

Teesta Valley Tea Company Limited

Board of Directors

Bharat Bajoria
Managing Director

Abha Bajoria

R. K. Dixit

Mudit Bajoria

Aloke Kumar Roy

Auditors

G. Basu & Co.
Chartered Accountants
3, Chowringhee Approach
Kolkata-700 072

Branch Auditors

B. C. Kundu & Co.,
Chartered Accountants
Faraday House,
P-17, Mission Row Extn.,
Kolkata-700 013.

Registered Office

5 & 7, Netaji Subhas Road,
Kolkata-700 001.

TEESTA VALLEY TEA COMPANY LIMITED

NOTICE

Notice is hereby given that the Annual General Meeting of Teesta Valley Tea Co. Ltd. will be held at "McLeod House" at 3, Netaji Subhas Road, Kolkata: 700 001 on Friday, the 27th September, 2013 at 2.30 p.m. to transact the following business :-

1. To consider and adopt the Statement of Profit & Loss for the year ended 31st March, 2013, the Balance Sheet as at that date and the Directors' Report and Auditors' Report thereon.
2. To appoint a Director in place of Mr. Mudil Bajoria who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration.
4. To appoint Branch Auditors and to fix their emuneration.

SPECIAL BUSINESS :

5. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an ORDINARY RESOLUTION :

"RESOLVED THAT Mr. Alope Kumar Roy, be and is hereby appointed a Director of the Company liable to retire by rotation."

6. 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 Section 293 (1) (e) and all other applicable provisions, if any, of the Companies Act, 1956 the Board of Directors of the company be and is hereby authorized to contribute to charitable and other funds not directly relating to the business of the Company or the welfare of its employees from time to time in any financial year to the extent of Rs. 20,00,000/- (Rupees Twenty Lacs only) or 5% of its average net profits as determined in accordance with the provisions of Section 349 and 350 of the Act during the three financial years immediately preceding, whichever is higher."

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 section 293 (1) (d) and all other applicable provisions, if any, of the Companies Act, 1956, Board of Directors of the Company be and is hereby authorized to borrow moneys and obtain loans for the business of the Company from time to time from any one or more of the Company's Bankers and / or from any one or more other persons, firms, bodies corporate, or financial institutions whether by way of cash credit, advance or otherwise and whether secured or unsecured not withstanding that moneys to be borrowed together with the moneys already borrowed and outstanding (apart from temporary loans obtained from the company's bankers in the ordinary course of business) may exceed the aggregate of the Paid-up Capital and Free Reserves that is to say, Reserves not set apart for any specific purpose provided that the total of such borrowing outstanding at any time shall not exceed a sum of Rs. 35 Crores (Rupees Thirty Five Crores only)."

Registered Office :
5 & 7, Netaji Subhas Road,
Kolkata : 700 001
Dated, the 1st August, 2013

By Order of the Board
Teesta Valley Tea Co. Ltd.
R. K. DIXIT
Director

NOTES :

1. Explanatory Statement pursuant to Section 173(2) is annexed herewith.
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company.
3. The Proxy Form is to be submitted at the Registered Office of the Company not later than 48 hours before holding the said Annual General Meeting.
4. The Share Transfer book and Register of Members of the Company will remain closed from 26th September, 2013 to 27th September, 2013 both days inclusive.
5. Members are requested to notify change in their address.

TEESTA VALLEY TEA COMPANY LIMITED

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956.

Resolution No. 5

Sri Aloke Kumar Roy was appointed as Additional Director on 1st August, 2013. Pursuant to Section 260 of the Companies Act, 1956 he holds his office as Director till the date of the forth coming Annual General Meeting, but is eligible for appointment. A notice has been received from a member as required under Section 257 of the Act signifying his intention to propose the candidature of Mr. Aloke Kumar Roy for the office of Director. The Board considers it desirable that the Company should continue to avail itself the service of Mr. Aloke Kumar Roy and accordingly commend the Resolution for approval by the members.

None of the Directors except Mr. Aloke Kumar Roy is interested in the Resolution.

Resolution No. 6

The Company is often called upon to fulfill certain obligations for the social welfare and to further charity work of charitable organizations. In the larger interest of the business of the Company and also for fulfillment of social responsibilities it is necessary to make certain contributions / donations and other payments to the institutions, organizations, trusts, companies or other persons, not directly relating to the business of the Company or the welfare of the employees. It is proposed to authorize the Board of Directors, to make such contribution from time to time, in any financial year to the extent of Rs. 20,00,000/- (Rs Twenty Lacs) or 5% of the Company's average net profit as determined in accordance with the provisions of section 349 & 350 of the Companies Act, 1956 during the three financial year immediately preceding whichever is higher.

Your Directors recommend to pass the resolution as set out in the notice, to empower the Board of Directors to make necessary charitable contributions for fulfillment of the social obligations of the Company.

None of the Directors is interested or concerned in the Resolution.

