equipment	5.96	381.95	0.36	2,051.81
Purchase of Investments	(250.00)	-	(400.00)	-
Sale of Investments	253.78	-	743.42	-
Interest Received	6.82	7.54	33.12	-
Rent Received	0.60	-	0.40	-
Net Cash Flow from Investing Activities	(226.65)	389.49	(86.45)	2,051.81

**CASH FLOW STATEMENT for the year ended 31st March, 2019 (Contd.)**

(Amount in ₹ Lakhs)

	For the year ended 31st March, 2019		For the year ended 31st March, 2018	
	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	303.85	-	(974.76)	-
Decrease in Long Term Borrowings	(553.22)	-	(479.84)	(1,161.75)
Finance Cost	(245.42)	(10.20)	(279.75)	(114.00)
Net Cash flow from Financing Activities	(494.79)	(10.20)	(1,734.35)	(1,275.75)
Net Increase/(Decrease) in Cash and Cash Equivalents	(473.97)	444.73	(828.14)	686.27
Cash and Cash Equivalents at the beginning of the year	70.86	-	212.73	-
Cash and Cash Equivalents at the end of the year	41.62	-	70.86	-

Notes:

- 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, 2019 is after considering CSR expenditure of ₹ Nil lakh (Previous year ₹ 5.35 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 2018	Cash Flows	Non-cash adjustments		As at 31st March 2019
			EIR effect	Current/ Non-current classification	
Borrowings -Non-Current	816.92	(331.68)	(1.54)	(300.00)	183.70
Borrowings -Current	1,559.57	303.85	-	-	1,863.42
Other Financial Liabilities	220.00	(220.00)	-	300.00	300.00

- 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

Sd/-

ADITYA SINGHI

Partner

Membership No. 305161

Kolkata

Dated : 25th day of May, 2019

Sd/-

A. KANORIA
(DIN : 00027290)

Managing Director

K. P. KHANDELWAL
(DIN : 00914834)

Whole-time Director

A. DOSHI
Chief Financial OfficerS. SHAH
Company Secretary

**STATEMENT OF CHANGE IN EQUITY for the year ended 31st March, 2019**

(Amount in ₹ Lakhs)

a. Equity Share Capital

Balance as at 1st April 2017 *	901.07
Add/(Less): Changes in Equity Share Capital during the year 2017-18	-
Balance as at 31st March 2018	901.07
Add/(Less): Changes in Equity Share Capital during the year 2018-19	-
Balance as at 31st March 2019	901.07

* Includes ₹ 0.47 lakh on account of forfeited shares.

b. Other Equity

Particulars	Surplus			Total
	General Reserve	Securities Premium	Retained Earnings	
Balance as at 1st April, 2018	2,926.89	301.60	5,555.86	8,784.35
Profit/ (Loss) for the Year	-	-	(32.30)	(32.30)
Remeasurement Gain/(Loss)	-	-	(65.49)	(65.49)
Total Comprehensive Income	-	-	(97.79)	(97.79)
Balance as at 31st March, 2019	2,926.89	301.60	5,458.07	8,686.56

Particulars	Surplus			Total
	General Reserve	Securities Premium	Retained Earnings	
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

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

Sd/-

ADITYA SINGHI
Partner

Membership No. 305161

Kolkata

Dated : 25th day of May, 2019

Sd/-

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



Notes to the Financial Statements for the year ended 31st March, 2019

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. The Company is a Public Limited company incorporated and domiciled in India and has its registered office at 45, Shakespeare Sarani, Kolkata-700017 and is listed on BSE Limited.

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 per the Companies (Indian Accounting Standards) Rules, 2015 (as amended) notified under Section 133 of Companies Act, 2013 (the Act) and other relevant provisions of the Act.

These financial statements have been approved for issue by the Board of Directors on 25th May 2019.

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.

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



Notes to the Financial Statements for the year ended 31st March, 2019 (Contd.)

- 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.



Notes to the Financial Statements for the year ended 31st March, 2019 (Contd.)

- **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.
- **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.



Notes to the Financial Statements for the year ended 31st March, 2019 (Contd.)

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).
- 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. In respect of the following assets, useful lives different from Schedule II have been considered on the basis of technical evaluation, as under:-
- In case of asset, namely, Plucking, Pruning & Power Spraying Machines depreciation is provided on Straight Line Method at the rates determined considering the useful lives of 5 years which is based on internal assessment and the management believes that the useful lives as considered above best represent the period over which the respective assets shall be expected in use.
- 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 of).
- Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.
- 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.



Notes to the Financial Statements for the year ended 31st March, 2019 (Contd.)

3.4.1.4. 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.
- 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.



Notes to the Financial Statements for the year ended 31st March, 2019 (Contd.)

- **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 incentive received 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 from contract with customers is recognised when the Company satisfies performance obligation by transferring promised goods and services to the customer. Performance obligations are satisfied at a point of time or over a period of time. Performance obligations satisfied over a period of time are recognised as per the terms of relevant contractual agreements/arrangements. Performance obligations are said to be satisfied at a point of time when the customer obtains controls of the asset.

Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and value added tax. Transaction price is recognised based on the price specified in the contract, net of the estimated sales incentives/discounts. Accumulated experience is used to estimate and provide for the discounts/right of return, using the expected value method.

A refund liability is recognised for expected returns in relation to sales made, corresponding assets are recognised for the products expected to be returned.

3.6.1. Sale of Products

Revenue from sale of products is recognized when the control on the goods have been transferred to the customer. The performance obligation in case of sale of product is satisfied at a point in time i.e., when the material is shipped to the customer or on delivery to the customer, as may be specified in the contract.

Fabric products

Fabric products comprise of sale of cotton and blended fabrics.

Tea

Revenue from tea comprises of sale of Black tea and other allied products.

Job-work

Job-work comprises of income from many processes required to be performed on textile products to arrive at desired output.

Real Estate

Real estate comprises of revenue from sale of land held for sale at Dholka, Ahmedabad.

Performance obligations and remaining performance obligations

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts where the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date, typically those contracts where invoicing is on time and material basis. Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts, periodic revalidations, adjustment for revenue that has not materialized and adjustments for currency.



Notes to the Financial Statements for the year ended 31st March, 2019 (Contd.)

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.

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.



Notes to the Financial Statements for the year ended 31st March, 2019 (Contd.)

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).

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 & 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:



Notes to the Financial Statements for the year ended 31st March, 2019 (Contd.)

- 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. Amortised 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 amortisation is included in finance income in the statement of profit & loss. The losses arising from impairment are recognised in the statement of 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.
- 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.



Notes to the Financial Statements for the year ended 31st March, 2019 (Contd.)

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.

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.



Notes to the Financial Statements for the year ended 31st March, 2019 (Contd.)

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 the 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, 2019 (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 Company 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 amortised.

A disposal qualifies as discontinued operation if it is a component of an entity that either has been disposed of, 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. Recent Accounting Pronouncement

New Standards / Amendments to Existing Standard issued but not yet effective upto the date of issuance of the Company's Financial Statement is disclosed below. The Company intends to adopt these pronouncements when it becomes effective

a) Ind AS 116 Leases

Ind AS 116 Leases was notified on March 30, 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after April 1, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less).



Notes to the Financial Statements for the year ended 31st March, 2019 (Contd.)

At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to re-measure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the re-measurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

b) **Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments**

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12.

According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The standard permits two possible methods of transition - i) Full retrospective approach - Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives. The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019.

c) **Amendment to Ind AS 12 - Income Taxes**

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. Effective date for application of this amendment is annual period beginning on or after April 1, 2019.

d) **Amendment to Ind AS 19 - plan amendment, curtailment or settlement**

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

e) **Ind AS 23 - Borrowing Costs**

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is in the process of evaluating the requirements of the new standards / amendments as well as the impact of the same.



