

# Bengal Tea & Fabrics Limited

## **BOARD OF DIRECTORS**

Mr. Adarsh Kanoria  
Chairman & Managing Director

Mr. Radhe Shyam Saraogi  
Whole-time Director

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

## **COMPANY SECRETARY**

Mr. Nitin Bagaria

## **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

## **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 : 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 2280-6692/93/94  
Fax : 91 33 2287-0263  
E-mail : cbmsl1@cal2.vsnl.net.in

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**NOTICE****TO THE MEMBERS**

NOTICE is hereby given that the 26<sup>th</sup> Annual General Meeting of the Members of Bengal Tea & Fabrics Limited will be held at "Kalakunj", 48, Shakespeare Sarani, Kolkata 700 017 on Monday, the 27<sup>th</sup> day of July, 2009 at 10.30 A.M. to transact the following business: -

1. To receive, consider and adopt the Audited Accounts for the year ended 31<sup>st</sup> March, 2009 and the Reports of the Directors' and Auditors' thereon.
2. To declare a dividend.
3. To appoint a Director in place of Mr. Golam Momen, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors in place of retiring Auditors, from the conclusion of the 26<sup>th</sup> Annual General Meeting until the conclusion of the 27<sup>th</sup> Annual General Meeting and to authorise the Board of Directors to fix their remuneration.

By Order of the Board

Registered Office :  
45, Shakespeare Sarani,  
Kolkata-700 017  
Dated, the 11th day of May, 2009

NITIN BAGARIA  
Company Secretary

**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 20<sup>th</sup> day of July, 2009 to 27<sup>th</sup> day of July, 2009 (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 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 still possessing the share certificates issued prior to 25<sup>th</sup> 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. To avoid loss of dividend warrants in transit and undue delay in respect of receipt of dividend warrants, the Company provides the facility of payment of dividend through ECS. Members desirous of availing this facility are requested to contact the Company's Registrar and Transfer Agents.

By Order of the Board

Registered Office :  
45, Shakespeare Sarani,  
Kolkata-700 017  
Dated, the 11th day of May, 2009

NITIN BAGARIA  
Company Secretary

**DIRECTORS' REPORT**

Dear Members,

The Directors of the Company present their 26<sup>th</sup> Annual Report and Audited Accounts for the year ended 31<sup>st</sup> March, 2009.

**FINANCIAL RESULTS**

The financial results for the year ended 31<sup>st</sup> March, 2009 and the corresponding figures for the last year are as under:

	(Rupees in Lacs)	
	2008 - 2009	2007 - 2008
Profit before Interest, Depreciation and Tax	<b>1354.48</b>	1480.55
Less: Interest & Finance Charges	<b>445.46</b>	450.04
Depreciation	<b>798.52</b>	799.12
<b>Profit after Interest &amp; Depreciation</b>	<b>110.50</b>	231.39
Less: Provision for Taxation (Net of MAT Credit Entitlement)	<b>68.80</b>	49.50
Excess Provision for Taxation	<b>(-)1.52</b>	(-)4.47
Fringe Benefit Tax	<b>4.06</b>	4.18
Provision for Deferred Taxation	<b>(-)104.13</b>	33.40
<b>Profit after tax</b>	<b>143.29</b>	148.78
Add/Less:- Balance Brought Forward from Last Account	<b>214.44</b>	128.88
Less: Proposed Dividend & Tax thereon	<b>52.68</b>	63.22
Credit balance carried to Balance Sheet	<b>305.05</b>	214.44

**DIVIDEND**

Your Directors are pleased to recommend a payment of Dividend of Re. 0.50 (Paise Fifty) per Equity Share for the year ended 31<sup>st</sup> March, 2009.

**OPERATIONS****Tea Division:**

The overall performance of the Tea Industry during the Calendar Year 2008 has been satisfactory. The All India Production has been higher by about 36 million Kgs, mainly from South India. However, due to less carryover of stock, higher exports coupled with improved domestic demand, the price realisation improved substantially.

During the year under review, the Company achieved production of 20.32 lacs Kgs of Black Tea as compared to 20.60 lacs Kgs in the previous year. The Company's policy of uprooting old areas for Replantation and inclement weather conditions has led to lower production. However due to better market conditions and thrust on producing quality tea, the sale realisation has improved by about 30%.

