

Keeping the mother earth green...

Annual Report

2012 - 2013



Bengal Tea & Fabrics Ltd.



CORPORATE INFORMATION	
BOARD OF DIRECTORS	<p>Mr. Adarsh Kanoria <i>Chairman & Managing Director</i></p> <p>Mr. Abhijit Datta</p> <p>Mr. Dharendra Kumar</p> <p>Mr. Radhe Shyam Saraogi <i>Whole-time Director</i></p> <p>Mr. Golam Momen</p> <p>Mr. Samveg A. Lalbhai</p>
COMPANY SECRETARY	Mrs. Sunita Shah
AUDITORS	M/s. Jain & Co., Chartered Accountants
BRANCH AUDITORS	M/s. Sorab S. Engineer & Co., Chartered Accountants
COST AUDITORS	M/s. N. D. Birla & Co., Cost Accountants M/s. D. Radhakrishnan & Co., Cost Accountants
BANKERS	State Bank of India Punjab National Bank Bank of India IDBI Bank
TEA DIVISION	Ananda Tea Estate P.O. Pthalipam 787 056 Dist. North Lakhimpur (Assam)
TEXTILE DIVISION	Asarwa Mills Asarwa Road, Ahmedabad 380 016 (Gujarat)
REGISTERED OFFICE	45, Shakespeare Sarani 4th Floor, Century Towers, Kolkata 700 017, India Telefax Nos. : 91 33 2283-6416/17 E-mail : investor@bengaltea.com Website : www.bengaltea.com
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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NOTICE

TO THE MEMBERS

NOTICE is hereby given that the 30th Annual General Meeting of the Members of **Bengal Tea & Fabrics Limited** will be held at "Kalakunj", 48, Shakespeare Sarani, Kolkata 700 017 on Saturday the 3rd day of August, 2013 at 10.30 A.M. to transact the following Ordinary business: -

1. To receive, consider and adopt the Audited Accounts for the year ended 31st March, 2013 and the Reports of the Directors' and Auditors' thereon.
2. To declare a Dividend.
3. To appoint a Director in place of Mr. Dharendra Kumar, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Samveg A Lalbhai, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors in place of retiring Auditors, to hold office from the conclusion of the 30th Annual General Meeting until the conclusion of the 31st Annual General Meeting and to authorise the Board of Directors to fix their remuneration.

Registered Office :

45, Shakespeare Sarani,
Kolkata 700 017

Dated : 11th day of May, 2013

By Order of the Board

SUNITA SHAH
Company Secretary

NOTES :

1. **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 commencement of the meeting.**
2. The Register of Members and Share Transfer books of the Company will remain closed from Saturday, 27th day of July, 2013 to Saturday, 3rd day of August, 2013 (both days inclusive).
3. 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 Nos. for easier identification of the attendance at the meeting.
4. Members desirous of getting any information on the accounts or operations of the Company are requested to forward their queries to the Company at least seven working days prior to the meeting so that the required information may be readily available at the meeting.
5. Members are requested to intimate immediately change of Address, if any, to the Company.
6. **Members still possessing the share certificates issued prior to 25th July, 1998 are requested to surrender the said share certificates for the reduced shareholdings as only the new share certificates are eligible for demat.**
7. **Members are hereby informed that SEBI in terms of Circular No. CIR/MRD/DP/10/2013 dated 21st March, 2013 has made it mandatory for all Listed Companies to make cash payments through electronic modes to the investors. It is further directed that in case electronic payment is rejected or returned, the Company shall mandatorily print the bank account details of the investor on payment instrument. Members are requested to provide their updated Bank Account Particulars to enable the Company to electronically credit dividend directly in their respective bank accounts.**
Members holding shares in demat mode are requested to send correct bank details (including MICR No., IFSC Code, Account Type etc.) to their respective Depository Participant. Members holding shares in physical form are requested to send such bank details alongwith a cancelled cheque to our Registrar M/s. C B Management Services Pvt. Ltd.
8. 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 email.
9. The Shareholders, who are still holding shares in physical form are requested to take immediate action to demat their shares to avail easy liquidity since trading of shares of the Company are under compulsory Demat mode as per the regulation of SEBI and also to prevent any loss of physical Share Certificate.
10. The Shareholders who have not encashed their Dividend Warrants are requested to send their Warrants for revalidation otherwise the amount will be transferred to the Central Government Account i.e. IEPF on expiry of 7 years from the date of transfer of dividend amount to unclaimed dividend account.
11. The brief profile of the Directors seeking appointment/re-appointment including relevant particulars relating to them are furnished in the Corporate Governance Report forming part of the Annual Report, as required under Clause 49(IV)(G) of the Listing Agreement.



DIRECTORS' REPORT

Dear Members,

The Directors of the Company present their 30th Annual Report and Audited Accounts for the year ended 31st March, 2013.

FINANCIAL RESULTS

The financial results for the year ended 31st March, 2013 and the corresponding figures for the last year are as under:

(Amount in ₹ Lacs)

	2012-2013		2011-2012	
Profit before Interest, Depreciation and Tax		3160		310
Less : Finance Cost	943		907	
Depreciation & Amortization Expense	1013	1956	931	1838
Profit/(Loss) after Interest & Depreciation		1204		(1528)
Less : Tax Expense for Current Year (Net of MAT Credit Entitlement)	99		90	
Taxation for earlier year	-		1	
Deferred Tax Written Back/ Provision	(41)	58	(400)	(309)
Profit/(Loss) after Tax		1146		(1219)
Add : Balance Brought Forward from Last Account		233		1452
Less : Transferred to General Reserve		-		-
Less : Proposed Dividend & Tax thereon		105		-
Credit balance carried to Balance Sheet		1274		233

DIVIDEND

Your Directors are pleased to recommend a payment of Dividend of ₹ 1.00 per Equity Share on the face value of ₹ 10/- each being 10% for the year ended 31st March, 2013.

OPERATIONS

Tea Division

During the year under review, your Company achieved a production of 20.33 lac kgs of Black Tea as compared to 19.77 lac kgs in the previous year. The production of own green tea leaves during the year was lower due to unfavourable weather conditions and also loss of crop due to Company's policy of continuous uprooting of the old areas for replantation. However, the loss of crop was made up by purchasing higher quantity of outsourced leaves resulting in higher production.

The year commenced well with prices firming up since there was less carry-over of stock from previous year. The auction prices for the calendar year 2012 remained higher by about 15%. The average sale price of Black Tea of your tea estate increased by about 20% during the year as compared to previous year. However, there has been an all round increase in wages, power and fuel and other input costs affecting the profitability.

The weather conditions remained indifferent at the start of the current year and the season started late. The current market remains steady due to lower carry-over and increase in consumption of tea. Considering the above scenario, the performance of Tea Division is expected to be satisfactory.

Textile Division

During the year under review, the Textile Division has made a total turn around. Its performance is far better than expected. It has earned a net profit before tax of Rs 53 lacs as against a net loss of Rs 2617 lacs in the previous year. During the year, cotton prices were more or less stable throughout the year. There was a good demand of cotton yarn in the export and domestic markets which resulted into higher prices of the yarn. The Textile Division has completed its modernization project as per schedule i.e. on 31.12.2012. This has enabled the Division to start manufacturing of Value Added Yarn (like Compact Yarn). The Division has also started manufacturing of Value Added Fabric which is giving better margins.

MODERNISATION AND PROSPECTS

The Company is planning to continue with its modernization program in the spinning section of the Textile Division during current year also. The Company is planning to install Compact Ring Frames with higher productivity and latest technology having automatic doffing system by replacing old Ring Frames. This shall enable the Division to increase the production of Value Added Yarn of good quality which will also reduce the manpower cost. Further, the Division is concentrating on increasing proportion of value added products by changing its product mix. The Division shall be able to take full benefits of modernization project during the current year. Considering the above, the outlook for the Division seems to be positive.



DIRECTORS' REPORT (Contd.)

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange, is set out in the annexure forming part of the Annual Report marked as **Annexure - "A"**.

CORPORATE GOVERNANCE REPORT

The Report on Corporate Governance in accordance with Clause 49 of the Listing Agreement with the Stock Exchange, approved by the Board together with a Certificate from Statutory Auditors M/s Jain & Co., Chartered Accountants regarding compliance with the conditions of Corporate Governance are set out in the annexure forming part of the Annual Report marked as **Annexure - "B"**.

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

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, your Directors confirm that :

- (i) the Company had followed the applicable accounting standards in the preparation of the annual accounts for the year ended 31st March, 2013;
- (ii) the Directors have made judgments and estimates that are reasonable and prudent and have selected accounting policies and applied them consistently to give true and fair view of the state of affairs of the Company as at 31st March, 2013 and its profit for the year ended on that date;
- (iii) the Company has a proper and adequate system of internal control to ensure that all assets are safeguarded against losses and the system is capable of detecting fraud and other irregularities;
- (iv) the annual accounts have been prepared on a going concern basis.

DEPOSITS

During the year 2012-2013, your Company did not accept/renew any deposits within the meaning of Section 58A of the Companies Act, 1956 and the rules thereunder and as such, no amount of principal or interest was outstanding as on 31st March, 2013.

DIRECTORS

Mr. Dhirendra Kumar and Mr. Samveg Lalbhai, Directors of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves, for re-appointment.

Brief resume of the Directors seeking re-appointment, nature of their expertise in specific functional areas and details of their directorship and membership/chairmanship of Board Committees, as stipulated under Clause 49 of the Listing Agreement, are provided in the Report on Corporate Governance marked as **Annexure - "B"**.

AUDITORS

M/s. Jain & Co., (Regn. No. 302023E), Chartered Accountants, Statutory Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting, and are eligible for the re-appointment.

The Company has received letter from the Auditors to the effect that their re-appointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956 and that they are not disqualified for re-appointment within the meaning of Section 226 of the Act. Members are requested to consider their re-appointment for the Financial Year 2013-2014.

