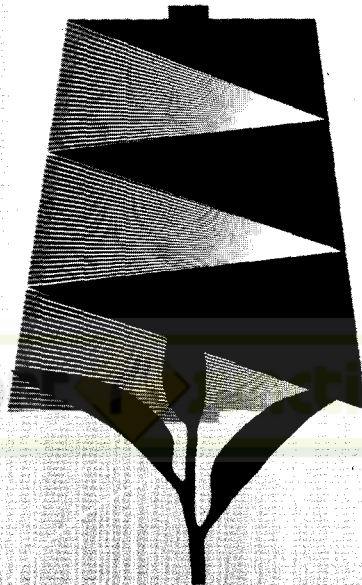




Bengal Tea & Fabrics Ltd.



Report on www.sansco.net

Certified to be true Copy

For Bengal Tea & Fabrics Ltd.

T. K. Kabra
(Company Secretary)

***Twentyfourth Annual Report
& Accounts 2006 - 2007***

Bengal Tea & Fabrics Limited

BOARD OF DIRECTORS

Mr. Adarsh Kanoria
Chairman & Managing Director

Mr. Radhe Shyam Saraogi
Whole-time Director

Mr. Supriya Gupta
Mr. Golam Momen
Mr. Dharendra Kumar
Mr. Samveg A Lalbhai

COMPANY SECRETARY

Mr. T. K. Kabra

AUDITORS

M/s. Jain & Co.
Chartered Accountants

BRANCH AUDITORS

M/s. Dalal & Shah
Chartered Accountants

COST AUDITORS

M/s. N. D. Birla & Co.
Cost Accountants

BANKERS

State Bank of India
Punjab National Bank
Bank of India
Citi Bank

TEA DIVISION

Ananda Tea Estate
P.O. Pathalipam 787 056
Dist. North Lakhimpur (Assam)

TEXTILE DIVISION

Asarwa Mills
Asarwa Road
Ahmedabad 380 016 (Gujarat)

REGISTERED OFFICE

45, Shakespeare Sarani
4th Floor, Century Towers
Kolkata 700 017, India
Telefax Nos. : 91 33 2283-6416/17
E-mail : mail@bengaltea.com
Website : www.bengaltea.com

REGISTRAR & SHARE TRANSFER AGENT

C.B. Management Services (P) Ltd.
P-22, Bondel Road, Kolkata 700 019
Telephone : 91 33 2280-6692/93/94
Fax : 91 33 2287-0263
E-mail : cbmsl1@cal2.vsnl.net.in

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BENGAL TEA & FABRICS LIMITED**NOTICE****TO THE MEMBERS**

NOTICE is hereby given that the 24th Annual General Meeting of the Members of **Bengal Tea & Fabrics Limited** will be held at "Kalakunj", 48 Shakespeare Sarani, Kolkata 700017 on Saturday, the 23rd day of June, 2007 at 10.30 A.M. to transact the following business: -

1. To receive, consider and adopt the Audited Accounts for the year ended 31st March, 2007 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, from the conclusion of the 24th Annual General Meeting until the conclusion of the 25th Annual General Meeting and to authorise the Board of Directors to fix their remuneration.

As Special Business :

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution :
 "RESOLVED that pursuant to the provisions of Sections 198, 269, 309, Schedule XIII and all other applicable provisions of the Companies Act, 1956 and subject to the approval of Bank(s)/Financial Institution, consent be and is hereby accorded to the Company for re-appointment of Mr. Adarsh Kanoria as the Managing Director of the Company, for a period of three years with effect from 1st day of January, 2008 upon the terms and conditions contained in the draft agreement approved by a resolution passed by Remuneration Committee and Board of Directors of the Company and as set out in the Explanatory Statement attached to Notice of the 24th Annual General Meeting."
7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution :
 "RESOLVED that pursuant to the provisions of Sections 198, 269, 309, Schedule XIII and all other applicable provisions of the Companies Act, 1956 and subject to the approval of Bank(s)/Financial Institution, consent be and is hereby accorded to the Company for re-appointment of Mr. Radhe Shyam Saraogi as the Whole-time Director of the Company, for a period of three years with effect from 1st day of January, 2008 upon the terms and conditions contained in the draft agreement approved by a resolution passed by Remuneration Committee and Board of Directors of the Company and as set out in the Explanatory Statement attached to notice of the 24th Annual General Meeting."
8. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution :
 "RESOLVED that in accordance with the applicable provisions of the Companies Act, 1956, the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003 and subject to such other approvals, permissions and sanctions as may be necessary and such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company, consent of the Members of the Company be and is hereby accorded to delist the Equity Shares of the Company from The Calcutta Stock Exchange Association Limited."
 "RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and things as may be necessary, expedient and desirable to give effect to this resolution."