Notes to the Financial Statements for the year ended 31st March, 2019 (Contd.)

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 :

- **Change in Accounting Policies :** The Company has consistently applied the accounting policies to all periods presented in these standalone financial statements. The Company has adopted IND-AS 115, Revenue from Contracts with customers with a date of initial application of 1st April, 2018. The Company has adopted the cumulative effect method. The adoption of the standard did not have any material impact on the financial statements of the Company.
- **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/amortisable 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 is 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, 2019 (Contd.)

(Amount in ₹ Lakhs)

5 PROPERTY, PLANT AND EQUIPMENT

Particulars	Year Ended 31st March 2019								Net Carrying Value
	Gross Carrying Value				Accumulated Depreciation				
	As at 1st April 2018	Additions	Disposals	As at 31st March 2019	As at 1st April 2018	For the Year	Deductions	As at 31st March 2019	
Freehold Land	2,361.41	-	-	2,361.41	-	-	-	-	2,361.41
Buildings & Water Supply Installation	2,863.03	74.09	-	2,937.12	204.19	101.33	-	305.52	2,631.60
Plant & Equipments	2,427.78	105.77	0.23	2,533.32	1,267.74	292.05	0.02	1,559.77	973.55
Furniture and Fixtures	360.78	14.41	3.33	371.86	47.26	43.55	0.60	90.21	281.65
Motor Vehicles	197.69	37.76	10.01	225.44	62.61	29.14	3.84	87.91	137.53
Office Equipments	4.13	1.84	0.45	5.52	2.20	0.91	0.25	2.86	2.66
Bearer Plants	427.10	-	11.03	416.07	16.90	8.07	0.76	24.21	391.86
Total	8,641.92	233.87	25.05	8,850.74	1,600.90	475.05	5.47	2,070.48	6,780.26
Capital Work in Progress	80.58	38.67	30.30	88.95	-	-	-	-	88.95

Particulars	Year Ended 31st March 2018								
	Gross Carrying Value				Accumulated Depreciation				Net Carrying Value
	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	
Freehold Land	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

Notes :

- 5.1 Refer Note no. 42 for information on property, plant and equipment pledged as securities by the Company.
- 5.2 Refer Note no. 41.1 for disclosure of contractual commitments for the acquisition of Property, Plant & Equipment.



Notes to the Financial Statements as on and for the year ended 31st March, 2019 (Contd.)

(Amount in ₹ Lakhs)

6 INTANGIBLE ASSETS

Particulars	Year Ended 31st March 2019								Net Carrying Value
	Gross Carrying Value				Accumulated Amortization				
	As at 1st April 2018	Additions	Disposals	As at 31st March 2019	As at 1st April 2018	For the Year	Deductions	As at 31st March 2019	
Computer Software	11.12	10.17	-	21.29	7.20	1.51	-	8.71	12.58
Total	11.12	10.17	-	21.29	7.20	1.51	-	8.71	12.58
Capital Work in Progress	9.85	-	8.60	1.25	-	-	-	-	1.25

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

7 OTHERS FINANCIAL ASSETS

	Refer Note No.	Non-current		Current	
		As at 31st March 2019	As at 31st March 2018	As at 31st March 2019	As at 31st March 2018
Security & Other Deposits		32.55	32.64	-	-
Deposit with NABARD		-	-	12.76	13.10
Deposits with Bank	7.1	3.01	25.59	-	-
Interest Accrued on Deposits		-	-	5.10	4.31
Others		-	-	9.37	20.30
Total		35.56	58.23	27.23	37.71

7.1 Deposits of ₹ 3.01 lakh (March 31, 2018: ₹ 25.59 lakh) marked lien with bank as Security for Guarantee Facility.



Notes to the Financial Statements as on and for the year ended 31st March, 2019 (Contd.)

(Amount in ₹ Lakhs)

8 DEFERRED TAX (LIABILITIES)/ ASSETS (NET)

	Refer Note No.	As at 31st March 2019	As at 31st March 2018	
Deferred Tax Liabilities				
Arising on account of :				
Property, Plant & Equipment		(564.06)	(603.87)	
Financial Assets at Fair Value through Profit & Loss Account		(25.46)	(18.15)	
Others		(27.17)	(16.03)	
		<u>(616.69)</u>	<u>(638.05)</u>	
Less: Deferred Tax Assets				
Arising on account of :				
Section 43B of Income-tax Act		30.68	38.05	
Unabsorbed Losses	8.1	460.94	382.76	
Others		9.16	10.55	
MAT Credit Entitlements		759.07	758.36	
		<u>1,259.85</u>	<u>1,189.72</u>	
Total (Net)		<u>643.16</u>	<u>551.67</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, 2018 and 31st March, 2019			
	As at 31st March 2018	Recognized in Statement of Profit and Loss	Recognized in Other Comprehensive Income	As at 31st March 2019
Deferred Tax Liabilities				
Property, Plant & Equipment	(603.87)	39.81	-	(564.06)
Financial Assets at Fair Value through Profit & Loss Account	(18.15)	(7.31)	-	(25.46)
Others	(16.03)	(11.14)	-	(27.17)
	<u>(638.05)</u>	<u>21.36</u>	<u>-</u>	<u>(616.69)</u>
Deferred Tax Assets				
Section 43B of Income-tax Act	38.05	(7.37)	-	30.68
Unabsorbed Depreciation/Business Losses	382.76	78.18	-	460.94
Others	10.55	(1.39)	-	9.16
MAT Credit Entitlements	758.36	0.71	-	759.07
	<u>1,189.72</u>	<u>70.13</u>	<u>-</u>	<u>1,259.85</u>
	As at 31st March 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
	<u>1,158.32</u>	<u>31.40</u>	<u>-</u>	<u>1,189.72</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, 2019 (Contd.)

(Amount in ₹ Lakhs)

9 OTHER ASSETS

	Refer Note No.	Non-current		Current	
		As at 31st March 2019	As at 31st March 2018	As at 31st March 2019	As at 31st March 2018
Capital Advances		26.76	8.16	-	-
Advances other than Capital Advances					
Advance against supply of Goods & Services		-	-	57.00	34.30
Prepaid Expenses		3.10	3.46	28.03	31.24
Balances with Government & Statutory Authorities		0.22	5.34	157.21	39.16
Export Incentive Receivable		-	-	2.43	6.70
Other Receivables		-	-	24.90	16.25
Total		30.08	16.96	269.57	127.65

10 INVENTORIES (As valued and certified by the Management)

	Refer Note No.	As at 31st March 2019	As at 31st March 2018
	3.1		
Raw Materials	10.1 & 10.2	94.62	144.13
Stock in Process	10.2	770.59	741.97
Finished Goods	10.1 & 10.2	230.64	221.97
Stock-in-Trade (In respect of goods acquired for trading)	10.2	0.06	6.46
Land Held as Stock-in-trade	3.1	2,029.46	2,026.49
Stores and Spares etc.	10.1 & 10.2	368.70	321.73
Waste		0.08	-
Total		3,494.15	3,462.75

10.1 The above includes goods-in-transit as under:

Raw Materials	-	-
Stores and Spares etc.	32.42	13.08
	32.42	13.08

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 2019	As at 31st March 2018
Fair Value of Biological Assets Other than Bearer Plants	11.1	16.11	6.38
		16.11	6.38

11.1 Unharvested Tea leaves on bushes as on 31st March 2019 was 62,917 kgs (31st March 2018 -25,412 kgs)

12 CURRENT INVESTMENTS

	Face Value (in ₹)	As at 31st March 2019		As at 31st March 2018	
		Qty (Units)	Amount	Qty (Units)	Amount
12.1 Investment At Fair Value through Profit or Loss					
Investments in Unquoted Mutual funds					
SBI Premier Liquid Fund - Regular Plan -Growth	1,000/-	-	-	1,964.646	53.35
Reliance Liquid Fund -Direct Plan Growth Plan- Growth Option	1,000/-	4,926.969	224.76	4,926.969	208.90
Reliance Low Duration Fund -Direct Growth Plan -Growth Option -LPAGG	1,000/-	21,620.091	570.86	19,680.581	479.95
Total			795.62		742.20
Aggregate Book Value of the Unquoted Investment			795.62		742.20



Notes to the Financial Statements as on and for the year ended 31st March, 2019 (Contd.)