COST AUDIT

Pursuant to the order no. 52/26/CAB-2010 dated 24th January, 2012 of the Ministry of Corporate Affairs ('MCA'), the Company is required to conduct audit of its cost accounting records of its Textile Division. In terms of the said order Cost Audit is conducted by firm of Cost Accountants appointed with the approval of the MCA. In terms of General Circular No. 15/2011 dated 11th April, 2011 issued by MCA, full particulars of the Cost Auditors as also other details pertaining to the Cost Audit are given below :

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

Details of Cost Auditor	Unit Audited	Due date of filing	Actual date of filing
Name: N.D. Birla & Co. Address: A-3, Nirant Society, Opposite Town Hall Near Karnavati Hospital, Ellisbridge, Ahmedabad, Gujarat- 380006 Registration No. allotted by ICWAI: 00028	Textile Division- Bengal Tea & Fabrics Ltd. Asarwa Mills - Ahmedabad	28th February, 2013	29th January, 2013

Pursuant to the order no. 52/26/CAB-2010 dated 24th January, 2012 of the Ministry of Corporate Affairs ('MCA'), the Company is also required to conduct audit of its cost accounting records of its Tea Division under Section 233B of the Companies Act, 1956 in respect of each of its financial year commencing on or after 1st April, 2012. In terms of the said order Cost Audit for the Tea Division of the Company is being conducted by M/s D. Radhakrishnan & Co., Cost Accountants with the approval of the MCA.



DIRECTORS' REPORT (Contd.)

PARTICULARS OF EMPLOYEES AS REQUIRED UNDER SECTION 217(2A) OF THE COMPANIES ACT, 1956 AND RULES FRAMED THEREUNDER

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

As required under Section 217(2A) of the Companies Act, 1956 and Rules thereunder, no such employee of the Company were in receipt of remuneration of more than Rs. 60 lacs during the year ended 31st March, 2013 or of more than Rs. 5 lacs per month during any part thereof.

The Board expresses its appreciation for the contribution of the employees at all levels.

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 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, is set out in the annexure forming part of the Annual Report marked as **Annexure - "C"**.

ACKNOWLEDGEMENT

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

Kolkata

Dated : 11th day of May, 2013

For and on behalf of the Board

ADARSH KANORIA

Chairman

MANAGEMENT DISCUSSION & ANALYSIS REPORT

ANNEXURE - "A"

(Forming part of the Directors' Report for the financial year ended 31st March, 2013)

TEXTILE DIVISION

Industry Structure and Developments : Indian Textile Industry (i) contributes about 14% to the total industrial production of India (ii) constitutes 4% of Indian GDP (iii) earns about 27% of total foreign exchange and (iv) provides direct employment to over 35 million people and is the second largest provider of employment in the nation after agriculture. Thus Textile Industry plays a major role in the Indian economy.

Opportunities and Threats : India's growing population has been a key driver of textile consumption growth in the country. The IMF expects India's population to touch 1.31 billion by end 2017. It has been complemented by a young population which is growing and at the same time is exposed to changing tastes and fashion. Rising incomes and rising middle class are aiding demand growth of textiles. Due to low cost of production, India's textile industry has a strong competitive advantage to key global peers.

India's per capita consumption of all kind of fibres is just 8 kgs against global average of 12 kgs. So there is good potential of domestic demand of textiles in India for coming years.

Recently, the Government of Gujarat has come out with new Gujarat Textile Policy- 2012 which will provide interest subsidy, concessional power tariff and VAT etc. benefitting the industry to grow at a faster speed.

The Indian textile industry is set for strong growth, buoyed by both strong domestic consumption as well as export demand. Non-availability of skilled labour, Government policies, non-availability of raw materials at stable prices and fluctuation of the Indian Rupee are major threats to the industry.

Product-wise Performance : The production of cloth has decreased in the current year mainly due to change in product-mix, however the production of yarn has increased in the current year because of good demand in the domestic market. Average realization of both cloth and yarn has increased due to more production of value added products.

	Cloth			Yarn		
	Production (Lac Mtrs.)	Sales (Lac Mtrs.)	Average Realisation (₹ Per Mtr.)	Production (Lac Kgs.)	Sales (Lac Kgs.)	Average Realisation (₹ Per Kg.)
2012-13	83.67	92.80	84.83	41.39	41.43	200.10
2011-12	90.35	101.73	66.82	30.19	34.52	181.56
Change	(-)7.39%	(-)8.78%	(+) 26.94%	(+)37.10%	(+)20.02%	(+)10.21%



MANAGEMENT DISCUSSION & ANALYSIS REPORT (Contd.)

Outlook : During the current year, it is expected that there will be a good demand of finished products of textiles in the domestic as well as export markets and the industry will be able to absorb the impact of increase in input costs like power, labour, interest etc. In view of above, the outlook for the Division seems to be stable.

Risks and Concerns : The continual increase in input costs like raw material, power, labour, interest etc, non-availability of skilled labour, fluctuations of the Indian Rupee and uncertainty of global markets are main concerns of the textile industry.

Discussion on the Financial Performance with respect to the Operational Performance : The division has earned a profit before tax of Rs 53 lacs against a net loss of Rs. 2617 lacs in the previous year mainly due to good demand in domestic market, more production of value added products, and also due to benefits derived from modernization project to some extent.

TEA DIVISION

Industry Structure & Developments : India is the largest Black Tea producer in the world producing approximately 1,111 million kgs during the calendar year 2012. Strong consumption growth, low inventory and normal production have resulted in increasing the prices in the domestic market during the year.

Opportunities & Threats : The continuous promotional efforts and better marketing and brand building initiatives taken jointly by the Government/Tea Board including hunt for newer export markets, providing incentives in the form of subsidies etc., are likely to benefit the Industry in the long term.

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

Product-wise Performance : During the year under review, the production of Black Tea was higher as compared to previous year. Strong demand for quality tea persisted and the average realization of the tea sold by the Company was about 20% higher as compared to the previous year. The gist of performance of the division during the financial year 2012-2013 is as under :

Black Tea			
	Production (Lac Kgs.)	Sales (Lac Kgs.)	Average Realisation (₹ Per Kg.)
2012-13	20.33	20.31	185.37
2011-12	19.77	20.22	154.69
Change (%)	(+) 2.83%	(+) 0.45%	(+) 19.83%

Outlook : The weather conditions remained subdued at the beginning of the year, however, the shortage of quality tea and increased consumption demand will have positive impact on the prices.

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

Discussion on Financial Performance with respect to Operational Performance : The Company's steady progress in making quality teas having redeemable feature of attracting premium prices over medium and low quality teas is paying off, resulting into achieving satisfactory profitability.

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

Information regarding Human Resources/Industrial Relations : The relationships at both the Divisions were cordial with the employees throughout the year except strike for a short period at the textile division which was settled amicably. The total numbers of manpower employed by the Textile and Tea Divisions as on 31st March, 2013 were 694 & 1344 respectively.

Cautionary Statement : The forward-looking statements and the views expressed in the Management Discussion and Analysis Report are based on certain assumptions. The actual results, performances or achievements may differ materially from those stated therein. The Company would not be held liable, in any manner, if the future turns out to be quite different, even materially.

For and on behalf of the Board

Kolkata
Dated : 11th day of May, 2013

ADARSH KANORIA
Chairman



REPORT ON CORPORATE GOVERNANCE

ANNEXURE - "B"

(Forming part of Directors' Report for the financial year ended 31st March, 2013)

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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

2. BOARD OF DIRECTORS

Composition, Attendance & Information of other Directorships/Committee Memberships

The Board of Directors comprises of six members consisting of four independent non-executive directors having experience in business, finance etc. The attendance during the financial year 2012-2013 and composition of the Board of Directors is as under :

Name of the Directors	Category	No. of other Directorships*	No. of other Board Committee(s)** in which he is		Attendance at last AGM held on 11.08.2012	Attendance at Board Meetings
			Member	Chairman		
Mr. Adarsh Kanoria	Promoter-Executive	4	—	—	Yes	5
Mr. Radhe Shyam Saraogi	Executive	—	—	—	Yes	1
Mr. Golam Momen	Independent-Non-Executive	14	13	1	Yes	3
Mr. Dharendra Kumar	Independent-Non-Executive	10	1	—	Yes	5
Mr. Samveg A. Lalbhai	Independent-Non-Executive	9	—	—	No	1
Mr. Abhijit Datta	Independent-Non-Executive	6	2	—	Yes	4

* Also includes directorships other than Public Limited Companies.

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

Meetings

During the Financial Year 2012-2013, the Board of Directors met 5 (five) times on the following dates: 12.05.2012, 26.06.2012, 11.08.2012, 10.11.2012 and 09.02.2013.

Information about the Directors seeking appointment/re-appointment

(a) **Mr. Dharendra Kumar**, B.E. (Mech) from New York University, aged about 70 years, retires at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. Mr. Dharendra Kumar has vast experience in the business of Tea and is an eminent personality of Tea Industry. Mr. Kumar is associated with a number of Chambers/Organisations, including Tea Association of India, Indian Tea Association, Calcutta Tea Traders Association, Bharat Chamber of Commerce etc. Mr. Kumar has also held the position of President of Bharat Chamber of Commerce and Tea Association of India. Mr. Kumar an Independent Non-Executive Director, is on the Board of the Company since 13.08.2003. He does not hold any share of the Company.

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

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



REPORT ON CORPORATE GOVERNANCE (Contd.)

(b) **Mr. Samveg A. Lalbhai**, a Graduate in Commerce from Gujarat University, aged about 51 years retires at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. He has vast experience in the business of Textiles and is an eminent personality of Textile Industry. Mr. Lalbhai is associated with a number of Chambers/Organisations, including FICCI, Confederation of Indian Textile Industries, Gujarat Chamber of Commerce, Ahmedabad Textile Mills Association etc. Mr. Samveg A Lalbhai, an independent Non-Executive Director, is on the Board of the Company since 06.05.2004. He does not hold any share of the Company.

Mr. Lalbhai held the Directorships/Committee Memberships of the following other companies :

Sl. No.	Name of the Company	Committee Membership
1.	Anup Engineering Ltd.	—
2.	Atul Ltd.	—
3.	Arvind Overseas (M) Ltd.	—
4.	Arvind Farms Pvt. Ltd.	—
5.	Saumya Farms & Organic Prod. Pvt. Ltd.	—
6.	Sneh Farms Pvt. Ltd.	—
7.	National Design Business Incubator	—
8.	Arvind Worldwide Inc. USA	—
9.	Arvind Worldwide (M) Inc.	—

3. AUDIT COMMITTEE

The Audit Committee comprises of 4 (four) non-executive Directors of whom the Chairman and other members are independent Directors. The committee has been meeting at regular intervals. The Chairman and the members of the Audit Committee have in-depth knowledge in the areas of Finance and Accounts.