Resolution No. 7

To enable the Directors to borrow, pursuant to Section 293(1)(d) of the Companies Act, 1956, moneys and obtain loans for the business of the Company from time to time from any one or more of the Company's Bankers and / or from any one or more other persons, firms, bodies corporate or financial institutions whether by way of cash credit, advance or otherwise and whether secured or unsecured notwithstanding that moneys to be borrowed together with the moneys already borrowed and outstanding (apart from temporary loans obtained from the company's bankers in the ordinary course of business) may exceed the aggregate of the Paid-up Capital and Free Reserves, that is to say, Reserves not set apart for any specific purpose provided that the total of such borrowing outstanding at any time shall not exceed a sum of Rs. 35 Crores (Rupees Thirty Five Crores only).

Registered Office :
5 & 7, Netaji Subhas Road,
Kolkata : 700 001
Dated, the 1st August, 2013

By Order of the Board
Teesta Valley Tea Co. Ltd.
R. K. DIXIT
Director

DIRECTORS' REPORT

OF

TEESTA VALLEY TEA COMPANY LIMITED

TO THE MEMBERS

Your Directors have great pleasure in presenting the Annual Report with the Audited Accounts for the year ended 31st March, 2013.

CROP

During the year 4,81,945 kgs of tea was manufactured as against 4,65,316 kgs. in the previous year.

FINANCIAL HIGHLIGHTS & PERFORMANCE

Particulars

	<u>2012-13</u>	<u>2011-2012</u>
Total Revenue	19,42,34,101	16,18,08,195
Less : Total Expenses	16,28,52,211	14,28,35,256
Profit before Depreciation & Tax	3,13,81,890	1,89,72,939
Less : Depeciation	41,84,801	34,86,977
Others	—	52,478
Profit Before Tax	2,71,97,089	1,54,33,484
Less : Current Tax	30,68,725	13,79,621
Others	—	—
Profit / Loss for the Financial Year	2,41,28,364	1,40,53,863
Earning Per Share	160.86	93.69

The Total Revenue during the Financial Year 2012-13 incurred to Rs. 19,42,34,101/- against s. 16,18,08,195/- during the Financial Year 2011-12.

Profit Befor Tax during the Financial Year 2012-13 incurred to Rs. 2,71,97,089/- against Rs. 1,54,33,484/- during the Financial Year 2011-12.

Profit for the year is Rs. 2,41,28,364/- during the Financial Year 2012-13 as compared to Rs. 1,40,53,863/- during the Financial Year 2011-12.

PARTICULARS OF EMPLOYEES

Statement of particulars of employees pursuant to the provision of Section 217(2A) of the Companies Act 1956 is not applicable, hence it is not annexed.

SOCIAL RESPONSIBILITY

The two Tea Gardens of the Company in Darjeeling, Teesta Valley and Gielle, are situated in the most beautiful valley of Himalaya, facing Kanchenjunga snow clad peaks. Besides scientifically maintaining over 35 lakh tea bushes on both the gardens, the Company looks after its 2000 workers and staff with zeal and humane outlook. There are nine Primary Schools, four English Medium Nursery School and two High Schools to impart proper education to the children of the two gardens. The Estates have 32 beds well built and well maintained hospital. Two standby Ambulances help serious patients to be moved to Siliguri and Darjeeling for specialized treatment at Company's expenses. There are well maintained 5 cretches where workers' children are kept and looked after and provided with milk and biscuits. The houses of the workers and staff are well maintained with hygienic conditions kept around the labour lines.

COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES 1988

The particulars in terms of Sec. 217(1)(e) of the Companies Act, 1956 are annexed, forming part of the report.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217 of the Companies Act, the Directors hereby confirm that:

1. In the preparation of the Annual Accounts, the applicable accounting standards have been followed and there has been no material departure.
2. The Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit/loss of the Company for that period.
3. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. The Directors had prepared the Annual Accounts on a going concern basis.

DEMATERIALISATION OF SHARES

Your Company's Shares are tradable compulsorily in electronic form under ISIN No INE 718E01011 and your Company has established connectivity with Central Depository Services (India) Limited (CDSL).

COMPLIANCE CERTIFICATE :

Pursuant to the Proviso of Sub-Section(1) of Section 383A of the Companies Act, 1956, the Compliance Certificate dated 15th July, 2013 is attached and forms part of the Directors' Report.

AUDITORS REPORT

The observations of the Auditors in their Report are self-explanatory and therefore, need no further explanation. As regards, procedural lapses are concerned, effective steps are being taken to remove those lapses. As regards Gratuity the Company has always treated Gratuity in the accounts on cash basis. Since the value of the Gratuity as on 31.3.2013, does not fully relate to the current year, the Management decided not to provide the value of Gratuity as on 31.3.2013.

DIRECTORS

Mr. Mudit Bajoria retires by rotation, but being eligible, offers himself for the re-appointment.

REMUNERATION COMMITTEE

During the financial year the meeting of the Remuneration Committee was held on 1st August, 2012 to discuss and take a decision on following matters.