(Amount in ₹ Lakhs)			
	Refer Note No.	As at 31st March 2019	As at 31st March 2018
13 TRADE RECEIVABLES			
Trade Receivables considered good - Secured	13.1 & 13.2	-	-
Trade Receivables considered good - Unsecured		916.11	659.28
Trade Receivables which have significant increase in Credit Risk		-	-
Trade Receivables - Credit Impaired		-	-
Less: Provision for Doubtful Receivables		-	-
Total		916.11	659.28
Break Up of Security Details			
Secured, considered good		-	-
Unsecured, considered good		916.11	659.28
Doubtful		-	-
Sub -Total		916.11	659.28
Less: Provision for Doubtful Receivables		-	-
Total		916.11	659.28
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			
Balances With Banks :			
In Current/Cash Credit Account		31.33	61.82
Cash in Hand		10.29	9.04
Total		41.62	70.86
15 BANK BALANCES (OTHER THAN NOTE: 14)			
Unpaid Dividend Account *		13.32	17.34
Deposit Accounts with Original Maturity of more than three months but less than 12 months	15.1	25.59	2.67
Total		38.91	20.01
* Not available for use by the Company			
15.1 Represents deposits marked lien with bank as Security for Guarantee Facility.			
16 LOANS (Unsecured, Considered Good)			
	Refer Note No.	As at 31st March 2019	As at 31st March 2018
Advance to Employees	16.1	-	-
Loans Receivables considered good -Secured		-	-
Loans Receivables considered good -Unsecured	-	8.86	9.17
Loans Receivables which have significant increase in Credit Risk ; and		-	-
Loans Receivables - credit impaired		-	-
Less : Provisions for Doubtful Receivables		-	-
Total		8.86	9.17
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 2019	As at 31st March 2018
Advance Income Tax & Tax Deducted at Source		90.38	168.27
Less : Provision for Income Tax		8.96	89.25
Total		81.42	79.02



Notes to the Financial Statements as on and for the year ended 31st March, 2019 (Contd.)

18 SHARE CAPITAL	As at 31st March 2019		As at 31st March 2018	
	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
Redeemable Preference Shares of ₹ 100/- each	500,000	500.00	500,000	500.00
Total		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

* 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

Ordinary Equity Shares of Rs. 10/- each fully paid	As at 31st March 2019		As at 31st March 2018	
	No. of Shares	% Holding	No. of Shares	% Holding
M/s Rydak Enterprises & Investment Limited	5,060,870	56.19%	5,060,870	56.19%
Mr. Adarsh Kanoria	536,137	5.95%	536,137	5.95%

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 2019	As at 31st March 2018
General Reserve	2,926.89	2,926.89
Securities Premium	301.60	301.60
Retained Earnings	5,458.07	5,555.86
Total	8,686.56	8,784.35

* For movement of other equity, please refer to "Statement of Changes in Equity".

19.1 Description of the nature and purpose of each reserve within equity is as follows :

- General Reserve – General Reserve are free reserves of the company which are kept aside out of company's profits to meet the future requirements as and when they arise. The Company had transferred a portion of the Profit after Tax (PAT) to general reserve pursuant to the earlier provisions of Companies Act, 1956.
- Retained Earnings – Retained Earnings are the accumulated profits earned by the Company till date, less transfer to general reserves, dividend (including dividend distribution tax) and other distributions made to the shareholders.'
- Securities Premium Reserve - Securities premium reserve had been created consequent to issue of shares at a premium. These reserves can be utilised in accordance with Section 52 of Companies Act, 2013.



Notes to the Financial Statements as on and for the year ended 31st March, 2019 (Contd.)

(Amount in ₹ Lakhs)

20 BORROWINGS

	Refer Note No.	Non-current		Current	
		As at 31st March 2019	As at 31st March 2018	As at 31st March 2019	As at 31st March 2018
Term Loans					
From Banks:					
Rupee Loans	20.1	<u>183.70</u>	<u>816.92</u>	<u>300.00</u>	<u>220.00</u>
		<u>183.70</u>	<u>816.92</u>	<u>300.00</u>	<u>220.00</u>
Amount disclosed under Note No. 25 Other Financial Liabilities				<u>(300.00)</u>	<u>(220.00)</u>
Total		183.70	816.92	-	-
Break Up of Security Details					
Secured	20.2	<u>183.70</u>	<u>816.92</u>	<u>300.00</u>	<u>220.00</u>
Unsecured		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total		183.70	816.92	300.00	220.00

20.1 Terms of Repayment of Term Loans

Particulars	Refer Note No.	₹ in lakhs	No. of Installments due	Installment Value & period of Maturity	Repayment Terms & ROI
State Bank of India	20.2.a	483.70	7	varying amounts as per Agreement, 2020-21	24 quarterly installments of varying amount @ 10.65% p.a.

20.2 Details of Security Given for Loan

- a 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.
- b Additionally secured by the Company's Bungalow situated at Asarwa House, Dr. Balwantrai Mehta Marg, Shahibaug, Ahmedabad.
- c 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.

21 PROVISIONS - NON-CURRENT

	Refer Note No.	As at 31st March 2019	As at 31st March 2018
Provision for Employee Benefits	21.1	<u>63.46</u>	<u>86.21</u>
		<u>63.46</u>	<u>86.21</u>

21.1 All Provisions are valued at their present value of money.

22 OTHER LIABILITIES - NON CURRENT

	Refer Note No.	As at 31st March 2019	As at 31st March 2018
Deferred Revenue Income	22.1	<u>27.05</u>	<u>30.54</u>
		<u>27.05</u>	<u>30.54</u>
22.1 Opening Balance		<u>36.22</u>	<u>42.31</u>
Grants received during the year		<u>-</u>	<u>-</u>
Less: Released to profit or loss		<u>4.77</u>	<u>6.09</u>
		<u>31.45</u>	<u>36.22</u>
Less: Current Portion of the Deferred Revenue Income	27	<u>4.40</u>	<u>5.68</u>
Total		27.05	30.54



Notes to the Financial Statements as on and for the year ended 31st March, 2019 (Contd.)

(Amount in ₹ Lakhs)

23 SHORT TERM BORROWINGS

	Refer Note No.	As at 31st March 2019	As at 31st March 2018
Loans Repayable on Demand			
Working Capital Loan from Banks	23.1	1,863.42	1,559.57
Total		1,863.42	1,559.57
23.1 The above amount includes			
Secured Borrowings	23.2	1,863.42	1,559.57
Unsecured Borrowings		-	-
		1,863.42	1,559.57

23.2 Terms and conditions of Short Term Borrowings

- a "Out of Working Capital Loans of ₹ 1,863.42 lakh (P.Y. ₹ 1,559.57 lakh) amount of ₹ 1,234.10 lakh (P.Y. ₹ 1,078.84 lakh) from banks are secured by:
- Pari-passu First charge over entire Current Assets of the Textile Division.
 - 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 ₹ 629.32 lakh (Previous Year ₹ 480.73 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.