Terms of Reference

The role and power of the Audit Committee includes :

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

Composition, Meetings & Attendance

Name of the Members	Category	No. of Meetings attended	Dates on which Meetings held
Mr. Abhijit Datta - Chairman	Independent - Non-Executive	4	12.05.2012, 26.06.2012
Mr. Golam Momen	- do -	3	11.08.2012, 10.11.2012 09.02.2013
Mr. Dharendra Kumar	- do -	5	
Mr. Samveg A. Lalbhai	- do -	1	

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



REPORT ON CORPORATE GOVERNANCE (Contd.)

4. REMUNERATION COMMITTEE

Terms of Reference

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

Composition, Meeting & Attendance

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

Remuneration Policy

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

Remuneration to Directors paid during the financial year 2012-2013 and other disclosures :

Name of the Directors	Salary (₹)	Benefits (₹)	Contribution to PF, Gratuity and other funds(₹)	Meeting Fees (₹)	Service Contract/ Tenure	Notice Period	Number of Shares held
Mr. Adarsh Kanoria	33,00,000/-	8,08,879/-	5,54,654/-	—	01-01-2011 to 31-12-2013	3 Months*	536137
Mr. Radhe Shyam Saraogi	11,10,000/-	4,92,983/-	4,61,239/-	—	01-01-2011 to 31-12-2013	3 Months*	—
Mr. Golam Momen	—	—	—	50,000/-	N.A.	N.A.	750
Mr. Abhijit Datta	—	—	—	65,000/-	N.A.	N.A.	—
Mr. Dharendra Kumar	—	—	—	80,000/-	N.A.	N.A.	—
Mr. Samveg A. Lalbhai	—	—	—	15,000/-	N.A.	N.A.	—

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

5. SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE

The Shareholders/Investors Grievance Committee is being headed by Mr. Golam Momen, an Independent Non-Executive Director of the Company. Mrs. Sunita Shah, Company Secretary, is the Compliance Officer of the Company. The Company has not received any complaint during the financial year 2012-2013.

6. GENERAL BODY MEETINGS

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

	Date of Meeting	Venue	Time
27th AGM	31.07.2010	Kalakunj, 48, Shakespeare Sarani, Kolkata 700 017	10.30 A.M.
28th AGM	06.08.2011	Kalakunj, 48, Shakespeare Sarani, Kolkata 700 017	10.30 A.M.
29th AGM	11.08.2012	Kalakunj, 48, Shakespeare Sarani, Kolkata 700 017	10.30 A.M.

No Special Resolution was proposed in 28th AGM and 29th AGM. The Shareholders passed the Special Resolutions set out in the Notice of the 27th AGM. No Special Resolution was put through Postal Ballot in the last year.



REPORT ON CORPORATE GOVERNANCE (Contd.)

7. DISCLOSURES

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

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

Although, the Company has not formulated Whistle Blower policy, being a non-mandatory requirement, but no personnel has been denied access to the senior management/audit committee.

The details of compliance with mandatory requirements and adoption of the non-mandatory requirements of the Clause 49 of the Listing Agreement, as applicable during the financial year ended 31st March, 2013, are as under :

Mandatory requirements

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

Non-Mandatory requirements adopted by the Company

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

8. MEANS OF COMMUNICATION

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

9. GENERAL SHAREHOLDER INFORMATION

Annual General Meeting : Date : Saturday, 3rd August, 2013
 Time : 10.30 A.M.
 Venue : Kalakunj, 48, Shakespeare Sarani, Kolkata 700 017

Financial Year : 1st April, 2012 to 31st March, 2013

Date of Book Closure : 27th July, 2013 to 3rd August, 2013 (Both days inclusive)

Dividend Payment Date : After 3rd August, 2013 but before 2nd September 2013, if approved at AGM.

Listing on Stock Exchanges & Stock Code

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

The Company has paid the listing fees for the financial year 2013-2014.

Market Price Data and Number of Shares traded at Bombay Stock Exchange Ltd during the Financial Year 2012-2013

	April	May	June	July	August	September	October	November	December	January	February	March
High	25.85	23.90	24.60	24.95	22.00	23.50	23.45	33.90	30.00	31.90	31.30	28.55
Low	21.00	20.20	19.00	18.00	18.20	19.00	20.50	20.00	27.00	27.00	26.80	22.70
Volume	45230	32136	30043	46862	43495	49395	56620	259812	34091	58710	24199	31001



REPORT ON CORPORATE GOVERNANCE (Contd.)

Performance in comparison to broad based indices

	31.03.2013	31.03.2012	Change (%)
Share Prices of BTFL (₹)	25.20	20.90	(+) 20.57%
V/s BSE Sensex	18835.77	17404.20	(+) 08.23%

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

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

Distribution of Shareholding as on 31st March, 2013

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	10566	76.05	4,99,691	5.55
2	51-100	1345	9.68	1,27,257	1.41
3	101-500	1468	10.57	3,95,597	4.39
4	501-1000	248	1.78	2,04,897	2.28
5	1001-2000	129	0.93	1,94,119	2.16
6	2001-3000	48	0.34	1,21,731	1.35
7	3001-4000	15	0.11	51,805	0.57
8	4001-5000	15	0.11	69,937	0.78
9	5001-10000	22	0.16	1,54,728	1.72
10	10001 & above	37	0.27	71,86,223	79.79
	Total	13893	100.00	90,05,985	100.00

Shareholding Pattern as on 31st March, 2013

Sl. No.	Category	Number of Shares held	Percentage of Shareholding
1	Promoters	65,92,473	73.20%
2	Institutional Investors (Financial Institutions, Insurance Companies, Banks, Mutual Funds etc)	83,561	0.93%
3	Body Corporates (other than above)	1,73,407	1.93%
4	Resident Public	21,23,972	23.58%
5	NRIs' / Foreign Nationals	14,067	0.15%
6	The Official Trustee of West Bengal	11,520	0.13%
7	Clearing Members	6,985	0.08%
	Total	90,05,985	100.00%

Dematerialisation & Liquidity of Shares : The equity shares of the Company are under the list of "compulsorily delivery in dematerialised form by all investors" and the ISIN allotted by NSDL and CDSL is INE665D01016. About 93.32% of the total equity shares have been dematerialised upto 31st day of March, 2013. The shares are regularly traded at BSE.

Outstanding GDR/ADR/Warrants or any Convertible Instruments

: Nil

Plant Locations

: Ananda Tea Estate, North Lakhimpur, Assam 787 056
Asarwa Mills, Asarwa Road, Ahmedabad 380 016



REPORT ON CORPORATE GOVERNANCE (Contd.)

Address for Correspondence : Share-related queries/correspondences
Registrar & Share Transfer Agents – Address as above
OR
The Company Secretary,
Bengal Tea & Fabrics Limited
Century Towers, 4th Floor, 45, Shakespeare Sarani, Kolkata 700 017
Telefax Nos.: 2283-6416/17, E-mail : investor@bengaltea.com
Website: www.bengaltea.com

For and on behalf of the Board

Kolkata
Dated : 11th day of May, 2013

ADARSH KANORIA
Chairman

DECLARATION

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

For Bengal Tea & Fabrics Limited

Kolkata
Dated : 11th day of May, 2013

ADARSH KANORIA
Managing Director

CERTIFICATE ON CORPORATE GOVERNANCE

TO THE MEMBERS OF BENGAL TEA & FABRICS LIMITED

We have examined the compliance of conditions of Corporate Governance by BENGAL TEA & FABRICS LIMITED (“the Company”) for the year ended on 31st March, 2013, as stipulated in Clause 49 of the Listing Agreement of the Company with the stock exchange.

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

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

We have been explained that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Company.

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

P-21/22, Radhabazar Street
Kolkata 700 001
Dated : 11th day of May, 2013

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



ANNEXURE - "C"

INFORMATION AS PER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2013

CONSERVATION OF ENERGY

Energy Conservation measures taken :

The Company has taken following steps to conserve the energy :

- (a) The company have changed imported coal size from 0-6 mm to 8-20 mm. The coal size gives more steam generation with lesser ash content thus saving energy.

Pollution Control

- (a) Modification of Effluent Treatment Plant by constructing primary clarifiers, aeration tank, sludge drying bed and flocculate tank, collection tanks with necessary equipments and pipeline and air blowers improves COD & BOD of treated effluent water. The level of COD & BOD in the discharged effluent water is under GPCB norms.

Total energy consumption per unit of production are furnished in the prescribed Form "A" annexed hereto.

FORM-A

Particulars with respect to Conservation of Energy

(A) POWER & FUEL CONSUMPTION	TEA		TEXTILE	
	Current year	Previous year	Current year	Previous year
1. Electricity				
(a) Purchased (Units)	8,43,080	9,16,380	3,45,18,936	2,93,12,100
Total Amount (₹ in Lacs)	67	72	2,136	1,659
Rate/Unit (₹)	8.00	7.89	6.19	5.66
(b) Own Generation				
Through Diesel (Units)	5,06,018	4,17,456	—	—
Unit per ltr. of Diesel	3.49	3.41	—	—
Cost/Unit (₹)	12.38	11.54	—	—
2. Coal (Specify quality and where used)				
Quantity (Tonnes)	1,423	1,152	9,321	8,265
Total Cost (₹ in Lacs)	117	73	381	342
Average Rate (₹/Tonne)	8,238	6,292	4,089	4,134
Quality : Dust khasi, 4500 kilo calories/kg.				
Used in drier : Ash 40% to 60% and 30% to 35%				
(B) CONSUMPTION PER UNIT OF PRODUCTION		Unit	Current year	Previous year
(i) Black Tea		Kg.		
Electricity		Unit	0.66	0.67
Coal (Quality as above)		Kgs.	0.70	0.58
(ii) Yarn		Kg.		
Electricity		Unit	4.26	4.26
Coal		Kgs.	0.43	0.47
(iii) Cloth		Mtr.		
Electricity		Unit	1.04	0.92
Coal		Kgs.	0.88	0.80