In the current season, the tea prices are expected to rule firm due to negligible carryover and drop in production during early part of the season. Improved export enquiries due to lower crop in Kenya and Sri Lanka may also have further positive impact on the price realisation. Since your Company is focusing mainly on making quality tea, the outlook appears to be good.

**TEXTILE DIVISION**

The predominantly cotton-based Indian Textile Industry had been performing fairly well during the past few years, mainly due to the adequate availability of good quality home grown cotton but since this year, the Indian Textile Industry has been struggling to maintain margins. Apart from various other factors like escalation in bank interest rate, slump in the local and export markets, the abnormal cotton price coupled with increase in Minimum Support Price (MSP) has totally paralysed the performance of the textile industry and even the top ticket mills have incurred losses. The Division, however, managed to earn cash profits due to its relentless thrust on modernisation and reduction of costs. Further the Division has reset its product-mix in view of the increased demand for value added fabrics.

**MODERNISATION AND PROSPECTS**

The Directors are pleased to announce the successful completion and implementation of the Expansion cum Modernisation Scheme of the Textile Division. Being committed to customer's ecstasy, the Division has been modernised with the latest state-of-the-art machinery from world renowned manufactures like Trutzschler, Rieter, Toyota, etc. Moreover, two old ring frames having total capacity of 2016 Spindles have been replaced with latest compact Spindles to produce quality value added products. The Division is suitably poised to meet the challenges ahead.

In Tea Division, the Company has invested Rs. 78 Lacs during the year on modernisation of factory for further improving the quality.

**CORPORATE GOVERNANCE**

In compliance with Clause 49 of the Listing Agreement, the Management Discussion & Analysis Report and Report on Corporate Governance are attached herewith marked as Annexures – "A" and "B" respectively.

**DIRECTORS' REPORT (Contd.)****DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors hereby confirm:

- (i) That the Company had followed the applicable accounting standards in the preparation of the annual accounts for the year ended 31<sup>st</sup> March, 2009;
- (ii) That 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 31<sup>st</sup> March, 2009 and its profit for the year ended on that date;
- (iii) That 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) That the annual accounts placed before you have been prepared on a going concern basis.

**FIXED DEPOSITS**

Despite several reminders, a sum of Rs. 6,500/- remained unclaimed for a period of seven years from the date of its becoming due for payment and the same was deposited during the year in Investor Education and Protection Fund under Section 205C of the Companies Act, 1956. As on 31<sup>st</sup> March, 2009, no amount is payable towards the fixed deposits accepted from public and matured for repayment.

**DIRECTORS**

The Directors deeply regret to report the sad demise of Shri. Supriya Gupta, Director of the Company, who passed away on 7<sup>th</sup> February 2009. He was associated with the Company as Director since 30<sup>th</sup> January 2001. The Directors place on record sincere appreciation for the valuable services rendered by Shri. Supriya Gupta, to the Company and express their condolences to the bereaved family.

Mr. Golam Momen, Director of the Company retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

**AUDITORS**

Messrs Jain & Co., Chartered Accountants, Auditors of the Company retire at the conclusion of the 26<sup>th</sup> Annual General Meeting and being eligible, expressed their willingness to continue, if so appointed.

**PERSONNEL**

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

The Board expresses its appreciation for the contribution of the employees at all levels. During the year under review, Information required to be given pursuant to the provisions of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 is annexed hereto marked Annexure- "C" and forms part of this Report.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

A statement showing additional information on conservation of energy, technology absorption and foreign exchange earnings and outgo, as required pursuant to 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 attached herewith marked as Annexure – "D".

**ACKNOWLEDGEMENT**

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

For and on behalf of the Board

Kolkata  
Dated, the 11<sup>th</sup> day of May, 2009

ADARSH KANORIA  
Chairman

**Management Discussion & Analysis Report**

ANNEXURE – “A”

(Forming part of the Directors Report for the financial year ended 31<sup>st</sup> March, 2009)**Textile Division***Industry Structure and Developments:*

Textile Sector plays a very vital and dominant role in the Country's economy, however, the macro conditions in the immediate previous years has not been kind to it. During the year 2007-2008, the industry reported lower realisation on account of sudden appreciation of rupee against USD. To tide over the crisis emanating from the steep upsurge in Rupee value, the Government announced various measures viz. reduction in interest rate on pre-shipment and post shipment credit, revision in draw back and DEPB, reduction of basic customs duty on certain items related to textile sector. However, the worst fears of the industry came true in 2008-2009, such as the hike in MSP of raw cotton, slow disbursements of subsidies under TUFS, high borrowing costs, worsening of international market demand, unanticipated extreme currency movements, etc.