24 TRADE PAYABLES

	Refer Note No.	As at 31st March 2019	As at 31st March 2018
Total outstanding dues of micro enterprises and small enterprises	24.1	20.94	7.43
Total outstanding dues of creditors other than micro enterprises and small enterprises :			
For Goods		918.28	643.96
For Services & Others		45.79	48.71
Total		985.01	700.10

- 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 2019	As at 31st March 2018
i.a	The principal amount remaining unpaid to any supplier at the end of the accounting year.	20.94	7.43
i.b	The interest due remaining unpaid to any supplier at the end of the accounting year.	-	-
ii	The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-



Notes to the Financial Statements as on and for the year ended 31st March, 2019 (Contd.)

(Amount in ₹ Lakhs)

24 TRADE PAYABLES (Contd.)

24.1	Sl. No.	Particulars	As at 31st March 2019	As at 31st March 2018
	iii	The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) 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; and	-	-
	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.	Non-current		Current	
		As at 31st March 2019	As at 31st March 2018	As at 31st March 2019	As at 31st March 2018
Current maturities of					
Long Term Debt	20	-	-	300.00	220.00
Trade & Security Deposits (Unsecured)		4.86	4.66	-	-
Unpaid and Unclaimed dividends	25.1	-	-	13.32	17.34
Employees related Liabilities		-	-	142.52	100.46
Amount payable for Capital Goods		-	-	5.85	11.96
Other Payables		-	-	32.27	36.85
Total		4.86	4.66	493.96	386.61

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 2019	As at 31st March 2018
Provision for Employee Benefits	26.1	95.64	23.07
		95.64	23.07

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

27 OTHER LIABILITIES - CURRENT

	Refer Note No.	As at 31st March 2019	As at 31st March 2018
Deferred Revenue Income	22.1	4.40	5.68
Advances Received from Customers		2.74	101.39
Statutory Dues		35.37	49.32
Bonus Payable		223.66	209.07
Others		1.76	1.68
Total		267.93	367.14



Notes to the Financial Statements as on and for the year ended 31st March, 2019 (Contd.)

(Amount in ₹ Lakhs)

28 REVENUE FROM OPERATIONS

	Refer Note No.	For the year ended 31st March 2019	For the year ended 31st March 2018
Sale of Products	28.4		
Textiles		6,168.44	6,484.05
Tea		4,299.30	4,690.38
Sale of Services			
Textiles		576.63	665.89
Sub-total (a)		11,044.37	11,840.32
Other Operating Revenues			
Incentives & Subsidies		2.58	10.00
Sale of Waste		14.23	322.70
Sub-total (b)		16.81	332.70
Total (a+b)		11,061.18	12,173.02
28.1 REVENUE FROM CONTRACTS WITH CUSTOMERS			
A. Revenue from contracts with customers disaggregated based on nature of product or services :			
Revenue from sale of products			
Fabrics		6,168.44	6,484.05
Tea & allied products		4,299.30	4,690.38
Revenue from sale of services			
Job Work Receipts		576.63	665.89
Other Operating Revenues			
Incentives & Subsidies		2.58	10.00
Sale of Waste		14.23	322.70
Total		11,061.18	12,173.02
B. Revenue from contracts with customers disaggregated based on geography			
India		11,015.28	12,106.60
Outside India		45.90	66.42
Total		11,061.18	12,173.02
28.2 RECONCILIATION OF GROSS REVENUE WITH THE REVENUE FROM CONTRACTS WITH CUSTOMERS			
Gross Revenue		11,112.54	12,243.25
Less: Discounts		(51.36)	(70.23)
Net Revenue recognised from Contracts with Customers		11,061.18	12,173.02
28.3 Sales Channel			
Direct to Customers		9,823.60	10,131.54
Sales through intermediaries		1,220.77	1,708.78
Total		11,044.37	11,840.32

28.4 Other Information :

- a) Effective April 1, 2018, the Company has adopted Ind AS 115 - Revenue from Contracts with Customers, using the cumulative effect method and the comparative information is not restated. The adoption of the standard did not have any material impact on the financial statements of the Company.



Notes to the Financial Statements as on and for the year ended 31st March, 2019 (Contd.)

(Amount in ₹ Lakhs)

28.4 Other Information : (Contd.)

- b) The amounts receivable from customers become due after expiry of credit period which on an average is less than 30 days. There is no significant financing component in any transaction with the customers.
- c) The Company does not have any remaining performance obligation as contracts entered for sale of goods are for a shorter duration. There are no contracts for sale of services wherein, performance obligation is unsatisfied to which transaction price has been allocated.
- d) The Company doesn't have any contractual sale of products or services spanning over a period of time requiring the revenue adjustments for remaining performance obligations and other related disclosures. All the revenues are recognised at the point of sale/transfer of control of promised goods or services to customers in an amount that reflects the consideration expected to receive in exchange for those goods or services.

29 OTHER INCOME

		For the year ended 31st March 2019	For the year ended 31st March 2018
Interest Income			
On Banks Deposits		1.78	2.21
On Other Deposits, etc		4.25	29.14
Profit on Sale of Tea Seeds		4.90	7.01
Net Gain on sale of Investments measured at Fair Value through P/L		4.83	13.69
Net Gain on restatement of Investments (Mark to Market) measured at Fair Value through P/L		52.37	30.72
Other Non Operating Income			
Excess Provision/Liabilities written back		20.44	-
Change in Fair Valuation of Biological Assets		9.73	-
Foreign Exchange Fluctuation (Net)		0.51	-
Insurance and Other Claims (Net)		1.57	-
Other Miscellaneous Income	29.1	63.40	66.88
Total		163.78	149.65

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

	Refer Note No.	For the year ended 31st March 2019	For the year ended 31st March 2018
Opening Stock		144.13	581.52
Add: Purchases		4,605.18	4,331.77
Less: Closing Stock		94.62	144.13
Total		4,654.69	4,769.16

31 PURCHASE OF TRADED GOODS

Tea		19.27	44.55
		19.27	44.55



Notes to the Financial Statements as on and for the year ended 31st March, 2019 (Contd.)

(Amount in ₹ Lakhs)

32 (INCREASE)/ DECREASE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS & TRADED GOODS

	Refer Note No.	For the year ended 31st March 2019	For the year ended 31st March 2018
Finished Goods			
Opening Inventories		221.97	218.16
Closing Inventories		230.64	221.97
		(8.67)	(3.81)
Stock-in-Process			
Opening Inventories		741.97	717.57
Closing Inventories		770.59	741.97
		(28.62)	(24.40)
Stock-in-Trade			
Opening Inventories		6.46	0.30
Closing Inventories		0.06	6.46
		6.40	(6.16)
Stock of Waste			
Opening Inventories		0.30	13.00
Closing Inventories		0.08	0.30
		0.22	12.70
Total changes in inventories		(30.67)	(21.67)
33 EMPLOYEE BENEFITS EXPENSE			
Salaries & Wages		2,017.60	1,936.98
Contribution to Provident and Other Funds		245.09	304.74
Staff Welfare Expenses		129.91	150.09
		2,392.60	2,391.81
Less: Amount Capitalised		22.03	14.72
Total		2,370.57	2,377.09
34 FINANCE COSTS			
Interest Expenses			
To Banks on Term Loans		64.26	130.23
To Banks on Working Capital Loans		168.66	128.34
Other Borrowing Costs		12.50	21.18
		245.42	279.75
Less : Amount Capitalised		-	-
Total		245.42	279.75
35 DEPRECIATION & AMORTIZATION EXPENSES			
On Tangible Assets	5 & 39	475.05	584.79
On Intangible Assets	6	1.51	4.31
Total		476.56	589.10
36 OTHER EXPENSES			
Stores, Spare Parts & Packing Materials Consumed		1,082.69	1,073.50
Change in fair valuation of biological assets		-	2.90
Power & Fuel		1,445.37	1,603.24
Repairs to Buildings		93.66	32.15
Repairs to Machinery		151.21	175.47
Repairs to Other Assets		26.15	9.95
Job Work Charges		55.60	63.82
Carry Forward		2 854.68	2,961.03



Notes to the Financial Statements as on and for the year ended 31st March, 2019 (Contd.)