Registered Office :

45, Shakespeare Sarani
Kolkata 700 017

Dated, the 28th day of April, 2007

By Order of the Board

T. K. KABRA
Company Secretary

BENGAL TEA & FABRICS LIMITED**NOTICE (Contd.)****NOTES :**

1. **A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of the member and the proxy need not be a member of the Company. Proxies, in order to be effective, must be received by the Company not less than 48 hours before the meeting.**
2. The Register of Members of the Company shall remain closed from 16th day of June, 2007 to 23rd day of June, 2007 (both days inclusive).
3. Members holding shares in dematerialised 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 the 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 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.**
6. In accordance with the amended Clause 32 of the listing agreement and Section 219 (1)(b)(iv) of the Companies Act, 1956, the Company shall send Abridged Balance Sheet, Abridged Profit and Loss Account and Auditors' Report and other related documents to the Shareholders of the Company.
7. The Company shall send full Balance Sheet and Profit & Loss Account on receipt of written request from shareholders.
8. A copy of Balance Sheet, Profit and Loss Account, Auditors' Report and every other documents required by law to be annexed or attached to the Balance Sheet shall be available for inspection at the Registered Office of the Company during working hours for a period of 21 days before the date of Annual General Meeting and shall also be available on the website of the Company (www.bengaltea.com).
9. **Explanatory Statements pursuant to Section 173(2) of the Companies Act, 1956 in respect of Item Nos. 6-8 of the Notice are as under :**

In respect of Item No. 6

Mr. Adarsh Kanoria, aged about 40 years, having experience in the field of Tea and Textiles, was appointed as the Managing Director of the Company w.e.f. 1st day of January, 2005 for a period of three years and his tenure would expire on 31st day of December, 2007.

Mr. Kanoria is associated with the Company since long and in view of his vast experience, the Board of Directors of the Company at their meeting held on 28th day of April, 2007 has re-appointed Mr. Adarsh Kanoria as the Managing Director of the Company for a further period of three years w.e.f. 1st January, 2008 on the terms and conditions mentioned in the draft agreement, to be entered into between the Company and Mr. Adarsh Kanoria.

In accordance with the requirements of Schedule XIII to the Companies Act, 1956 it is informed that the Company has not made any default in repayment of any of its debts (including public deposits) or debentures or interest payable thereon for a continuous period of thirty days in the preceding financial year 2006-2007 and the Remuneration Committee, vide a resolution, has also approved the remuneration payable to Mr. Adarsh Kanoria. A statement containing the requisite information in accordance with the requirement of Section II (B) (iv) of Part II of Schedule XIII to the Companies Act, 1956 is also attached.

Mr. Adarsh Kanoria holds the directorships of the following other companies: (i) Ambalika Commerce Pvt. Ltd. (ii) Kanoria Exports Pvt. Ltd. (iii) Rydak Enterprises & Investment Ltd. (iv) Eskay Udyog Limited.

BENGAL TEA & FABRICS LIMITED**NOTICE (Contd.)**

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

Tenure : 3 years starting from 1st day of January, 2008 and ending on 31st day of December, 2010.

Salary : Rs. 2,50,000/- (Rupees Two Lacs Fifty Thousand) per month.

Perquisites : The value of perquisites referred in item (i) to (v) below shall be evaluated as per Income Tax Rules, 1962 wherever applicable and shall be subject to maximum ceiling of 40% (Forty percent) of annual salary.

(i) Housing

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

(ii) Leave Travel Assistance

Actual amount incurred in respect of leave travel for proceeding to any place in India for self and family once in a year, shall be reimbursed, subject to ceiling of Rs.1,00,000/- (Rupees One Lac) per annum.

(iii) Medical Benefits

(a) Personal Accident Insurance for self subject to maximum premium of Rs.10,000/- (Rs. Ten Thousand) per annum;

(b) Medical reimbursement, subject to ceiling of Rs.15,000/-(Rs. Fifteen Thousand) in a year; and

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

(iv) Club Fees

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

(v) Motor Car & Telephone

The Managing Director will be provided with Company Car with driver and telephone at his residence (including payment of local calls and long distance official calls).

(vi) Reimbursement of Expenses

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

(vii) Earned Leave

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

(viii) Retirement Benefits

The Company shall make contributions to the provident fund to the extent same is not taxable under the Income Tax Act, 1961. Gratuity shall be payable in accordance with the applicable rules. The above retirement benefits shall not form part of the remuneration for the purpose of computation of ceilings, wherever applicable, so far, these do not exceed the limits prescribed in Schedule XIII to the Companies Act, 1956.