FORM-B

RESEARCH & DEVELOPMENT (R & D)

	TEA	TEXTILE
(1) Specific areas in which R & D carried out by the Company	The Division subscribes to Tea Research Association which is registered U/s 35(1)(ii) of the Income Tax Act, 1961.	<p>(a) Installation of 13 nos of New LMW LR9AX Ringframe of 1104 spdls each (total 14352 spdls) with Auto doffing system and automatic waste collection system to increase productivity and quality of yarn.</p> <p>(b) 4 nos of new Murat Q-Pro Process Coner II equipped with Visual Manager were installed in the new autodooffing dept in increase Autoconer productivity and packaging quality.</p> <p>(c) New Humidification Plant was installed for the new Auto doffing department having 13 LR9AX Ringframes and 4 nos of Murata Q-Pro Process Coner II.</p> <p>(d) Installation of 2 nos LF4200A speed frames of 200 spdls per frame.</p> <p>(e) Existing ETP has been modified by constructing 2 nos of primary clarifiers, aeraton tank of 6.52 lacs liters capacity, sludge drying bed, flocculate tank and filtraton sump.</p>



(2) Benefits derived as a result of the above R & D	The Division benefits from the suggestions received from the Association out of R & D activities.	(a) The Elite compact yarn is a special yarn with higher yarn strength and lower hairness. This yarn is best suitable for high speed air jet loom giving higher efficiency than the normal yarn. Also in the market this yarn is sold at premium price. (b) By installing Ringframe with Autodoffing system we have reduced substantial no of manpower. Also Autodoffing gives 2-3% of higher productivity. (c) The state of the art Murata make latest Q-pro Process coner II gives higher productivity, good package quality and excellent yarn clearing efficiency. The Visual Manager in this machines gives better and easy analysis of machine working thus maintenance becomes easier. (d) LK64Z comber run at 500 nips per min giving higher production with improved web quality. (e) The sectional wrapping is specially for dyed yarn wrapping to make yarn dyed fabric with variety of strips and checks. (f) The bore well can collect all the rain water from roof of new autodoffing dept and conserve water. (g) Lycra attachment enables us to run lycra yarn as a weft resulting in value addition in the fabrics.	
(3) Future plan of action	The Division wishes to continue the membership of Tea Research Association.	(a) We will install 8 nos of LR9AX ringframes with Auto doffing System and Sussen Elite Compact System having 1200 spindles each replacing old ringframes with manual doffing to increase productivity and quality of yarn. (b) The existing Humidification plant for this 8 nos ringframes will be modified as per RH and Temp requirement of the department. (c) We plan to install 2 nos of 1000 Kg capacity JT 10 Jiggers for increasing production of bleached fabrics. (d) 300 KVA capacitor are planned to be installed at suitable places for increasing power factor from 0.97 to 0.99.	
(4) Expenditure on R & D		2012-2013	2011-2012
(a) Capital (₹)	Nil	-	-
(b) Recurring (₹)	Nil	23,17,163	20,60,783
(c) Total (₹)	Nil	23,17,163	20,60,783
(d) Total R & D Expenditure as a percentage of total turnover	Nil	0.13%	0.14%

TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION

		TEA	TEXTILE
1.	Efforts, in brief, made towards technology absorption, adaptation & innovation.	Not applicable	(a) 2 ring frames of LMW LR60A and LR/6 are converted to Elite compact set. (b) Installation of 13 Autodoffing ring frame LR9AX total 14352 spindles. (c) Installation of 4 nos of Murata Q-Pro Process Coner II. (d) Installation of 1 no of Prasant Gamatex Sectional Wrapping machine. (e) Installation of 1 no of LMW LK64Z high speed comber.
2.	Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development	Not applicable	(a) Elite Compact technology has improved the yarn quality, value addition in yarn and fabrics. (b) Rationalisation of work force and increase in productivity and better product quality. (c) Better package quality, improved clearing efficiency of yarn and higher productivity. (d) Product development of stripes and checks fabric with coloured yarn. (e) Higher productivity and better web quality.
3.	Information regarding Technology imported during last 5 years	Not applicable	Not applicable

FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year 2012-2013, the Company has contributed about ₹ 2,934 Lacs (net of outgo) to the exchequer in the form of valuable foreign exchange money.

	2012-2013	2011-2012
1. Foreign Exchange Earnings	3,638	3,693
2. Foreign Exchange Outgo	704	193

For and on behalf of the Board

ADARSH KANORIA
Chairman

Kolkata
Dated : 11th day of May, 2013



AUDITORS' REPORT

TO THE MEMBERS OF BENGAL TEA & FABRICS LIMITED

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of BENGAL TEA & FABRICS LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, in which are incorporated the accounts of the Textile Division, as audited by another firm of Chartered Accountants.

MANAGEMENT RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by The Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order .
2. As required by Section 227(3) of the Act, we report that :
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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;
 - c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

For JAIN & CO.
Chartered Accountants
Registration No. 302023E

M. K. JAIN
Partner

Membership No. 055048

P-21/22, Radhabazar Street
Kolkata 700 001
Dated : 11th day of May, 2013



ANNEXURE TO THE AUDITORS' REPORT

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

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

1. a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
c) In our opinion and according to the information and explanations given to us, no fixed asset has been disposed during the year and therefore does not affect the going concern assumption.
2. a) As explained to us, inventories have been physically verified during the year by the management at reasonable intervals.
b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
c) In our opinion and on the basis of our examination of the records, the Company is generally maintaining proper records of its inventories. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
3. a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Consequently, the provisions of clauses iii (b), iii(c) and iii (d) of the order are not applicable to the Company.
b) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not taken loans from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Thus sub clauses iii(f) & iii(g) are not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the Company and the nature of its business, for the purchase of inventories, fixed assets and with regards to sale of goods and services. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.
5. Based on the audit procedures applied by us and according to the information and explanations provided by the management we are of the opinion that there were no contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956. Thus, clauses v (a) and v (b) are not applicable to the Company;
6. The Company has not accepted any deposits from the public covered within the meaning of Sections 58A and 58AA or any other relevant provisions of the Act and rules framed thereunder;
7. As per information & explanations given by the management, the Company has an internal audit system commensurate with its size and the nature of its business.
8. As per information & explanation given by the management, maintenance of cost records has been prescribed by the Central Government under clause (d) of sub-section (1) of Section 209 of the Act and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete;
9. a) According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities.
b) According to the information and explanations given to us there were no outstanding statutory dues as on 31st of March, 2013 for a period of more than six months from the date they became payable.
c) According to the information and explanations given to us and on the basis of the documents and records the disputed statutory dues which have not been deposited with the appropriate authorities are as under :



ANNEXURE TO THE AUDITORS' REPORT (Contd.)

Sl. No.	Name of Statute	Nature of Dues	Financial year to which the matter pertains	Amount in ₹ (lacs)	Forum where dispute is pending
1	Employees State Insurance	E.S.I. Contribution	2004-05	1.86*	High Court, Ahmedabad
2	Employees State Insurance	E.S.I. Contribution	2004-05 2005-06 } 2006-07 } 2006-07	1.67 1.04 0.74	Industrial Court, Ahmedabad
3	West Bengal Value Added Tax Rules, 2005	West Bengal VAT & Purchase Tax	2009-10	31.87	Joint Commissioner of Sales Tax, South Circle, Kolkata

* ₹ 1.85 lacs have been deposited with E.S.I. Authority under protest.

10. The Company does not have any accumulated losses as at 31st March, 2013 and has not incurred cash loss during the financial year covered by our audit but had incurred cash loss in the immediately preceding financial year.
11. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to financial institutions and banks;
12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provision of this clause of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
14. According to information and explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments.
15. According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institution.
16. Based on our audit procedures and on the information given by the management, we report that the Company has applied the money received as term loans during the year for the purposes for which they were obtained, other than temporary deployment pending application;
17. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31st March, 2013, we report that no funds raised on short-term basis have been used for long-term investment by the Company.
18. Based on the audit procedures performed and the information and explanations given to us by the management, we report that the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
19. The Company has not issued any debenture and hence no securities have been created;
20. The Company has not raised any money by public issue during the year.
21. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

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

P-21/22, Radhabazar Street
Kolkata 700 001
Dated : 11th day of May, 2013

**BALANCE SHEET as at 31st March, 2013**

(Amount in ₹ Lacs)

	Notes	As at 31st March, 2013		As at 31st March, 2012	
EQUITY AND LIABILITIES					
Shareholders' Funds					
Share Capital	1	901		901	
Reserves & Surplus	2	4727	5628	3700	4601
Non-Current Liabilities					
Long Term Borrowings	3	5260		4682	
Deferred Tax Liabilities (Net)	4	38		79	
Other Long Term Liabilities	5	4		5	
Long Term Provisions	6	70	5372	65	4831
Current Liabilities					
Short Term Borrowings	7	2881		2241	
Trade Payables	8	661		1053	
Other Current Liabilities	9	1621		1448	
Short Term Provisions	10	138	5301	92	4834
	TOTAL		16301		14266
ASSETS					
Non-Current Assets					
Fixed Assets					
Tangible Assets	11	9763		7888	
Intangible Assets	12	7		9	
		9770		7897	
Capital Work-in-Progress		7	9777	548	8445
Non-Current Investments	13		—		173
Long Term Loans and Advances	14		520		458
Other Non-Current Assets	15		44		43
Total Non-Current Assets			10341		9119
Current Assets					
Current Investments	16	—		550	
Inventories	17	3291		2339	
Trade Receivables	18	1168		996	
Cash and Bank Balances	19	519		462	
Short Term Loans and Advances	20	771		652	
Other Current Assets	21	211	5960	148	5147
	TOTAL		16301		14266
Other Notes to Financial Statements	31				

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

As per our report of even date.

For JAIN & CO.