*Opportunities and Threats :*

The Industry is facing acute pressure from the global turmoil. The Government had announced some proposals for the sector in the interim budget for 2009-2010 and the interim trade policy, but the same are considered inadequate. The revival of the industry is largely dependant upon stimulus package from the Government and also improvement in the global scenario.

However, there is a continuing pressure on exports due to fierce competition from other countries like China, Bangladesh and Vietnam. Moreover, any restriction of market access for exports of Indian textiles and clothing products, under the WTO's Agreement on Textiles and Clothing, would have serious implications for the industry.

*Product-wise Performance :*

The performance of the Division has been mixed. The Fabrics section has performed better than the yarn section. Gray Cloth Sales was higher as compared to yarn sales. Overall, the Textile Division suffered from erratic power cuts, drastic increase in cotton prices, high cost of power & freight and low demand. The gist of performance of the textile products of the Company, during the financial year 2008-2009 is as under :

	Cloth			Yarn		
	Production (Lac Mtrs.)	Sales (Lac Mtrs.)	Average Realisation (Rs. Per Mtr.)	Production (Lac Kgs.)	Sales (Lac Kgs.)	Average Realisation (Rs. Per Kg.)
2008-2009	112.91	117.03	37.07	36.52	38.01	124.81
2007-2008	99.58	105.19	37.04	50.20	50.14	114.71
Change	(+) 13.39%	(+) 11.26%	(+) 0.08%	(-) 27.25%	(-) 24.19%	(+) 8.80%

*Outlook :*

The profitability of the textile division will depend upon availability of domestic cotton of good quality at remunerative price and also the Yarn prices remaining remunerative. It is also expected that the power supply from State grid may improve during the current year which in turn will lead to better working results for the division. The completion and implementation of the Expansion cum Modernisation Plan is also expected to result in better quality products at lower costs. As far as force field factors are concerned, international markets like USA and Europe are expected to improve and in India, budgetary allocations from Central Government towards TUFS are expected to be enhanced.

*Risk and Concerns :*

The performance of the industry is largely dependent on global market situation and Central Government policy. Other areas of concern are rupee fluctuations, slow utilization of accumulated CENVAT credits and pendency in disbursement of TUFS subsidies.

*Discussion on the Financial Performance with respect to the Operational Performance :*

During the year, the financial performance of the Textile Division was severely affected by the poor demand in International Markets like USA and Europe, which led to decline in both export and domestic yarn sales. During the year, the Cotton prices have shown an increasing trend due to higher exports coupled with increase in MSP, which also affected the financial health of the division. Further, frequent dislocation of power supply had its adverse impact on the performance of the textile division. Hence profitability from the textile division has been lower compared to last year. During the year, the division managed a cash profit of Rs. 76 lacs as against Rs. 571 lacs in the previous year.

**Tea Division***Industry Structure and Developments:*

Tea is indigenous to India and is an area where the country can take a lot of pride. This is mainly because of its pre-eminence as a foreign exchange earner and its contributions to the country's GNP. India is also the largest tea consuming country in the world and the domestic consumption is gradually increasing due to increasing population, increasing urbanization, increase in income and standard of living.

*Opportunities and Threats :*

The various initiatives taken by the Government/Tea Board, including promotional support to Exporters for participating in Exhibitions, setting up of Special Purpose Tea Fund, undertaking brand building exercise, providing incentives in the form of subsidies etc, are likely to benefit the Industry in long term. Promotional Programs undertaken by Tea Board of India are also likely to benefit the industry in long term.

**Management Discussion & Analysis Report (Contd.)**

Even though the year under review and the current year so far have been satisfying, there are many imponderables like the unfavourable global demand-supply scenario, competition in export markets and imports from low-cost countries.