In the event of loss or inadequacy of profits, the Managing Director shall be paid a monthly remuneration not exceeding the applicable ceiling laid down in Section II of Part II of the Schedule XIII to the Companies Act, 1956.

Other Terms and Conditions:

1. The Managing Director shall not become interested or otherwise concerned directly or through his wife and/or minor children, in any selling agency of the Company without the prior approval of the Central Government, as long as he functions as the Managing Director of the Company.

BENGAL TEA & FABRICS LIMITED**NOTICE (Contd.)**

2. The Managing Director shall not be entitled for any sitting fees for attending the meeting of the Board of Directors of the Company or any Committees thereof, as long as he functions as the Managing Director of the Company.
3. The appointment of Managing Director shall not be liable to determination by retirement of directors by rotation in accordance with the provisions of Section 255 of the Companies Act, 1956.
4. The Managing Director as well as the Company shall have the right to terminate the agreement by giving the other party three months clear notice in writing, subject to the discretion of the Board of Directors of the Company, to agree at a shorter notice.
5. The terms and conditions of this agreement of service, may be varied from time to time by the Board of Directors of the Company, within the maximum amount payable to the Managing Director in accordance with the applicable provisions of the Companies Act, 1956.

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

No other director, except Mr. Adarsh Kanoria, is personally interested or concerned in the above resolution.

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

The above may also be considered as an abstract of the terms of the appointment of Mr. Adarsh Kanoria as the Managing Director of the Company and a memorandum of concern or interest in the said appointment in accordance with the provisions of Section 302 of the Companies Act, 1956.

In respect of Item No. 7

Mr. Radhe Shyam Saraogi, aged about 66 years, has in-depth knowledge of Textile Industry and his tenure as the Whole-time Director of the Company would expire on 31st day of December, 2007.

Mr. Saraogi is associated with the Company since long and in view of his vast experience, the Board of Directors of the Company at their meeting held on 28th day of April, 2007 has re-appointed Mr. Radhe Shyam Saraogi as the Whole-time Director of the Company for a further period of three years w.e.f. 1st January, 2008 on the terms and conditions mentioned in the draft agreement, to be entered into between the Company and Mr. Radhe Shyam Saraogi.

In accordance with the requirements of Schedule XIII to the Companies Act, 1956 it is informed that the Company has not made any default in repayment of any of its debts (including public deposits) or debentures or interest payable thereon for a continuous period of thirty days in the preceding financial year 2006-2007 and the Remuneration Committee, vide a resolution, has also approved the remuneration payable to Mr. Radhe Shyam Saraogi.

Mr. Radhe Shyam Saraogi does not hold any other directorships.

The abstract of terms and conditions including remuneration governing the re-appointment of Mr. Radhe Shyam Saraogi as the Whole-time Director of the Company is as under :

Tenure : 3 years starting from 1st day of January, 2008 and ending on 31st day of December, 2010.

Salary : Rs. 75,000/- (Rupees Seventy Five Thousand only) per month.

Allowance and Perquisites : The value of allowance and perquisites referred in item (i) to (vii) below shall be evaluated as per Income Tax Rules, 1962 wherever applicable and shall be subject to maximum ceiling of amount equal to annual salary.

(i) House Rent Allowance

The Company shall pay house rent allowance @ 10% of the salary.

BENGAL TEA & FABRICS LIMITED**NOTICE (Contd.)****(ii) Gas, Electricity and Water**

The value of Gas, Electricity and Water provided by the Company shall be subject to ceiling of 10% of the annual salary.

(iii) Leave Travel Assistance

Actual amount incurred in respect of leave travel for proceeding to any place in India for self and family once in a year, shall be reimbursed, subject to ceiling of one month salary.

(iv) Medical Benefits

- (a) Personal Accident Insurance for self subject to maximum premium of Rs.5,000/- (Rs. Five Thousand) per annum;
- (b) Payment of Mediclaim Insurance for self and family or any reimbursement thereof by the Company; and
- (c) Reimbursement of Medical expenses incurred for self and family, subject to ceiling of fifteen days salary in a year.

(v) Club Fees

Fees of clubs, subject to maximum of two clubs limited to Rs.10,000/- (Rs. Ten Thousand)(Excluding life membership and admission fees).

(vi) Motor Car & Telephone

The Whole-time Director will be provided with a Company Car with driver and telephone at his residence (including payment of local calls and long distance official calls).