(Amount in ₹ Lakhs)

36 OTHER EXPENSES (Contd.)

	Refer Note No.	For the year ended 31st March 2019	For the year ended 31st March 2018
Brought Forward		2 854.68	2,961.03
Cess		21.94	24.44
Insurance and Other Claims (Net)		-	1.10
Freight, Shipping, Delivery Charges & Selling Expenses		60.57	99.19
Commission & Brokerages		68.85	91.90
Auditors' Remuneration	36.1	6.32	5.73
Rent, Rates & Taxes		47.69	44.17
Insurance		21.09	27.29
Foreign Exchange Fluctuation (Net)		-	0.15
Directors' Fees & Commission		9.60	8.60
Legal and Professional Charges		34.25	31.52
Travelling & Conveyance Expenses		89.51	86.67
Corporate Social Responsibility Expenses	44	-	5.35
Excess Provision/ Liabilities written off		-	0.81
Other Expenses		458.49	469.40
		3,672.99	3,857.35
Less : Amount Capitalised		6.50	5.80
Total		3,666.49	3,851.55
36.1 Auditors' Remuneration			
a Statutory Auditors			
Audit Fees		0.85	0.85
Reimbursement of Expenses		0.05	0.09
In other Capacity		0.70	0.78
Sub-total		1.60	1.72
b Branch Statutory Auditors			
Audit Fees		1.75	1.58
Reimbursement of Expenses		0.60	0.34
In other Capacity		1.68	1.36
Sub-total		4.03	3.28
c Cost Auditors			
Audit Fees		0.60	0.70
In other Capacity		0.09	0.03
Sub-total		0.69	0.73
Total		6.32	5.73
37 TAX EXPENSE			
Current Tax		-	8.25
Deferred Tax -Continuing Operations		(105.12)	(159.72)
Deferred Tax -Discontinuing Operations		14.34	(72.53)
Income Tax for earlier years		(1.32)	(5.23)
Total Income Tax Expenses		(92.10)	(229.23)
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		(124.40)	(730.76)
Indian Statutory Income Tax Rate		27.820%	33.063%
Estimated Income Tax Expenses	(A)	(34.61)	(241.61)



Notes to the Financial Statements as on and for the year ended 31st March, 2019 (Contd.)

(Amount in ₹ Lakhs)

37 TAX EXPENSE (Contd.)

	Refer Note No.	For the year ended 31st March 2019	For the year ended 31st March 2018
37.1 Tax effect of adjustments to reconcile expected Income tax expense to reported Income Tax Expenses			
Expenses not deductible in determining taxable profit		1.00	2.18
Weighted Deduction on Research & Development expenses		(0.68)	(0.71)
Adjustment in Tax Payable at different rate		(8.11)	23.48
Effect on tax Allowance		-	(6.56)
Adjustment for Tax of prior period		(1.32)	(5.23)
Tax on Initial Accounting for Bearer Plants		-	-
Others		(48.38)	(0.78)
	(B)	(57.49)	12.38
Income Tax Expenses as per Statement of Profit & Loss	(A-B)	(92.10)	(229.23)

37.2 Applicable Indian Statutory Income Tax rate for Fiscal Year 2018-19 & 2017-18 is 27.82% & 33.063%, respectively under Income Tax Act 1961 and 30% under the Assam Agricultural Income Tax Act, 1939. However, the Company has paid tax for the previous financial 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 2019	For the year ended 31st March 2018
Items that will not be reclassified to profit or loss			
Remeasurement of the defined benefit plans		(65.49)	41.16
Less: Tax expense on the above		-	-
Total		(65.49)	41.16

39 DISCONTINUED OPERATIONS

The Board of Directors of the Company had 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:

	For the year ended 31st March 2019	For the year ended 31st March 2018
REVENUE		
Revenue from Sales	-	2,344.32
Profit on Sale of Fixed Assets	58.53	183.10
Other Revenue	7.54	-
Total	66.07	2,527.42
EXPENDITURE		
Cost of Materials Consumed	-	1,686.88
Changes in Inventories of Finished Goods, Stock-In-Trade and Work-in-Progress	-	97.44
Employee Benefits Expense	-	870.00
Finance Cost	10.20	114.00
Depreciation	-	168.00
Impairment of Assets held for Sale	-	193.00
Other Expenses	2.90	562.00
Total	13.10	3,691.32
Profit/(Loss) before tax from Discontinued Operation	52.97	(1,163.90)



Notes to the Financial Statements as on and for the year ended 31st March, 2019 (Contd.)

(Amount in ₹ Lakhs)

	As at 31st March 2019	As at 31st March 2018
39.2 The major classes of assets and liabilities of Yarn Division classified as "Held for Disposal" as at March 31, 2019 are as follows:		
Assets		
Property, Plant and Equipment	17.80	341.22
Other Current Assets	222.07	289.39
Current Financial Assets	9.87	17.63
Trade Receivables	-	3.46
Inventories	45.21	45.51
Assets pertaining to "Disposal group"	294.95	697.21
Liabilities		
Other Payables	3.73	14.23
Liabilities pertaining to "Disposal Group"	3.73	14.23

40 CONTINGENT LIABILITIES**40.1 Claims/Disputes/Demands not acknowledged as debts :**

Sl. No.	Particulars	As at 31st March 2019	As at 31st March 2018
a	Claims not acknowledged as debts - Labour Matters	187.28	75.88
b	Guarantees given by Bankers	111.60	147.10
c	Disputed Service Tax and Excise Matters	42.93	27.97
d	Disputed Sales Tax demand including interest thereon	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 has not provided for differential bonus liability of ₹ 18.67 lakh (March 31, 2018 ₹ 18.67 lakh) related to financial year 2014-15.

40.4 In view of the order of Hon'ble Supreme Court of India ("SC") on February 28, 2019 in the case of Surya Roshani Limited v/s EPFO, on implementation of applicability of provident fund on special allowances paid by an establishment to their employees would form part of basic salary and consequently attract provident fund contributions for those receiving salary/wages within the maximum limit prescribed under The Employees Provident Funds and Miscellaneous Provisions Act, 1952. Pending decision of Hon'ble "SC" on the review petition against this decision and clarification or direction from the provident fund authorities, the Company hasn't provided for differential provident fund liability of ₹ 0.89 lakhs (Previous year - ₹ Nil) for the year ending 31st March, 2019.

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

Particulars	As at 31st March 2019	As at 31st March 2018
Estimated amount of contracts remaining to be executed on Capital Account	64.89	17.42
Less: Advance	26.76	8.16
Net Amount	38.13	9.26



Notes to the Financial Statements as on and for the year ended 31st March, 2019 (Contd.)