**Product-wise Performance :**

During the year under review, the production of green tea leaves of Ananda Tea Estate was 67.20 lac kgs as compared to previous year of 71.47 lac kgs. This reduction was mainly on account of inclement weather conditions and uprooting of tea areas for replantation. The Company continued to exploit the opportunities of processing outsourced green tea leaves. During the year, tea prices remained strong on the back of good internal demand for quality teas. The average realisation of the tea sold by the Company was about 30% higher as compared to the previous year. The gist of performance of the division during the financial year 2008-2009 is as under :

Black Tea			
	Production (Lac Kgs)	Sales (Lac Kgs)	Average Realisation (Rs. Per Kg.)
2008-2009	20.32	20.39	121.47
2007-2008	20.60	20.25	93.53
Change (%)	( - ) 1.36%	( + ) 0.69%	(+) 29.87%

**Outlook :**

Production of tea in India is expected to be lower in the current year and therefore tea prices are expected to remain strong. The Division is expected to maintain both quality and quantity, resulting in satisfactory profitability.

**Risks & Concerns :**

Besides climatic conditions, price blends, the strategy of bought leaf factories, import of tea for re-export, poor irrigation facilities and Government policies 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 tea has resulted into achieving higher profitability. Considering the overall scenario of the Industry, the performance of the Division appears to be satisfactory.

**Internal Control Systems and their Adequacy :**

The working systems of the Company have been designed in such ways that have in-built internal checks at different levels. In addition to the Management Audit, Internal Auditors of both divisions furnish their reports at regular intervals and their reports are discussed at the Meetings of the Audit Committee and necessary steps are taken thereon. In the opinion of the management, the existing internal checks & controls are adequate.

**Information regarding Human Resources/Industrial Relations :**

The relationships were cordial throughout the year at both the divisions. The total number of manpower employed by the Textile & Tea Division as on 31<sup>st</sup> March, 2009 were 788 & 1218 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 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, the 11<sup>th</sup> day of May, 2009

ADARSH KANORIA  
Chairman

## ANNEXURE – “B”

**REPORT ON CORPORATE GOVERNANCE**(Forming part of Directors' Report for the financial year ended 31<sup>st</sup> March, 2009)**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 five members consisting of three independent non-executive directors having experience in business, finance etc. The attendance during the financial year 2008-2009 and composition of the Board of Directors is as under:

Name of the Director	Category	No. of other Director ships*	No. of other Board Committee(s)** in which he is		Attendance at last AGM held on 05.07.2008	Attendance at Board Meetings
			Member	Chairman		
Mr. Adarsh Kanoria	Promoter Executive	4	-	-	Yes	5
Mr. Radhe Shyam Saraogi	Executive	-	-	-	No	2
Mr. Golam Momem	Independent-Non-Executive	12	12	1	Yes	3
Mr. Dharendra Kumar	- do -	12	2	-	Yes	4
Mr. Samveg A. Lalbhai	- do -	10	2	2	No	1
Mr. Supriya Gupta	- do -	Ceased to be a Director w.e.f. 07.02.2009			Yes	3

\* Also includes directorships other than Public Limited Companies.

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

Meetings

During the Financial Year 2008-2009, the Board of Directors met five times on the following dates: 05.05.2008, 25.07.2008, 25.10.2008, 30.01.2009 and 16.03.2009.

Information about the Directors seeking re-appointment

**Mr. Golam Momen**, a Bachelor of Arts, aged about 76 years, retires at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. Mr. Momen is a renowned veteran personality in the Tea Industry having vast knowledge and experience. Mr. Momen, a Non-Executive Independent Director, is on the Board of the Company since 05.12.1987 and holds 750 equity shares of the Company.