(vii) Earned Leave

The Whole-time Director shall be entitled for a leave of 45 days in a year, and such leave if not availed can be encashed by Whole-time Director during the tenure of appointment. Further leave can be carried forward up to a maximum of 120 days and encashment of leave at the end of the tenure shall not form part of the remuneration for the purpose of computation of ceilings, wherever applicable.

(viii) Reimbursement of Expenses

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

(ix) Retirement Benefits

The Company shall make contributions to the provident fund & superannuation fund to the extent these, either singly or put together, are not taxable under the Income Tax Act, 1961. Gratuity shall be payable in accordance with the applicable rules. The above retirement benefits shall not form part of the remuneration for the purpose of computation of ceilings, wherever applicable, so far, these do not exceed the limits prescribed in Schedule XIII to the Companies Act, 1956.

In the event of loss or inadequacy of profits, the Whole-time Director shall be paid a monthly remuneration not exceeding the applicable ceiling laid down in Section II of Part II of the Schedule XIII to the Companies Act, 1956.

Other Terms and Conditions

1. The Whole-time Director shall not become interested or otherwise concerned directly or through his wife and/or minor children, in any selling agency of the Company without the prior approval of the Central Government, as long as he functions as the Whole-time Director of the Company.
2. The Whole-time Director shall not be entitled for any sitting fees for attending the meeting of the Board of Directors of the Company or any Committees thereof, as long as he functions as the Whole-time Director of the Company.

BENGAL TEA & FABRICS LIMITED**NOTICE (Contd.)**

3. The Whole-time Director shall not be liable to determination by retirement of directors by rotation in accordance with the provisions of Section 255 of the Companies Act, 1956.
4. The Whole-time Director as well as the Company shall have the right to terminate the agreement by giving the other party three months clear notice in writing.
5. The terms and conditions of this agreement of service, may be varied from time to time by the Board of Directors of the Company, within the maximum amount payable to the Whole-time Director in accordance with the applicable provisions of the Companies Act, 1956.

The draft of the agreement, to be executed between the Company and Mr. Radhe Shyam Saraogi, as approved by the Board of Directors, would be available for inspection by the members at the Registered Office of the Company on any working day between 11.00 A.M. and 1.00 P.M. and would also be available at the Annual General Meeting. No other director, except Mr. Radhe Shyam Saraogi, is personally interested or concerned in the above resolution.

The Board considers that the Company would benefit from the continuation of Mr. Radhe Shyam Saraogi as the Whole-time Director and therefore recommends the resolution for your approval.

The above may also be considered as an abstract of the terms of the appointment of Mr. Radhe Shyam Saraogi as the Whole-time Director of the Company and a memorandum of concern or interest in the said appointment in accordance with the provisions of Section 302 of the Companies Act, 1956.

In respect of Item No. 8

The Equity Shares of the Company are listed on the following Stock Exchanges:

- (i) The Bombay Stock Exchange Limited (BSE) and
- (ii) The Calcutta Stock Exchange Association Limited (CSE)

The equity shares of the Company are under the list of "compulsory delivery in dematerialised form by all investors". On perusal of the trading pattern of the equity shares of the Company during last 4/5 years, it appears that the investors prefer to trade on the Stock Exchange having nationwide trading terminals, resulting into nil or insignificant trading on CSE.

The annual listing fees and related administrative cost incurred by the Company towards the continuity of listing of the equity shares of the Company on CSE does not offer commensurate benefits to the investors including the members located in Kolkata. Therefore, the Board of Directors, at their meeting held on 28th day of April, 2007 has decided to delist the equity shares of the Company from CSE, subject to requisite approvals/formalities.

In accordance with the Securities & Exchange Board of India (Delisting of Securities) Guidelines, 2003, exit opportunity is not required to be given as the equity shares of the Company continue to be listed on BSE having nationwide trading terminals with extensive network. Therefore, the proposed delisting would not affect adversely the interest of the investors including the members located in Kolkata.

None of the director is personally interested or concerned in the above resolution.

The proposed delisting is in the interest of the Company hence the Board recommends the resolution for your approval as Special Resolution.

BENGAL TEA & FABRICS LIMITED**NOTICE (Contd.)****STATEMENT CONTAINING INFORMATION AS REQUIRED UNDER SECTION II (B) (iv) OF PART II OF SCHEDULE XIII AND FORMING PART OF THE NOTICE OF 24TH ANNUAL GENERAL MEETING****I. GENERAL INFORMATION****(1) Nature of Industry**

Manufacture of Tea, Yarn and Fabrics.

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

The Company, incorporated in 1983, is an existing Company. Commercial Production has already commenced.

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

Not Applicable.