(Amount in ₹ Lakhs)

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 2019	As at 31st March 2018
Non-current Assets		
Property, Plant and Equipment	6,780.26	7,041.02
Capital Work-In-Progress	88.95	80.58
Other Financial Assets	35.56	58.23
Other Non-Current Assets	30.08	16.96
Total Non-currents assets pledged as security	6,934.85	7,196.79
Current Assets		
Inventories	1,464.69	1,436.26
Biological Assets other than bearer plants	16.11	6.38
Trade Receivables	916.11	659.28
Cash & Cash equivalents	41.62	70.86
Other Bank Balances	25.59	2.67
Loans	8.86	9.17
Other Financial Assets	27.23	37.71
Other Current Assets	269.57	127.65
Assets pertaining to Disposal Group	294.95	697.21
Total current assets pledged as security	3,064.73	3,047.19
Total assets pledged as security	9,999.58	10,243.98

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 2019 are as under :

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Provident Fund	193.81	213.90
Labour Welfare Fund	0.26	0.17
Employee State Insurance Scheme	13.99	20.04

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.



Notes to the Financial Statements as on and for the year ended 31st March, 2019 (Contd.)

(Amount in ₹ Lakhs)

43.2 Defined Benefit Plan (Contd.)

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. During the year ended March 31, 2019, Company has paid ₹ 67.44 lakh towards Short Term Leave Benefits (March 31, 2018 ₹ 32.54 lakhs).

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.

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	
	2018-19	2017-18
Balance at the beginning of the year	914.74	1,356.26
Current Service Cost	34.16	47.78
Past Service Cost	-	16.02
Interest Cost on Defined Benefit Obligation	71.14	98.52
Actuarial Gain and Losses arising from		
Changes in demographic assumptions	-	-
Changes in financial assumptions	5.52	(37.61)
Experience Adjustment	51.52	(38.73)
Benefits Paid from the Plan Assets	(111.44)	(527.50)
Balance at the end of the year	965.64	914.74



Notes to the Financial Statements as on and for the year ended 31st March, 2019 (Contd.)

(Amount in ₹ Lakhs)

43.2 Defined Benefit Plan (Contd.)

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	
	2018-19	2017-18
Balance at the beginning of the year	910.65	1,280.87
Interest Income on Plan Assets	69.13	75.94
Remeasurement of Defined Benefit Obligation :		
Change in financial assumptions	-	2.50
Return on plan assets greater/ (lesser) than discount rate	(8.45)	(37.68)
Employer Contributions to the Plan	37.20	116.52
Benefits Paid from the Plan Assets	(111.44)	(527.50)
Balance at the end of the year	897.09	910.65

f Expenses recognised in the Statement of Profit & Loss

Particulars	Gratuity	
	2018-19	2017-18
Current Service Cost	34.16	47.78
Past Service Cost	-	16.02
Interest Cost	71.14	98.52
Interest Income on Plan Assets	(69.13)	(75.94)
Amount recognised in the statement of Profit & Loss	36.17	86.38

g Remeasurements recognised in Other Comprehensive Income

Particulars	Gratuity	
	2018-19	2017-18
Actuarial (gain)/ Loss on defined benefit obligation	57.04	(76.34)
Return on plan assets greater/ (lesser) than discount rate	8.45	35.18
Amount recognised in Other Comprehensive Income [Loss / (Gain)]	65.49	(41.16)

h Percentage Breakdown of Major Categories of Plan Assets

Particulars	Gratuity			
	2018-19		2017-18	
	Tea	Textile	Tea	Textile
Qualified Insurance Policy	100%	-	100%	-
Debt Instruments including Central / State Government Debt Securities	-	22%	-	20%
Public Sector/Financial Institution Bonds	-	71%	-	71%
Cash & Cash equivalents	-	7%	-	9%

i Asset-Liability Matching Strategy

The Company deploys its fund in Bonds, Special Deposit, Life Insurance Corporation 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.



Notes to the Financial Statements as on and for the year ended 31st March, 2019 (Contd.)

(Amount in ₹ Lakhs)

43.2 Defined Benefit Plan (Contd.)

j Actuarial Assumptions

Particulars	Tea		Textile	
	2018-19	2017-18	2018-19	2017-18
Financial Assumptions				
Discount Rate	7.79%	7.85%	7.50%	7.60%
Salary Escalation Rate	7.00%	7.00%	4.20%	4.20%
Demographic Assumptions				
Mortality Rate	IALM 2006-08 Ultimate		IALM 2012-14 Ultimate	
Withdrawal Rate	1% p.a.	1% p.a.	0.2% 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 2019, 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 ₹ 78 lakh (previous year ₹ 37.20 lakh) to its gratuity fund in 2019-20.

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			
	2018-19		2017-18	
	Tea	Textile	Tea	Textile
Effect on DBO due to 1.0% increase in Discount Rate	(59.77)	(15.60)	(26.32)	(19.18)
Effect on DBO due to 1.0% decrease in Discount Rate	70.34	18.21	28.53	22.25
Effect on DBO due to 1.0% increase in Salary Escalation Rate	70.19	18.64	28.62	22.80
Effect on DBO due to 1.0% decrease in Salary Escalation Rate	(60.70)	(16.20)	(26.64)	(19.94)

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

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 is required to be spent by the Company on account of Corporate Social Responsibility.

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.



Notes to the Financial Statements as on and for the year ended 31st March, 2019 (Contd.)

(Amount in ₹ Lakhs)

46 RELATED PARTY DISCLOSURES

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

Nature	Name	Designation
Key Management Personnels (KMP)	Sri Adarsh Kanoria	Managing Director
	Sri Kailash Prasad Khandelwal	Whole-Time Director
	Smt Shubha Kanoria	Non-Executive Director
	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
	Sri Kushagra Kanoria	Vice President
	Sri Atul Doshi	Chief Financial Officer
	Smt Sunita Shah	Company Secretary
	Sri Ashok Kumar Nangalia	KMP (As per definition of IND AS)
	Sri Deepak Kumar Saraf	KMP (As per definition of IND AS)
	Sri Pradeep Kumar Goenka	KMP (As per definition of IND AS)
Nature	Name of the Company	
Name of the Company / Trusts in which Directors/ Key Managerial Personnel (KMP) and their relatives have significant influence	Rydak Enterprises & Investment Limited (Ultimate Holding Company)	
	Kanoria Exports Private Limited	
	AKV Textiles Limited	
	Meenakshi Properties Private Limited	
	Ananda Seva Kosh	
Employee Benefit Funds	Bengal Tea & Fabrics Limited Unit Asarwa Mills	
	Employee's Grauity Trust Fund	
	Bengal Tea & Fabrics Limited-Tea Division Employee's Gratuity Fund	

46.2 Transactions during the year

Particulars	2018-2019			2017-2018		
	KMP	Employee Benefit Funds	Companies in which KMP are interested	KMP	Employee Benefit Funds	Companies in which KMP are interested
Rent Received	-	-	0.60	-	-	0.47
Director's sitting fees	9.60	-	-	8.60	-	-
Salary & Other Benefits	164.77	-	-	148.43	-	-
Sale of Goods	-	-	47.11	-	-	40.23
Contribution to Employees Benefit Funds	-	37.20	-	-	117.00	-



Notes to the Financial Statements as on and for the year ended 31st March, 2019 (Contd.)

(Amount in ₹ Lakhs)

46.3 Key Management Personnel compensation

Particulars	2018-19	2017-18
Short Term Employee Benefits	164.77	148.43
Post Employment Benefits	-	-
Long Term Benefits *	-	-
Total Compensation	164.77	148.43

* 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) Post-employment benefits & other long-term benefits are disclosed based on actual payment made on retirement/resignations of services, but does not include provisions made on actuarial basis as gratuity and leave encashment are provided on an actuarial valuation basis for the Company as whole, the amount pertaining to individual is not ascertainable.