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

Sl. No.	Name of the Company	Committee Membership
1.	Apeejay Tea Limited	1. Audit Committee 2. Share sub-division Committee
2.	Baghmari Tea Company Limited	–
3.	Digjam Limited (Formerly Birla VXL Limited)	1. Audit Committee 2. Remuneration Committee
4.	Dover Tea (Private) Limited	–
5.	Empire & Singlo Tea Limited	1. Remuneration Committee
6.	Harrisons Malayalam Limited	1. Remuneration Committee
7.	Kanco Enterprises Limited	1. Audit Committee 2. Share Transfer Committee 3. Shareholders/Investors Grievance Committee 4. Remuneration Committee
8.	Scottish Assam (India) Limited	1. Audit Committee
9.	White Cliff Holdings (Private) Limited	–
10.	White Cliff Properties (Private) Limited	–
11.	White Cliff Tea (Private) Limited	–
12.	Williamson Magor & Company Limited	1. Shareholders/Investors Grievance Committee

**3. Audit Committee**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.



**REPORT ON CORPORATE GOVERNANCE (Contd.)**

2. Recommendation in respect of appointment, re-appointment and removal of statutory & 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. Supriya Gupta (Chairman) (ceased w.e.f. 07.02.2009)	Independent - Non-Executive	3	05.05.2008
Mr. Golam Momen	- do -	3	25.07.2008
Mr. Dharendra Kumar	- do -	4	25.10.2008
Mr. Samveg A. Lalbhai (Inducted w.e.f. 16.03.2009)	- do -	-	30.01.2009

**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	Dates on which Meeting held
Mr. Supriya Gupta (Chairman) (ceased w.e.f. 07.02.2009)	Independent - Non- Executive	The meeting of Remuneration Committee was not required to be held during the year under review
Mr. Golam Momen	- do -	
Mr. Dharendra Kumar	- do -	
Mr. Samveg A. Lalbhai (Inducted w.e.f. 16.03.2009)	- do -	

Remuneration Policy

The Non-Executive Directors are being remunerated by way of fees of Rs. 5,000/- for attending each meeting of Board and Rs. 3,000/- 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 2008-2009 and other disclosures

Name of the Director	Salary (Rs.)	Benefits (Rs.)	Contribution to PF, Gratuity and other Funds (Rs.)	Meeting Fees (Rs.)	Service Contract/ Tenure	Notice Period	Number of Shares held
Mr. Adarsh Kanoria	3000000/-	487636/-	445181/-	—	01-01-2008 to 31-12-2010	3 Months*	534524
Mr. Radhe Shyam Saraogi	900000/-	373711/-	286269/-	—	01-01-2008 to 31-12-2010	3 Months*	—
Mr. Golam Momen	—	—	—	27000/-	NA	NA	750
Mr. Supriya Gupta	—	—	—	24000/-	NA	NA	—
Mr. Dharendra Kumar	—	—	—	32000/-	NA	NA	—
Mr. Samveg A. Lalbhai	—	—	—	11000/-	NA	NA	—

\* 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. **Mr. Nitin Bagaria, Company Secretary**, is the Compliance Officer of the Company. The Company received 13 complaints during the financial year 2008-2009, which were resolved /replied to the satisfaction of the shareholders within due time. No complaint was pending as on 31<sup>st</sup> March, 2009.



**REPORT ON CORPORATE GOVERNANCE (Contd.)****6. General Body Meetings**

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

	Date of Meeting	Venue	Time
23rd AGM	22.07.2006	Kalakunj, 48, Shakespeare Sarani, Kolkata 700 017	10.30 A.M.
24th AGM	23.06.2007	Kalakunj, 48, Shakespeare Sarani, Kolkata 700 017	10.30 A.M.
25th AGM	05.07.2008	Kalakunj, 48, Shakespeare Sarani, Kolkata 700 017	10.30 A.M.

The Shareholders passed the Special Resolutions set out in the respective notices of the 23<sup>rd</sup> and 24<sup>th</sup> AGMs. No Special Resolution was proposed in 25th AGM. No Special Resolution was put through Postal ballot in the last year.

**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 31<sup>st</sup> March, 2009, are as under:

**Mandatory requirements**

Sl. No.	Particulars of Compliance in respect of applicable 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**

1. The Board has constituted Remuneration Committee, comprising of three Independent Non-Executive Directors, to determine remuneration of Executive Directors.
2. 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" and "Arthik Lipi /Kalandar" and displayed on the website of the Company namely [www.bengaltea.com](http://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	:	Monday, 27 <sup>th</sup> day July, 2009
		Time	:	10.30 A.M.
		Venue	:	Kalakunj, 48, Shakespeare Sarani, Kolkata 700 017
Financial Year	:			1 <sup>st</sup> April 2008 to 31 <sup>st</sup> March, 2009
Date of Book Closure	:			20 <sup>th</sup> July, 2009 to 27 <sup>th</sup> July, 2009 (Both days inclusive)
Dividend Payment Date	:			After 27 <sup>th</sup> July 2009 but before 26 <sup>th</sup> August 2009 if declared at AGM

**Listing on Stock Exchanges & Stock Code :**

Bombay Stock Exchange Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001 (Stock Code – 532230)  
The Company has paid the listing fees for the financial year 2009-2010.