Chartered Accountants

Firm Registration No.302023E

M. K. JAIN

Partner

(Membership No. 055048)

P-21/22, Radhabazar Street

Kolkata 700 001

Dated : 11th day of May, 2013

A. KANORIA *Managing Director*

G. MOMEN
D. KUMAR *Directors*

S. SHAH *Company Secretary*



STATEMENT OF PROFIT & LOSS for the year ended 31st March, 2013

	Notes	For the year ended 31st March, 2013		(Amount in ₹ Lacs) For the year ended 31st March, 2012	
Revenue from Operations	22	21977		18171	
Less: Excise Duty		11	21966	12	18159
Other Income	23		494		425
TOTAL REVENUE			22460		18584
EXPENSES					
Cost of Material Consumed	24		9764		9390
Purchase of Stock-in-Trade	25		665		947
Changes in inventories of Finished goods, Work-in-progress and Stock-in-Trade	26		437		907
Employee Benefits Expense	27		2592		2165
Finance Cost	28		943		907
Depreciation and Amortization Expenses	29	1027		945	
Less : Transferred to Revaluation Reserve		14	1013	14	931
Other Expenses	30		5842		4865
TOTAL EXPENSES			21256		20112
Profit/(Loss) before exceptional item and Tax			1204		(1528)
Less : Exceptional item			—		—
Profit/(Loss) before Tax			1204		(1528)
Tax Expense					
Current Tax		265		90	
Less : MAT Credit Entitlement		166	99	—	90
Short Provision of Taxation for earlier year *			—		1
Deferred Tax Written Back			(41)		(400)
Profit/(Loss) for the year after Tax			1146		(1219)
Earnings per Equity Share (Basic & Diluted) (in ₹)			12.72		(13.54)
Nominal Value ₹ 10/- per share	31(J)				
(Previous Year ₹ 10/-)					

* Below rounding off norms adopted by the Company

Other Notes to Financial Statements 31

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

As per our report of even date.

For JAIN & CO.

Chartered Accountants

Firm Registration No.302023E

M. K. JAIN

Partner

(Membership No. 055048)

P-21/22, Radhabazar Street

Kolkata 700 001

Dated : 11th day of May, 2013

A. KANORIA *Managing Director*

G. MOMEN
D. KUMAR *Directors*

S. SHAH *Company Secretary*



CASH FLOW STATEMENT for the year ended 31st March, 2013

	For the year ended 31st March, 2013	(Amount in ₹ Lacs) For the year ended 31st March, 2012
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) Before Tax & Extraordinary items	1204	(1528)
Amount written off against Leasehold Land *	—	1
Wealth Tax Provision	1	1
Finance Cost	943	907
Depreciation	1013	931
Interest Received	(11)	(11)
Rent Received	(59)	(57)
Profit on Fixed Assets sold/discarded (Net)	(126)	(13)
Net Gain on sale of Investments	(169)	(265)
Operating Profit/ (Loss) before Working Capital Changes	2796	(34)
ADJUSTMENT FOR :		
(Increase)/Decrease in Trade Receivables	(172)	101
(Increase)/Decrease in other Current /Non-Current Assets	(129)	338
(Increase)/Decrease in Inventories	(952)	3129
Decrease in Trade Payables	(392)	(527)
Increase in Other Current/Non-Current Liabilities	118	86
Cash Generated from Operations	1269	3093
Income Tax Paid (Net)	(216)	(106)
Net Cash Flow from Operating Activities	1053	2987
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(2416)	(902)
Sale of Fixed Assets	183	87
Purchase of Investments	(645)	(480)
Sale of Investments	1537	1360
Interest Received	11	11
Rent Received	59	57
Net Cash used in Investing Activities	(1271)	133
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase/(Decrease) in Short Term Borrowings from Banks	640	(1946)
Increase in Long Term Borrowings	578	286
Finance Cost	(943)	(907)
Dividend Paid	—	(135)
Dividend Distribution Tax paid	—	(22)
Net Cash used in Financing Activities	275	(2724)
Net Increase/Decrease in Cash and Cash Equivalents	57	396
Cash and Cash Equivalents at the beginning of the year	462	66
Cash and Cash Equivalents at the end of the year	519	462

* Below rounding off norms adopted by the Company

Notes:

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard 3 - on Cash Flow Statement referred to in The Companies (Accounting Standards) Rules, 2006.
- Cash and Cash Equivalents includes other bank balances also.
- Previous Year's figures have been regrouped/rearranged wherever necessary.

As per our report of even date.

For JAIN & CO.

Chartered Accountants

Firm Registration No.302023E

M. K. JAIN

Partner

(Membership No. 055048)

P-21/22, Radhabazar Street

Kolkata 700 001

Dated : 11th day of May, 2013

A. KANORIA *Managing Director*

G. MOMEN *Directors*

D. KUMAR

S. SHAH *Company Secretary*



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	As at	<i>(Amount in ₹ Lacs)</i>
NOTE NO. "1"	31st March, 2013	As at
SHARE CAPITAL		31st March, 2012
a) Details of Authorised, Issued, Subscribed and Fully Paid up Shares		
Authorised		
1,50,00,000 (Previous Year 1,50,00,000) Equity Shares of ₹ 10/- each	1500	1500
5,00,000 (Previous Year 5,00,000) Redeemable Preference Shares of ₹ 100/- each	500	500
	<u>2000</u>	<u>2000</u>
Issued, Subscribed and Fully Paid up		
90,05,985 (Previous Year 90,05,985) Equity Shares of ₹ 10/- each fully paid up	901	901
Add : Amount received on Forfeited Shares*	—	—
* Below rounding off norms adopted by the Company	<u>901</u>	<u>901</u>

b) Reconciliation of Paid up Share Capital

	2012-2013		2011-2012	
	No. of shares	Amount	No. of shares	Amount
Equity Share Capital				
Equity Shares of ₹ 10/- each outstanding at the beginning of the year	90,05,985	901	90,05,985	901
Equity Shares of ₹ 10/- each outstanding at the end of the year	<u>90,05,985</u>	<u>901</u>	<u>90,05,985</u>	<u>901</u>

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

Name of the Shareholders	As on 31.03.2013		As on 31.03.2012	
	No. of Shares held	%	No. of Shares held	%
M/s Samrat Industrial Resources Limited	20,83,518	23.13	20,83,518	23.13
M/s Rydak Enterprises & Investment Limited	18,06,720	20.06	18,06,720	20.06
M/s Eskay Udyog Limited	11,70,632	13.00	11,70,632	13.00
Mr. Adarsh Kanoria	5,36,137	5.95	5,36,137	5.95

d) Rights, Preferences and Restrictions attached to Shares

Equity Shares :

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

	As at	As at
NOTE NO. "2"	31st March, 2013	31st March, 2012
RESERVES AND SURPLUS		
Securities Premium Reserve	301	301
Revaluation Reserve	442	457
Less: Adjustment for depreciation on revalued assets	14	14
Less: Adjustment on sale of assets *	—	1
	<u>428</u>	<u>442</u>
General Reserve	2724	2723
Transfer From Statement of Profit & Loss	—	—
Transfer From Revaluation Reserve *	—	1
	<u>2724</u>	<u>2724</u>
Surplus in Statement of Profit & Loss		
Opening Balance	233	1452
Profit/(Loss) for the year after Tax	1146	(1219)
Transfer to General Reserve	—	—
Proposed Dividend	(90)	—
Tax on Proposed Dividend	(15)	—
	<u>1274</u>	<u>233</u>
	<u>4727</u>	<u>3700</u>

* Below rounding off norms adopted by the Company



NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

(Amount in ₹ Lacs)

NOTE NO. "3" LONG TERM BORROWINGS	As at 31st March, 2013	As at 31st March, 2012
Secured		
Term Loans :		
From Banks	5260	4663
(excluding payable within one year)		
Unsecured		
Deferred Payment Liabilities	—	19
(excluding payable within one year)		
	<u>5260</u>	<u>4682</u>

a) Nature of Security

Term Loans from Banks are secured by:

- i) First charge over all immovable properties both present and future ranking pari passu inter se and hypothecation of all movable properties both present and future (save and except book debts) including movable machinery, machinery spares, tools and accessories subject to prior charge created and/ or to be created in favour of Company's bankers for working capital facilities;
- ii) Additionally secured by the Company's bungalow situated at Asarwa House, Dr. Balwantrao Mehta Marg, Shahibaug, Ahmedabad;
- iii) Loans are guaranteed by the Managing Director.

b) Terms of Repayment

Particulars	Amount	Moratorium Period	Terms of Repayment	Commence- ment Date
Secured Term Loans				
IDBI Rupee Term Loan	619	2 Years	32 quarterly installments of varying amount	01.01.2008
IDBI Rupee Term Loan	915	18 Months	32 quarterly installments of varying amount	01.04.2009
IDBI Rupee Term Loan	940	2 Years	32 quarterly installments of varying amount	23.03.2013
IDBI Rupee Term Loan	1600	2 Years	20 quarterly installments of varying amount	14.03.2014
SBI Rupee Term Loan	422	2 Years	32 quarterly installments of varying amount	31.03.2008
SBI Rupee Term Loan	552	18 Months	32 quarterly installments of varying amount	31.03.2009
SBI Corporate Loan	550	6 Months	10 quarterly installments of varying amount	31.12.2012
BOI Rupee Term Loan	95	2 Years	32 quarterly installments of varying amount	31.03.2008
BOI Rupee Term Loan	370	18 Months	32 quarterly installments of varying amount	31.03.2009
BOI Corporate Loan	387	6 Months	10 quarterly installments of varying amount	14.02.2013
Unsecured Deferred Payment Liabilities				
Deferred Sales Tax	19	—	6 annual equal installments	22.04.2008

NOTE NO. "4"	As at 31st March, 2013	As at 31st March, 2012
DEFERRED TAX LIABILITIES (NET) *		
Deferred Tax Liabilities being the Tax impact on -		
(i) Difference of Written Down Value of Fixed Assets as per Income Tax Laws & Books	847	793
Total	<u>847</u>	<u>793</u>
Deferred Tax Assets being the Tax impact on -		
(i) Unabsorbed Depreciation/Losses Carried Forward as per Income Tax Laws	762	663
(ii) Expenses charged in books but allowance thereof deferred under Income Tax Laws	47	51
Total	<u>809</u>	<u>714</u>
Net Deferred Tax Liability	<u>38</u>	<u>79</u>

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



NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

	As at 31st March, 2013	(Amount in ₹ Lacs) As at 31st March, 2012
NOTE NO. "5"		
OTHER LONG TERM LIABILITIES		
Other Payables		
Security Deposits	4	5
	<u>4</u>	<u>5</u>
NOTE NO. "6"		
LONG TERM PROVISIONS		
Provision for Employee Benefits		
For Leave Encashment	70	65
	<u>70</u>	<u>65</u>
NOTE NO. "7"		
SHORT TERM BORROWINGS		
Secured		
Loans repayable on demand		
From Banks	2881	2241
	<u>2881</u>	<u>2241</u>

Nature of Security

- (A) Out of Loans repayable on demand of ₹ 2881 lacs (Previous year ₹ 2241 Lacs) amount of ₹ 2498 lacs (Previous Year ₹ 1894 lacs) from Banks are secured by
- (i) First charge over all tangible assets including movable machinery, stock in trade, stores, book debts etc.
 - (ii) Additionally secured by Company's bunglow situated at Asarwa House, Dr Balwantraai Mehta Marg, Shahibaug, Ahmedabad.
 - (iii) Lien on TDR of ₹ 10 lacs.
- (B) Balance amount of Loans repayable on demand of ₹ 383 lacs (Previous Year ₹ 347 lacs) from Bank is secured against hypothecation of green tea leaves, before and after plucking, tea in process, finished tea in stock/ transit and /or lying with brokers/ agents relating to Season 2013, book debts (present and future) and equitable mortgage of immovable properties and machineries of Tea Estates as additional security.
- (C) Loans are guaranteed by the Managing Director.