46.4 Terms and Conditions of transactions 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 FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

As at 31st March 2019 and 31st March 2018

Particulars	31st March 2019			31st March 2018		
	FVTPL	FVOCI	Amortised Cost	FVTPL	FVOCI	Amortised Cost
Financial Assets						
Investment						
- Mutual Funds	795.62	-	-	742.20	-	-
Trade Receivables	-	-	916.11	-	-	659.28
Loans	-	-	8.86	-	-	9.17
Cash & Cash equivalents	-	-	41.62	-	-	70.86
Other Bank Balances	-	-	38.91	-	-	20.01
Other Financial Assets	-	-	62.79	-	-	95.94
Total Financial Assets	795.62	-	1,068.29	742.20	-	855.26
Financial Liabilities						
Borrowings	-	-	2,347.12	-	-	2,596.49
Trade Payables	-	-	985.01	-	-	700.10
Other Financial Liabilities	-	-	198.82	-	-	171.27
Total Financial Liabilities	-	-	3,530.95	-	-	3,467.86



Notes to the Financial Statements as on and for the year ended 31st March, 2019 (Contd.)

(Amount in ₹ Lakhs)

48 FAIR VALUES

48.1 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:

Particulars	31st March 2019		31st March 2018	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
Trade Receivables	916.11	916.11	659.28	659.28
Loans	8.86	8.86	9.17	9.17
Cash & Cash equivalents	41.62	41.62	70.86	70.86
Other Bank Balances	38.91	38.91	20.01	20.01
Other Financial Assets	62.79	62.79	95.94	95.94
Total Financial Assets	1,068.29	1,068.29	855.26	855.26
Financial Liabilities				
Borrowings	2,347.12	2,347.12	2,596.49	2,596.49
Trade Payables	985.01	985.01	700.10	700.10
Other Financial Liabilities	198.82	198.82	171.27	171.27
Total Financial Liabilities	3,530.95	3,530.95	3,467.86	3,467.86

48.2 The management assessed that the Fair Values of Cash & 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.

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

48.4 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.

49 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.

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

Particulars	31st March 2019			31st March 2018		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets						
Investment at FVTPL						
Mutual Funds	795.62	-	-	742.20	-	-
Total Financial Assets	795.62	-	-	742.20	-	-

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

Particulars	31st March 2019			31st March 2018		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets						
Trade Receivables	-	-	916.11	-	-	659.28
Loans	-	-	8.86	-	-	9.17
Cash & Cash equivalents	-	-	41.62	-	-	70.86
Other Bank Balances	-	-	38.91	-	-	20.01
Other Financial Assets	-	-	62.79	-	-	95.94
Total Financial Assets	-	-	1,068.29	-	-	855.26



Notes to the Financial Statements as on and for the year ended 31st March, 2019 (Contd.)

(Amount in ₹ Lakhs)

49.2 Financial Assets and Liabilities measured at Amortized Cost for which fair values are disclosed (Contd.)

Particulars	31st March 2019			31st March 2018		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Liabilities						
Borrowings	-	-	2,347.12	-	-	2,596.49
Trade Payables	-	-	985.01	-	-	700.10
Other Financial Liabilities	-	-	198.82	-	-	171.27
Total Financial Liabilities	-	-	3,530.95	-	-	3,467.86

49.3 During the year ended March 31, 2019 and March 31, 2018, 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.

49.4 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.

50 FINANCIAL RISK MANAGEMENT

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

50.1 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 & 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	42.10	839.17	33.89	0.95
Expected loss rate	-	-	-	-
Expected credit losses (Loss allowance provision)	-	-	-	-
Carrying amount of trade receivables (net of impairment)	42.10	839.17	33.89	0.95



Notes to the Financial Statements as on and for the year ended 31st March, 2019 (Contd.)

(Amount in ₹ Lakhs)

50.2 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.

50.2.1 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 & 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.

50.2.2 Maturity Analysis for financial liabilities

The following are the remaining contractual maturities of financial liabilities as at 31st March 2019. The amounts are gross and undiscounted and include estimated interest payments and exclude the impact of netting agreements.

a	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	12.97	962.90	9.14	-	-	985.01
	Borrowings	1,863.42	187.73	187.73	186.96	-	2,425.84
	Other financial liabilities	127.77	66.09	0.10	-	4.86	198.82
	Total	2,004.16	1,216.72	196.97	186.96	4.86	3,609.67

b The following are the remaining contractual maturities of financial liabilities as at 31st March 2018

	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

50.3 Market Risk

50.3.1 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 2019		31st March 2018	
	USD	INR	USD	INR
Financial Assets				
Trade Receivables	-	-	-	-
Financial Liabilities				
Trade Payables	-	-	1,925.00	1.27
Net Exposure in Foreign Currency	-	-	(1,925.00)	(1.27)



Notes to the Financial Statements as on and for the year ended 31st March, 2019 (Contd.)

(Amount in ₹ Lakhs)

50.3.1 Foreign Exchange Risk (Contd.)

a Sensitivity Analysis

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

50.3.2 Interest Rate Risk

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

- a Interest rate risk arises from the sensitivity of financial assets and liabilities to changes in market rate of interest. However, Company does not have any interest bearing financial asset or liability at the end of the financial year ended 31st March 2019.
- b 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 2019 and 31st March 2018, all the Company's borrowings were at variable rate mainly denominated in INR.

(i) Exposure to interest rate risk

Particulars	31st March 2019	31st March 2018
Variable Rate Instruments		
Financial Assets	-	-
Financial Liabilities	2,347.12	2,596.49
	2,347.12	2,596.49

(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 2019		31st March 2018	
		Impact on		Impact on	
		Profit before Tax	Other Equity	Profit before Tax	Other Equity
Interest Rate increase by	0.50%	(11.74)	(11.23)	(12.98)	(10.91)
Interest Rate decrease by	0.50%	11.74	11.23	12.98	10.91

50.3.3 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 2019	31st March 2018
Investment in Mutual Funds	795.62	742.20

51 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.



Notes to the Financial Statements as on and for the year ended 31st March, 2019 (Contd.)

(Amount in ₹ Lakhs)

52 SEGMENT REPORTING

Basis of Segmentation

Factors used to identify the reportable segments : The Company has following business segments which are its reportable segments. These segments offer different products and services and are managed separately because they require different technology and production processes. Operating segment disclosures are consistent with the information provided to and received by the Chief Operating Decision Maker (CODM).

Reportable Segment	Products / Services
Textiles- Fabrics Division	Manufacturing & trading of fabrics
Textiles -Yarn Division (Since discontinued)	Manufacturing of yarn
Tea	Manufacturing & trading tea and various value added items
Real Estate	Selling of developed plots

The measurement principles of segments are consistent with those used in significant accounting policies. There are not inter segment transfers.

52.1 Primary Segment Information (Business Segment)*

Particulars	Textiles - Fabric Division	Textiles - Yarn Division -(Since Discontinued)	Tea	Real Estate	Unallocable	Total
Segment Revenue						
External Turnover	6,759.30 7,478.51	- 2,344.32	4,301.88 4,694.51	- -	- -	11,061.18 14,517.34
Revenue from Operations	6,759.30 7,478.51	- 2,344.32	4,301.88 4,694.51	- -	- -	11,061.18 14,517.34
Segment Result	(365.09) (172.44)	52.97 (1,163.90)	540.55 969.02	- -	- -	228.43 (367.32)
Less: Unallocable Expenditure net of unallocable Income					107.41 83.69	107.41 83.69
Finance Costs	190.82 240.73	- -	54.60 39.02	- -	- -	245.42 279.75
(Loss) / Profit Before Tax						(124.40) (730.76)
Other Information						
Segment Assets	4,443.21 4,385.33	294.95 697.21	5,244.33 5,145.86	2,029.46 2,026.49	1,564.44 1,419.58	13,576.39 13,674.47
Segment Liabilities	2,641.92 2,858.86	3.73 14.23	1,290.51 1,017.34	39.28 81.28	13.32 17.34	3,988.76 3,989.05
Capital Expenditure	77.26 -	- -	185.15 471.90	- -	- -	262.41 471.90
Depreciation/ Amortization/ Impairment	335.94 468.93	- 361.00	140.62 120.17	- -	- -	476.56 950.10



Notes to the Financial Statements as on and for the year ended 31st March, 2019 (Contd.)