(4) Financial performance based on given indicators :**Rs. in lacs**

Financial Year ended	31.03.2007	31.03.2006
Gross Sales & Other Income	11812.92	11015.66
Profit before Tax	841.60	301.02
Profit after Tax	566.84	200.61
Profit as per Section 198	870.90	330.60
Equity Share Capital	900.60	600.40
Reserve and Surplus (excluding revaluation reserve)	2985.00	2213.70
Net Worth	4339.43	3258.84

(5) Export performance and net foreign exchange collaborations :**Rs. in lacs**

Financial Year ended	31.03.2007	31.03.2006
Foreign Exchange Earnings (FOB Value of Exports)	3505.89	3935.25
Foreign Exchange Outgo	1078.29	82.68

(6) Foreign investments or collaborators, if any

NIL

II. INFORMATION ABOUT THE APPOINTEE :**(1) Background details**

Mr. Adarsh Kanoria, Chairman and Managing Director of the Company is a Commerce Graduate with Honours and did a Diploma in case studies from Harvard Business School, U.S.A. Mr. Kanoria has over 19 years experience in Tea and Textile business. Mr. Kanoria is a reputed industrialist in Eastern India. He is a Committee Member of Confederation of Indian Textile Industries and Indian Chamber of Commerce.

(2) Past remuneration

Salary : Rs.1,00,000/- (Rupees One Lac only) per month.

Perquisites : The following perquisites, subject to a maximum ceiling to one-half of the annual salary are paid to Mr. Adarsh Kanoria :

- Provision of House, Motor Car with chauffeur, Fringe Benefits like gas, electricity, water, furnishings etc., Phone facilities, Medical Benefits (comprising mediclaim for self and family, personal accident insurance & medical allowance), Leave Travel Assistance for self and family, Club Fees etc. The above perquisites are valued in accordance with the Income Tax Rules, 1962, wherever applicable.
- Mr. Adarsh Kanoria is entitled for a leave of 30 days in a year, subject to maximum ceiling of 90 days carry forward, encashable at the end of the service. The Company contributes, towards provident fund to the extent the same is not taxable under the Income Tax Act, 1961. He is also entitled for gratuity in accordance with the applicable rules.

BENGAL TEA & FABRICS LIMITED**NOTICE (Contd.)**

Further there is a provision of payment of monthly remuneration not exceeding the applicable ceiling laid down in Part II of the Schedule XIII to the Companies Act, 1956 in the event of loss or inadequacy of profits.

(3) Recognition or Awards

The Textile Division of the Company is a One Star Export House recognized by Director General of Foreign Trade and has been accredited with ISO 9001:2000 by Bureau of Indian Standards.

(4) Job profile and his suitability

Mr. Adarsh Kanoria has been successfully managing the overall affairs of the Company, as the Managing Director since 1st day of January, 2002. He has over 19 years experience in Tea and Textile business. Under his able guidance and leadership the Company has been making profit for last five years. The Company has also completed successfully modernization and expansion of Textile Division.

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

(5) Remuneration proposed

As referred in Explanatory Statement (Item No. 6) of the Notice.

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

There is actually no peer group company operating in both the industries in which the Company has its business i.e. Tea & Textile hence the comparative data are not available. However, Managing Director of Patspin India Ltd. a company manufacturing yarn and fabrics having a turnover of Rs.10680 lacs was paid a remuneration of Rs. 35.33 lacs as reported in the Annual Report for the year 2005-06 of the said Company.

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

Mr. Adarsh Kanoria has no pecuniary relationship with the Company other than his remuneration as Managing Director and member/promoter of the Company. Relationship by way of Accounting Standard -18 are disclosed in the Annual Report accompanied with the Notice of 24th Annual General Meeting of the Company.

There is no managerial personnel related to Mr. Adarsh Kanoria.

III. OTHER INFORMATION :**(1) Reasons of loss or inadequate profit**

The Company is engaged in manufacture of Tea and Textile. About 80% of the revenue is generated from textile business and 20% are generated from tea business. Both the segment of the industry are agricultural based and labour intensive. The margins in such industries are traditionally low.

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

The Textile Division of the Company has been modernized and expanded during the financial year 2006-07. The commercial production has started in January 2007. After expansion the Company has started manufacturing new products. The production has increased with reduced cost.

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

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

IV. DISCLOSURE :**(1) and (2)**

The shareholders of the Company have been informed of the remuneration package of Mr. Adarsh Kanoria and all elements thereof are given in the Corporate Governance Report annexed to the Directors Report which should be read in conjunction with explanatory statement attached to the Notice of 24th Annual General Meeting.

Registered Office :

45, Shakespeare Sarani
Kolkata 700 017

Dated, the 28th day of April, 2007

By Order of the Board

T. K. KABRA
Company Secretary