	As at 31st March, 2013	As at 31st March, 2012
NOTE NO. "8"		
TRADE PAYABLES		
i) Due to Micro, Small and Medium Enterprises *	—	—
ii) Others	661	1053
	<u>661</u>	<u>1053</u>

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

NOTE NO. "9"

OTHER CURRENT LIABILITIES

(i) Current maturities of Long Term Debt - Secured *	1190	856
(ii) Current maturities of Long Term Debt - Unsecured	19	19
(iii) Unpaid Dividend Account**	15	15
(iv) Unpaid Right Issue Refund Account**	—	—
(v) Other Payables		
(a) Statutory Dues	36	34
(b) Advance from Customers	20	41
(c) Payable to Employees	268	244
(d) Others	73	239
	<u>397</u>	<u>558</u>
	<u>1621</u>	<u>1448</u>

* For nature of security refer Note No. 3

** There are no amounts due for payment to Investor Education and Protection Fund under Section 205C of the Companies Act, 1956 as at the year end; amount not disclosed under Unpaid Right Issue Refund Account due to below rounding off norms adopted by the Company.



NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

NOTE NO. "10" SHORT TERM PROVISIONS	As at 31st March, 2013	(Amount in ₹ Lacs) As at 31st March, 2012
	(i) Provision for Employee Benefits	33
(ii) Other Provisions		
For Proposed Dividend	90	—
For Tax on Proposed Dividend	15	—
	138	92

NOTE NO. "11" FIXED ASSETS - TANGIBLE ASSETS

(Amount in ₹ Lacs)

PARTICULARS	GROSS BLOCK				As at 31.03.2013	DEPRECIATION				NET BLOCK	
	As at 01.04.2012	Additions	Adjustments (Note-b)	Disposals		Upto 01.04.2012	For the Year	Sales/ Adjustments	Upto 31.03.2013	As at 31.03.2013	As at 31.03.2012
Land Leasehold (Note- a)	19	—	—	—	19	—	—	—	—	19	19
Own Assets											
Land Freehold	4	—	—	—	4	—	—	—	—	4	4
Land & Plantation	426	1	—	—	427	—	—	—	—	427	426
Building & Water Supply Installation	2752	634	—	—	3386	655	77	—	732	2654	2097
Plant & Equipment	10915	2105	84	842	12262	5770	894	796	5868	6394	5145
Furniture & Fixtures	283	80	—	3	360	184	24	2	206	154	99
Vehicles	240	52	—	35	257	146	29	25	150	107	94
Office Equipments	13	1	—	—	14	9	1	—	10	4	4
Total	14652	2873	84	880	16729	6764	1025	823	6966	9763	7888
Previous Year	14406	807	17	578	14652	6324	943	503	6764	7888	

a) The amount of Leasehold Land amortized during the year as disposals is below rounding off norms adopted by the Company.

b) Adjustment in gross block includes amount of ₹ 84 lacs (Previous year ₹ 21 lacs) as borrowing cost capitalised during the year and reduction of ₹ Nil (Previous year ₹ 4 lacs) as subsidy received from Tea Board.

NOTE NO. "12" FIXED ASSETS - INTANGIBLE ASSETS

(Amount in ₹ Lacs)

PARTICULARS	GROSS BLOCK				As at 31.03.2013	DEPRECIATION				NET BLOCK	
	As at 01.04.2012	Additions	Other Adjustments	Disposals		Upto 01.04.2012	For the Year	Sales/ Adjustments	Upto 31.03.2013	As at 31.03.2013	As at 31.03.2012
Own Assets											
Computer Software*	13	—	—	—	13	4	2	—	6	7	9
	13	—	—	—	13	4	2	—	6	7	9
Previous Year	3	10	—	—	13	2	2	—	4	9	

* Additions during the year is below rounding off norms adopted by the Company.



NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

(Amount in ₹ Lacs)

NOTE NO. "13"

NON-CURRENT INVESTMENTS

Other than Trade

Investments in Equity Instruments (Unquoted - at Cost)

	Face Value ₹	As at 31st March, 2013		As at 31st March, 2012	
		Number	Amount	Number	Amount
In Fully Paid up Equity Shares :					
Investments in Associates					
Samrat Industrial Resources Ltd	10/-	—	—	22100	1
Total Non- Current Investment - Shares (A)			—		1
Investments in Mutual Funds (Unquoted - at Cost)					
ICICI Prudential Focused Bluechip					
Equity Fund - Retail Growth	10/-	—	—	62656.642	10
HDFC Top 200 Fund - Growth	10/-	—	—	9663.967	20
HDFC Prudence Fund - Growth	10/-	—	—	36686.102	72
Reliance Regular Savings Fund - Balanced Plan- Growth Option	10/-	—	—	272045.341	60
Sundaram Select Focus - Appreciation	10/-	—	—	12443.425	10
Total Non-current Investment - Mutual Funds (B)			—		172
Total Non-current Investment (A) + (B)			—		173
Aggregate amount of unquoted investments			—		173

NOTE NO. "14"

LONG TERM LOANS AND ADVANCES

(Unsecured, considered good unless otherwise stated)

	As at 31st March, 2013		As at 31st March, 2012	
Capital Advances	—		116	
Security Deposits	29		17	
CENVAT Credit realizable from Excise Dept.	20		20	
MAT Credit Entitlement	471	520	305	458
		520		458

NOTE NO. "15"

OTHER NON-CURRENT ASSETS

In Fixed Deposit with Banks

Deposit under lien with Bank against loans	10		10	
Deposits held as Margin Money under lien with Bank against Bank Guarantees	32		32	
Deposits lodged with Court for ESI Case	2	44	1	43
		44		43



NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

NOTE NO. "16"

CURRENT INVESTMENTS : UNQUOTED

Investments in Mutual Funds

(Valued at Cost or Market Value whichever is lower)

	Face Value ₹	As at		(Amount in ₹ Lacs)	
		31st March, 2013		As at 31st March, 2012	
		Units	Amount	Units	Amount
Reliance Money Manager Fund - Retail - Growth	1000/-	—	—	4,957.908	71
Reliance Regular Saving Fund - Debt Plan - Institutional Growth Plan	10/-	—	—	230,354.593	30
Templeton India Income Opportunities Fund - Growth	10/-	—	—	1,384,530.632	140
HDFC Monthly Income Plan - Long Term - Growth	10/-	—	—	247,165.541	55
HDFC Cash Management Fund - Treasury Advantage Plan - Retail - Growth	10/-	—	—	153,949.514	35
Birla Sunlife Monthly Income - Growth	10/-	—	—	118,057.331	42
Reliance Monthly Income Plan - Growth Plan	10/-	—	—	349,054.056	74
JM Money Manager Fund Super Plan - Growth (170)	10/-	—	—	689,606.000	103
Total Current Investments - Unquoted (A)					550

CURRENT INVESTMENTS : QUOTED

(Valued at Cost or Market Value whichever is lower)

Total Current Investments - Quoted (B)

Total Current Investments (A) + (B)

Aggregate amount of unquoted investments

	—	—
	—	—
	—	550
	—	550

NOTE NO. "17"

INVENTORIES

Raw Materials

	As at 31st March, 2013		As at 31st March, 2012	
Cotton	1900		633	
Polyester Fibre	12		15	
Filament Yarn	2		3	
Cotton Yarn	15	1929	—	651
Stores & Spares		443		336
Stores in Transit		9		5

Work in Progress

Cloth	182		380	
Yarn	358	540	386	766

Manufactured Goods

Cloth	52		238	
Yarn	165		172	
Black Tea	96	313	102	512

Stock in Trade

Black Tea*		—		—
Waste		57		69
		3291		2339

* Below rounding off norms adopted by the Company

For mode of Valuation refer Note No 31A(g)



NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

	As at 31st March, 2013	(Amount in ₹ Lacs) As at 31st March, 2012
NOTE NO. "18"		
TRADE RECEIVABLES (Unsecured)		
Outstanding for a period exceeding six months from the date they are due for payment		
Considered Good	18	7
Considered Doubtful	15	15
Less: Provision made for Doubtful Debts	(15)	(15)
Others - Considered Good	<u>1150</u>	<u>989</u>
	<u>1168</u>	<u>996</u>
	<u>1168</u>	<u>996</u>
NOTE NO. "19"		
CASH & BANK BALANCES		
Cash and Cash Equivalents		
Cash and Postage in hand	9	16
Balances with Banks		
In Current Accounts	145	376
In Fixed Deposit Accounts	350	-
In Cash Credit Account	<u>—</u>	<u>53</u>
Other bank balances		445
In Fixed Deposit held as Margin Money		
Under lien with Bank against Bank Guarantees	—	2
In Unpaid Dividend and Rights Issue Refund Account	<u>15</u>	<u>15</u>
	<u>519</u>	<u>462</u>
	<u>519</u>	<u>462</u>
NOTE NO. "20"		
SHORT TERM LOANS & ADVANCES		
(Unsecured, considered good, unless otherwise stated)		
Advance with Income Tax Authorities (Net of Provision)	21	71
Deposits with NABARD under Tea Development Scheme	34	23
Prepaid Expenses	16	27
Advances recoverable in Cash or in Kind or for value to be received		
- From Others (Considered Good)	700	531
- From Others (Considered Doubtful) *	—	—
Less : Provision made for Doubtful Advances *	<u>—</u>	<u>—</u>
	<u>700</u>	<u>531</u>
	<u>771</u>	<u>652</u>
	<u>771</u>	<u>652</u>
* Below rounding off norms adopted by the Company		
NOTE NO. "21"		
OTHER CURRENT ASSETS		
(i) Interest Accrued but not due	13	8
(ii) Export Incentives Receivables	22	7
(iii) Subsidy Receivable	<u>176</u>	<u>133</u>
	<u>211</u>	<u>148</u>
	<u>211</u>	<u>148</u>



NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

	Figures for the		<i>(Amount in ₹ Lacs)</i>	
NOTE NO. "22"	Current Year		Figures for the	
REVENUE FROM OPERATIONS			Previous Year	
Sale of Products				
Manufactured Goods				
Black Tea	3726		3066	
Cloth	6956		5478	
Yarn	8242		6273	
Knitted Fabric	<u>263</u>	19187	<u>379</u>	15196
Traded Goods				
Cloth	659		947	
Black Tea	<u>38</u>	697	<u>62</u>	1009
Waste		<u>1505</u>		<u>1307</u>
Revenue from Sale of Products		21389		17512
Other Operating Revenues :				
Job Work Charges	529		551	
Export Incentives	57		103	
Profit on Tea Seed (Net)	<u>2</u>	588	<u>5</u>	659
Total Revenue from Operations		<u>21977</u>		<u>18171</u>
NOTE NO. "23"				
OTHER INCOME				
Interest				
On Current Investments		11		11
Net Gain on Sale of Investments				
On Non-Current Investments	62		195	
On Current Investments	<u>107</u>	169	<u>70</u>	265
Other Non-operating Income				
Rent	59		57	
Profit on Fixed Assets Sold/Discarded (Net)	126		13	
Net Gain on Foreign Currency Transactions	15		3	
Sundry Balances Written Off (Net)	2		2	
Sale of Scrap	96		59	
Others	<u>16</u>	314	<u>15</u>	149
		<u>494</u>		<u>425</u>
NOTE NO. "24"				
COST OF MATERIALS CONSUMED				
Cotton, Polyester, Filament Yarn and Staple Fibre				
Stock at Commencement	651		2741	
Purchases	<u>10399</u>		<u>6872</u>	
	11050		9613	
Less : Stock at Close	<u>1929</u>	9121	<u>651</u>	8962
Purchase of Green Tea Leaves		<u>643</u>		<u>428</u>
		<u>9764</u>		<u>9390</u>
a) Raw Material Consumed				
Cotton		7862		8182
Polyester Fibre		737		716
Staple Fibre, Polyester, Filament Yarn etc.		479		36
Others		43		28
Purchase of Green Tea Leaves		<u>643</u>		<u>428</u>
		<u>9764</u>		<u>9390</u>



NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

NOTE NO. "24" (Contd.)

(Amount in ₹ Lacs)

b) Value of imported and indigenous materials consumed

	RAW MATERIALS				SPARE PARTS & COMPONENTS			
	31.03.2013		31.03.2012		31.03.2013		31.03.2012	
	₹	%	₹	%	₹	%	₹	%
Imported	—	—	—	—	91	32	114	39
Indigenous	9764	100	9390	100	195	68	179	61
	9764	100	9390	100	286	100	293	100

NOTE NO. "25"

PURCHASE OF STOCK-IN-TRADE

	Figures for the Current Year	Figures for the Previous Year
Black Tea	25	33
Cloth	640	914
	<u>665</u>	<u>947</u>

NOTE NO. "26"

CHANGE IN INVENTORIES OF FINISHED GOODS

WORK-IN-PROGRESS AND STOCK-IN-TRADE

Stock at the end of the year

Manufactured Goods

Cloth	52		238	
Yarn	165		172	
Black Tea	96	313	102	512

Work-in-Progress

Cloth	182		380	
Yarn	358	540	386	766

Stock-in-Trade

Black Tea*	—		—	
Waste	57		69	
	<u>910</u>		<u>1347</u>	

Stock at the Beginning of the year

Manufactured Goods

Cloth	238		342	
Yarn	172		963	
Yarn in Transit	—		40	
Black Tea	102	512	115	1460

Work-in-Progress

Cloth	380		352	
Yarn	386	766	329	681

Stock-in-Trade

Black Tea*	—		9	
Waste	69		104	
	<u>1347</u>		<u>2254</u>	

Decrease in Stocks

* Below rounding off norms adopted by the Company

NOTE NO. "27"

EMPLOYEE BENEFITS EXPENSE

Salaries and Wages	2212	1787
Contribution to Provident and Other Funds	245	267
Staff Welfare Expenses	135	111
	<u>2592</u>	<u>2165</u>

NOTE NO. "28"

FINANCE COSTS

Interest Expense	866	831
Other Borrowing Costs	77	76
	<u>943</u>	<u>907</u>



NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

	Figures for the Current Year	(Amount in ₹ Lacs) Figures for the Previous Year
NOTE NO. "29"		
DEPRECIATION AND AMORTIZATION EXPENSES		
Depreciation on Tangible Assets	1025	943
Amortization of Intangible Assets	2	2
Amortization of Leasehold Land*	—	—
	1027	945

* Below rounding off norms adopted by the Company

NOTE NO. "30"

OTHER EXPENSES

Consumption of Stores & Spares	1486	1244
Processing Charges	90	67
Power & Fuel	2786	2205
Rent	9	10
Repairs to Building	55	54
Repairs to Machinery	320	321
Repairs to other Assets	13	13
Insurance Charges	21	40
Rates & Taxes	89	62
Audit Fees		
a) Statutory & Branch Auditors :		
- As Auditors {including ₹ 2 lacs (Previous Year ₹ 2 lacs) to Branch Auditors}	3	3
- For Other Matters (including reimbursement of expenses)	2	2
b) Cost Auditors :		
- Cost Audit Fees	1	1
Brokerage, Commission & Discount	279	253
Selling & Distribution Expenses	189	172
Miscellaneous Expenses	499	418
	5842	4865

NOTE NO. "31"

SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES TO FINANCIAL STATEMENTS

(A) SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Preparation

- i) The financial statements have been prepared to comply in all materials respects with the Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under historical cost convention on an accrual basis, other than certain fixed assets which are stated at revalued amount. Except otherwise mentioned, the accounting policies applied by the Company are consistent with those used in the previous year.

b) Revenue Recognition

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



NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

NOTE NO. "31" (Contd.)

(Amount in ₹ Lacs)

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

c) Fixed Assets

Tangible

(i) Leasehold Land :

Premium on leasehold land is amortised over the period of lease.

(ii) Fixed assets other than revalued are stated at cost of acquisition or construction and net of subsidy/cenvat less accumulated depreciation/amortization/impairment, if any.

(iii) Depreciation :

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

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

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

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

Intangible

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

(ii) Capitalised software costs is amortised on straight line basis over a period of five years.

d) Impairment of Fixed Assets

The carrying amount of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An impairment loss will be recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is greater of the asset net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to the present value by using weighted average cost of capital.

e) Government Grants

Capital Grants relating to specific assets are reduced from the gross value of the fixed assets. Other revenue grants are credited to Profit & Loss Statement or deducted from the related expenses.

f) Investments

Non-current investments are stated at cost and where applicable, provision is made in case of permanent diminution in value of investments. Current investments are stated at lower of cost or market value.

g) Inventories

i) Raw Materials are valued at cost or net realisable value whichever is lower, at Textile Division and at net realisable value in Tea Division. Cost is arrived at on the basis of cost of respective lots remaining in stock and related expenses.

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

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

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

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

vi) Finished Tea is valued at net realisable value.

vii) Waste is valued at estimated realisable value.

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

h) Borrowing Cost

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

ii) Borrowing costs such as the premium paid in connection with the borrowings are being amortised over the period of respective borrowings in proportion with the outstanding balances.



NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

NOTE NO. "31" (Contd.)

(Amount in ₹ Lacs)

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

i) Exchange Fluctuation

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

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

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

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

j) Employee Benefits

i) Defined Contribution Plans :

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

ii) Defined Benefit Plans :

The Company has defined benefit plans namely Leave Encashment/Compensated Absence and Gratuity for Employees, the liability for which is determined on the basis of actuarial valuation at the end of the year. Gains and losses arising out of actuarial valuation are recognised immediately in the Profit and Loss Statement as income or expense.

iii) Other Defined Benefits :

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

k) Provisions, Contingent Liabilities and Contingent Assets

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

l) Taxes on Income

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

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

OTHER NOTES TO THE FINANCIAL STATEMENTS

	<u>Figures for the Current Year</u>	<u>Figures for the Previous Year</u>
(B) Contingent Liabilities not provided for :		
(a) Claims against the Company not acknowledged as debts	55	16
(b) Bills Discounted	168	270
(c) Guarantees given by Company's Banker	200	212
(d) Disputed Sales Tax Demands including interest and penalty under appeal	73	15
(e) Disputed Service Tax / Excise Matters	2	2

It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolutions of the respective proceedings.



NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

NOTE NO. "31" (Contd.)