(Amount in ₹ Lakhs)

52.2 Secondary Segment Information (Geographical Segment) *

Particulars	Within India	Outside India	Total
Segment Revenue	11,015.28 14,204.99	45.90 312.35	11,061.18 14,517.34
Segment Assets	13,576.39 13,674.47	- -	13,576.39 13,674.47
Capital Expenditure	262.41 471.90	- -	262.41 471.90

* Figures in **Italics & Bold** represents previous year figures.

52.3 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 previous 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.
- 53 Previous GAAP figures have been re-classified/re-grouped 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 an integral part of the Financial Statements

As per our Report annexed of even date
For SINGHI & CO.
Chartered Accountants
Firm Registration No.302049E
Sd/-
ADITYA SINGHI
Partner
Membership No. 305161
Kolkata
Dated : 25th day of May, 2019

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



BENGAL TEA & FABRICS LTD.



CIN : L51909WB1983PLC036542

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

Telefax Nos.: 033-2283-6416/17; E-mail : 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 36th Annual General Meeting of the Company to be held on Saturday, 10th August, 2019 at 10.30 a.m. at Bharatiya Bhasha Parishad, 36 A 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 Mrs. Shubha Kanoria, Director, retiring by rotation		
	Special Business		
3.	Re-appointment of Mr. Adarsh Kanoria as the Managing Director of the Company		
4.	Re-appointment of Mr. Kailash Prasad Khandelwal as a Whole time Director of the Company		
5.	Appointment of M/s Khandhar & Associates, Chartered Accountants as the Branch Auditors of the Company		
6.	Fixation of Remuneration of Cost Auditors for the Textile Division		
7.	Fixation of Remuneration of Cost Auditors for the Tea Division		
8.	Alteration of Articles of Association of the Company		

Signed this _____ day of _____ 2019.

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

Affix
Revenue
Stamp

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

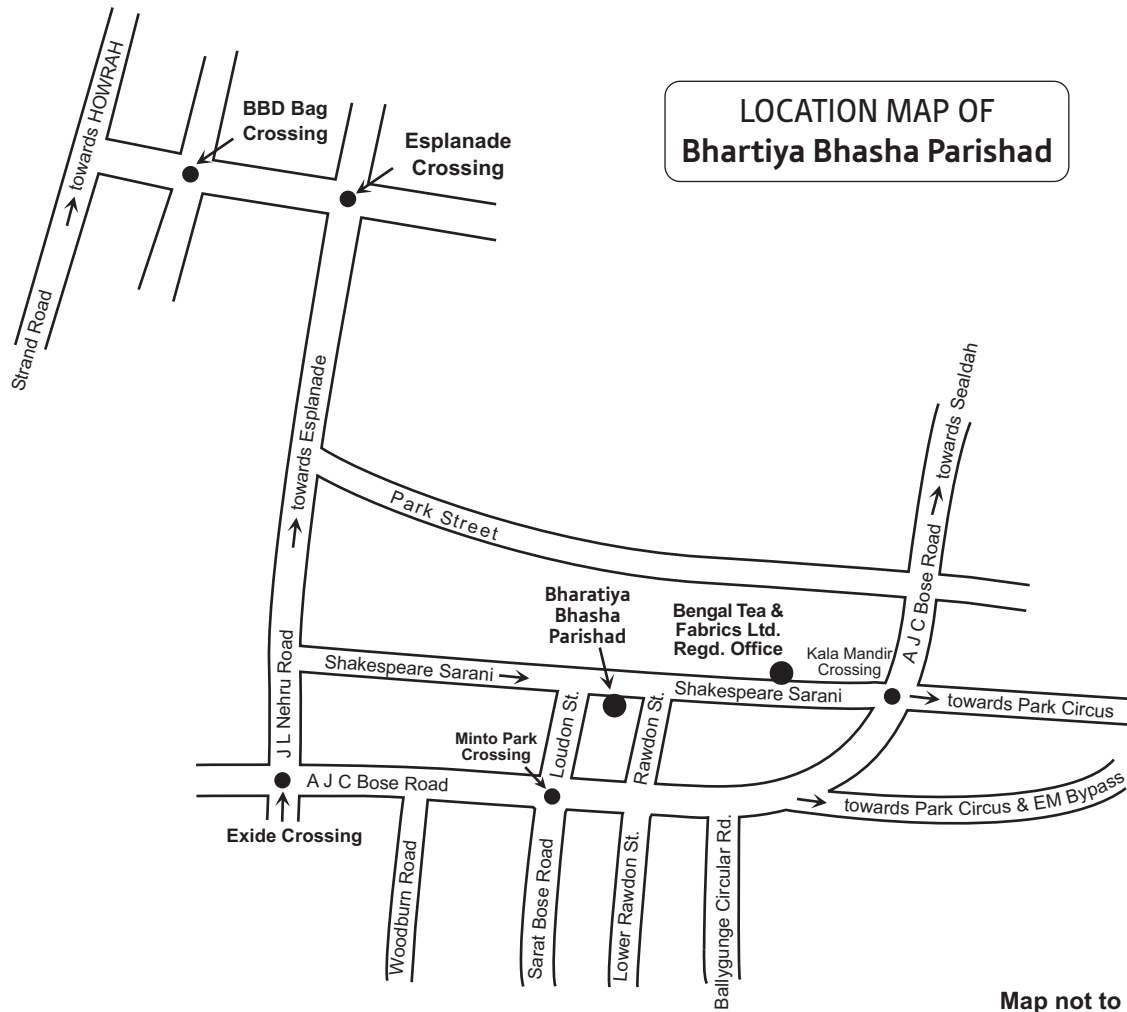
2. For the text of the Resolutions, Explanatory Statement & Notes, please refer to the Notice convening the 36th Annual General Meeting dated 25th May, 2019.
3. *It is optional to put '✓' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all resolution, your proxy will be entitled to vote in the manner as he/she thinks appropriate.
4. Please complete all details including details of member (s) in above box before submission.



36th Annual General Meeting of the Company

Date & Time : Saturday, 10th August, 2019 at 10:30 a.m.

Venue : Bharatiya Bhasha Parishad, 36 A Shakespeare Sarani, Kolkata – 700 017



**LOCATION MAP OF
Bhartiya Bhasha Parishad**

Map not to scale



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 36th 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 36th Annual General Meeting of the Company held on Saturday, 10th August, 2019 at 10.30 A.M. at "Bharatiya Bhasha Parishad", 36 A, Shakespeare Sarani, Kolkata 700 017.

.....
Member's/Proxy's Name in Block Letters

.....
Member's/Proxy's Signature

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

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

REMOTE E-VOTING PARTICULARS

Dear Shareholder,

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

Pursuant to provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, as amended the Company is pleased to provide its members a facility to cast their votes using an electronic voting system from a place other than venue of the Annual General Meeting ("remote e-voting") in relation to the business to be transacted at the 36th Annual General Meeting of the Company to be on held on Saturday, 10th August, 2019 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.cdsl.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
7 th August, 2019 from 9.00 am	9 th August, 2019 till 5.00 pm

Please read the instructions given at point no. 22 of the Notice to 36th Annual General Meeting of the Company dated 25th May, 2019 carefully before availing remote e-voting facilities.