**Market Price Data and Number of Shares traded at Bombay Stock Exchange Ltd during the Financial Year 2008-2009**

	April	May	June	July	August	September	October	November	December	January	February	March
High	25.00	28.95	23.50	21.65	21.60	21.15	15.55	14.80	16.00	17.40	17.50	18.10
Low	19.20	21.75	17.65	16.70	17.05	13.75	9.05	11.40	11.01	12.14	13.05	13.60
Volume	87834	268707	59488	56563	46937	83197	37231	61994	35050	29962	24799	109785

**REPORT ON CORPORATE GOVERNANCE (Contd.)**

<i>Performance in comparison to broad based indices :</i>	31.03.2009	31.03.2008	Change (%)
Share prices of BTFL (Rs.)	17.35	20.55	(-) 15.57%
V/s BSE Sensex	9708.50	15644.44	(-) 37.94%

Registrar & Share Transfer Agents : C.B.Management Services (P) Ltd., P-22, Bondel Road, Kolkata 700 019  
Tel No. 2280-6692/93/94, Fax No. 2287-0263  
E-mail: cbmsl1@cal2.vsnl.net.in

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 31<sup>st</sup> March, 2009***

Sl. No.	Category of Shareholders (No. of Shares Held)	Number of Shareholders	Percentage of Shareholders	Number of Shares Held	Percentage of Holding
1	Upto 50	10899	76.19	525596	5.84
2	51 - 100	1403	9.81	132793	1.47
3	101 - 500	1476	10.32	390565	4.34
4	501 - 1000	301	2.10	244197	2.71
5	1001 - 2000	118	0.82	179800	2.00
6	2001 - 3000	32	0.22	83347	0.92
7	3001 - 4000	11	0.08	38946	0.43
8	4001 - 5000	16	0.11	74645	0.83
9	5001 - 10000	16	0.11	124103	1.38
10	10001 & above	34	0.24	7211993	80.08
	Total	14306	100.00	9005985	100.00

***Shareholding Pattern as on 31<sup>st</sup> March, 2009***

Sl. No.	Category	Number of Shares held	Percentage of Shareholding
	<b>I PROMOTERS (constituting GROUP as per MRTP Act, 1969)</b>		
1	Mr. Adarsh Kanoria	534524	5.93%
2	Mr. Basudeo Kanoria	276250	3.07%
3	Mrs. Pushpa Devi Kanoria	349335	3.88%
4	Mrs. Shubha Kanoria	449216	4.99%
5	Master Kushagra Kanoria	—	—
6	Miss Aanvi Kanoria	—	—
7	Master Varenva Kanoria	270000	3.00%
8	Other Relatives/Individuals	—	—
9	Eskay Udyog Limited	1023675	11.37%
10	Rydak Enterprises & Investment Limited	1806720	20.06%
11	Samrat Industrial Resources Limited	1833606	20.36%
12	Kanoria Exports Private Limited	—	—
13	Other Companies	—	—
14	Family/Charitable/Beneficial Trusts and HUFs'	—	--
	<b>Sub-total (I)</b>	<b>6543326</b>	<b>72.66%</b>
	<b>II NON PROMOTERS</b>		
1	Institutional Investors (Financial Institutions, Insurance Companies, Banks, Mutual Funds etc)	134432	1.49%
2	Body Corporates (other than above)	304713	3.38%
3	Resident Public	1988648	22.08%
4	NRIs' / Foreign Nationals	6059	0.07%
5	The Official Trustee of West Bengal	11520	0.13%
6	Clearing Members	17287	0.19%
	<b>Sub-total (II)</b>	<b>2462659</b>	<b>27.34%</b>
	<b>Grand Total (I) + (II)</b>	<b>9005985</b>	<b>100.00%</b>