(Amount in ₹ Lacs)

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

	Figures for the Current Year	Figures for the Previous Year
(C) Capital and Other Commitments		
Capital Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	32	1470
Other Commitments	—	—
	<u>32</u>	<u>1470</u>
(D) Value of Imports on C.I. F. Basis		
Spare Parts	85	79
Capital Goods	549	66
	<u>634</u>	<u>145</u>
(E) Expenditure in Foreign Currency		
Travelling Expenses	50	18
Bank Charges	5	4
Commission on Sales	11	23
Others	4	3
	<u>70</u>	<u>48</u>
(F) Earnings in Foreign Currency		
F.O.B. Value of Exports		
Direct	1603	1976
Through Export House	2035	1717
	<u>3638</u>	<u>3693</u>

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

a. Defined Contribution Plans :

Amount of ₹214 lacs (Previous Year ₹196 lacs) is recognised as expense and included in "Employee Benefits Expense in Note-27".

b. Defined Benefit Plans :

Defined Benefit Obligation

i. Reconciliation of opening and closing balances of Present Value of the Defined Benefit Obligation :

	Gratuity	
	2012-2013	2011-2012
a. Present Value of Defined Benefit Obligation at the beginning of the year	914	821
b. Interest Cost	77	67
c. Current Service Cost	42	46
d. Actuarial Gains / (Losses)	30	59
e. Benefits Paid	(118)	(79)
f. Present Value of Defined Benefit Obligation at the close of the year	945	914

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

	Gratuity	
	2012-2013	2011-2012
a. Fair value of Plan Assets at the beginning of the year	850	817
b. Add : Expected return on Plan Assets	72	72
c. Add : (Less) Actuarial Gains / (Losses)	5	(9)
d. Add : Contributions	162	49
e. Less : Benefits Paid	(118)	(79)
f. Fair value of Plan Assets at the close of the year	971	850
Actual Return on Plan Assets	77	63



NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

NOTE NO. "31" (Contd.)

(Amount in ₹ Lacs)

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

iii. Amount Recognised in the Balance Sheet including a reconciliation of the present value of the defined obligation in (i) and the fair value of the plan asset in (ii) to assets and liabilities recognised in the Balance Sheet :

	Gratuity	
	2012-2013	2011-2012
a. Present Value of Defined Benefit Obligation	945	914
b. Less: Fair value of Plan Assets	971	(850)
c. Present Value of unfunded Obligation	26	(64)
d. Net Assets / (Liabilities) recognised in the Balance Sheet	26	(64)

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

	Gratuity	
	2012-2013	2011-2012
a. Current Service Cost	42	46
b. Interest Cost	77	67
c. Expected return on Plan Assets	(72)	(72)
d. Actuarial Gains / (Losses)	25	68
e. Past Service Costs	—	—
f. Effect of curtailment / settlement	—	—
g. Adjustments for earlier years	—	—
Recognised in the Profit and Loss Statement	72	109

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

	Gratuity			
	31.03.2013		31.03.2012	
	Tea	Textile	Tea	Textile
a. Government of India/ State Government Securities	N. A.	42.00%	N. A.	40.00%
b. GILT Mutual Fund	N. A.	0.00%	N. A.	4.00%
c. Public Sector Bonds	N. A.	57.00%	N. A.	55.00%
d. Fixed Deposit under Special Deposit Scheme	N. A.	1.00%	N. A.	1.00%
e. Insurer Managed Fund	100.00%	N. A.	100.00%	N. A.
	100.00%	100.00%	100.00%	100.00%

vi. Actuarial Assumptions as on the Balance Sheet date :

	Gratuity			
	31.03.2013		31.03.2012	
	Tea	Textile	Tea	Textile
a. Discount Rate	8.25%	8.00%	8.50%	8.50%
b. Expected rate of return on Plan Assets	8.70%	8.70%	8.60%	8.60%
c. Salary Escalation rate — Management and Non-Management Staff	7.00%	4.00%	7.00%	4.50%

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

	Gratuity				
	2012-13	2011-12	2010-11	2009-10	2008-09
a. Present value of Defined Benefit obligation	945	914	821	725	684
b. Less : Fair value of Plan Assets	971	(850)	(817)	751	674
c. Surplus / (Deficit) in the plan	26	(64)	(4)	26	(10)
d. Experience Adjustments on plan liabilities (losses)/ gain	24	26	55	21	(2)
e. Experience Adjustments on plan asset (losses)/ gain	5	(10)	2	(1)	(2)



NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

NOTE NO. "31" (Contd.)

(Amount in ₹ Lacs)

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

viii. The estimates of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors.

c) Amount recognised as an expense in respect of Compensated Leave Absences is ₹ 27 Lacs (Previous Year ₹ 13 Lacs)

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

(H) Segment Reporting as per AS-17 notified by Companies (Accounting Standards) Rules, 2006, for the year ended 31st March, 2013

(Amount in ₹ Lacs)

(A) Information about Primary (Business) Segment	Tea		Textile		Total	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
SEGMENT REVENUE						
External Sales & Other Income	3963	3417	18508	15179	22471	18596
Less: Excise Duty	—	—	(11)	(12)	(11)	(12)
Sales (Net of Excise Duty) and Other Income	3963	3417	18497	15167	22460	18584
Total Revenue	3963	3417	18497	15167	22460	18584
SEGMENT RESULT						
Segment Result	1003	845	964	(1742)	1967	(897)
Unallocated Corporate Income						
a) Net Gain on Sale of Investments					169	265
b) Interest Income					11	11
Finance Cost					(943)	(907)
Income Taxes					(58)	309
Net Profit / (Loss)					1146	(1219)
OTHER INFORMATION						
Segment Assets	2658	2194	13014	10896	15672	13090
Unallocated Corporate Assets					629	1176
Total Assets					16301	14266
Segment Liabilities	655	600	4615	4304	5270	4904
Unallocated Corporate Liabilities					105	—
Total Liabilities					5375	4904
Capital Expenditure	134	182	2282	720	2416	902
Depreciation & Amortisation	82	68	931	863	1013	931
Non-cash Expenses other than depreciation	—	—	—	—	—	—

(B) Information about Secondary (Geographical) Segment	India		Outside India		Total	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
Segment Revenue	18822	14891	3638	3693	22460	18584
Segment Assets	16301	14241	—	25	16301	14266
Capital Expenditure	2416	902	—	—	2416	902

Notes :

- The reportable primary segment is based on two business namely; Tea & Textile and the reportable secondary segment is based on geographical location of customers.
- The segment revenue, results, assets & liabilities include respective amounts identifiable to each of the segment and amounts allocated on reasonable basis.



NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

NOTE NO. "31" (Contd.)

(Amount in ₹ Lacs)

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

(I) Related Party Disclosures as per AS-18 notified by Companies (Accounting Standards) Rules, 2006 for the year ended 31st March, 2013

(A) Relationships :

(i) Key Management Personnel & Relatives

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

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

Eskay Udyog Ltd.	Kanoria Exports Pvt. Ltd.	Rydak Enterprises & Investment Ltd.
Samrat Industrial Resources Ltd.		

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

	In relation to Item no.			
	A (i) above		A (ii) above	
	2012-13	2011-12	2012-13	2011-12
(i) Rent received	—	—	1	1
(ii) Expenses reimbursed	1	2	—	—
(iii) Salary & other benefits	72	65	—	—
(iv) Dividend Paid	—	23	—	75
(v) Rent paid	—	—	5	5
(vi) Sale of Goods *	—	—	—	—
(vii) Outstanding payable as on 31st March, 2013	—	—	—	—

*Below rounding off norms adopted by the Company

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

	2012-2013	2011-2012
Profit/(Loss) After Tax (₹ in lacs)	1146	(1219)
Weighted average number of Equity Shares of ₹ 10/- each fully paid up	90,05,985	90,05,985
Earning Per Share (in ₹)(Basic & Diluted)	12.72	(13.54)

(K) In accordance with the Accounting Standard (AS-28) on Impairment of Assets, there is no indication of impairment based on internal/external factors and hence no impairment is considered necessary during the year under review.

(L) Borrowing cost capitalised during the year

	2012-2013	2011-2012
As Addition to Fixed Assets (other adjustment)	84	21
As Capital Work in Progress	—	19
	<u>84</u>	<u>40</u>

(M) In the opinion of the Board, any of the assets other than fixed assets have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated.

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

As per our report of even date.

For JAIN & CO.

Chartered Accountants

Firm Registration No.302023E

M. K. JAIN

Partner

(Membership No. 055048)

P-21/22, Radhabazar Street

Kolkata 700 001

Dated : 11th day of May, 2013

A. KANORIA Managing Director

G. MOMEN
D. KUMAR Directors

S. SHAH Company Secretary

BENGAL TEA & FABRICS LIMITED

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

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

ATTENDANCE SLIP

I hereby record my presence at the 30th ANNUAL GENERAL MEETING of the Company at "Kalakunj", 48, Shakespeare Sarani, Kolkata 700 017 on Saturday, the 3rd August, 2013 at 10.30 A.M.

REGD. FOLIO NO. :

D.P. ID No.

NO. OF SHARES :

Client ID No.....

NAME OF THE SHAREHOLDER (IN BLOCK LETTERS)

SIGNATURE OF THE SHAREHOLDER OR PROXY

BENGAL TEA & FABRICS LIMITED

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

PROXY FORM

REGD. FOLIO NO. :

D.P. ID No.

NO. OF SHARES :

Client ID No.....

I/We.....

of.....

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

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

or failing him/her of.....

as my/our Proxy to attend and vote for me/us on my/our behalf at the 30th ANNUAL GENERAL MEETING of the Company to be held on Saturday, the 3rd August, 2013 and at any adjournment thereof.

Signed this day of..... 2013.

Signature.....

Revenue
Stamp

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




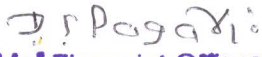
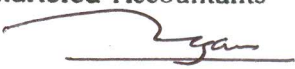
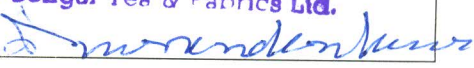
Bengal Tea & Fabrics Ltd.

Century Towers, 45, Shakespeare Sarani, 4th Floor, Kolkata - 700 017
Telefax : 91-33 2283 6416/6417 E-mail : mail@bengaltea.com



ISO 9001 : 2008

FORM A

Sr. No.	Particulars	
1.	Name of the Company	Bengal Tea & Fabrics Limited
2.	Annual financial Statements for the year ended	31 st March, 2013
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Whether appeared first time...../ repetitive...../ since how long period..... Note: Audit Report of the Company has been unqualified from last 10 years
5.	To be signed by :	
	•Managing Director	For Bengal Tea & Fabrics Ltd.  Managing Director,
	•CFO	For Bengal Tea & Fabrics Limited  Chief Financial Officer
	•Auditor of the Company	For JAIN & CO. Chartered Accountants  M. K. JAIN
	•Audit Committee Chairman	(Partner) Membership No. 55048 For Bengal Tea & Fabrics Ltd. 

Director,