- a. To approve / recommend to the Board of Directors the remuneration package of the Managing Director and Whole time Directors and also to recommend remuneration payable to the Non-Executive Directors.
- b. To approve, in the event of loss of inadequacy of profits in any year, the minimum remuneration payable to the Managing Directors within the limits and subject to the parameters prescribed in Schedule XII to the Companies Act, 1956.

AUDITORS

M/s. G. Basu & Co. Chartered Accountants, Kolkata the present Auditor of the Company retires at the forthcoming Annual General Meeting and is eligible for re-appointment as Auditor. The Company has received confirmation from the firm to the effect that their re-appointment, if made, would be within the prescribed limit under Section 224(1B) of the Companies Act, 1956 and they are not disqualified for the appointment within the meaning of section 226 of the said Act.

COST AUDITORS

The Cost accounts maintained by the Company in respect of plantation products of Tea units are audited by firms of Cost Accountant appointed with the approval of Ministry of Corporate Affairs.

BRANCH AUDITORS

M/s B.C. Kundu & Co., Chartered Accountants, retire and are eligible for re-appointment.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industrial Structure, Development Opportunity and Outflow

We were able to improve upon Tea qualities by undertaking sound agricultural formalities timely. The production of Tea Estates in Darjeeling district as a whole was satisfactory during the year. Due to implementation of better agricultural technology your company was able to achieve higher production. The company has both short-term and long-term vision to keep the tea bushes in good heart by uprooting and replanting the old ones. For which price realization was better than the previous year.

The factories on both the gardens are large, spacious and equipped with the latest machineries in each department. In fact, out two factories should serve as model tea factories in the Darjeeling District.

With cheerful workers and staff, with beautiful plantation and with excellent factories on both the gardens, the future of the property will continue to remain bright and cheerful.

RISK CONCERN AND THREATS

Your Company has two Tea Plantation unit i.e. Teesta Valley and Gielle for producing quality Teas in this competitive market the company needs huge capital investments and also for replacement of its existing technology and machines. Though the Company has the comandable market in the Tea Industry, the fluctuation in the Capital Market and current recession leads to lowering the buying capacity of customers may lead to declining in the profits of the Company. Though the Company has a very reputation in the locality and vicinity of the Tea Plantaions, a permanent solutions to the disturbance of the Darjeeling and Siliguri area by the Government will definitel works towards the advantage of the Company's performance and revenue.

Registered Office :

5 & 7, Netaji Subhas Road,
Kolkata-700 001.

Dated the 15th day of July, 2013

BHARAT BAJORIA

ABHA BAJORIA

R. K. DIXIT

} Managing
Director
}
} Directors

TEESTA VALLEY TEA COMPANY LIMITED
ANNEXURE TO THE DIRECTORS' REPORT

(A) CONSERVATION OF ENERGY

Appropriate steps have been taken for conservation, viz-a-viz improved utilisation of energy by adopting better techniques and replacing old machinery and/or equipment where necessary.

FORM "A"

	31st March, 2013	31st March, 2012
Power and Fuel Consumption		
1. Electricity		
(a) Purchased		
Unit	3,34,440	3,24,970
Total Amount	Rs. 29,45,865	Rs. 22,30,155
Rate/Unit	Rs. 8.81	Rs. 6.86
(b) Own Generator		
i) Through Diesel Generator		
Unit	1,44,073	97,666
Unit per Litre of Diesel Oil	49.34	47.34
Cost/Unit	Rs. 12.82	Rs. 13.54
ii) Through Steam Turbine Generator		
Units	-	-
Unit/Litre of Fuel Oil/Gas	-	-
2. Coal (Quantity)	884.72 MT	925.95 MT
Total Cost	Rs. 73,44,129	Rs. 57,20,063
Average Rate	Rs. 8,301	Rs. 6,178
3. Furnace Oil		
Quantity (K.Lts.)	-	-
Total Amount	Rs. -	Rs. -
Average Rate	Rs. -	Rs. -
4. Other/Internal Generation		
Quantity	-	-
Total Cost	-	-
Average Rate/Unit	-	-
5. Consumption per unit of Production		
Products : TEA		
Production (Kgs.)	4,81,945	4,65,316
Electricity	0.99	0.91
Furnace Oil	-	-
Coal	1.84	1.99
Others	-	-

TEESTA VALLEY TEA COMPANY LIMITED

FORM "B"

(A) RESEARCH AND DEVELOPMENT (R & D)

1. Specific areas in which R & D carried out by the Company	Nil
2. Benefits derived as a result of the R & D	Nil
3. Future Plan of Action	Nil
4. Expenditure on R & D	
a) Capital	Nil
b) Recurring	Nil
c) Total	Nil
d) Total R & D expenditure as a percentage of total turnover	Nil

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1. Efforts, in brief, made towards technology absorption, adaptation and innovation.	Nil
2. Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product development, import substitution.	Nil
3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished :-	Nil
a) Technology imported	Nil
b) Year of import	Nil
c) Has technology been fully absorbed ?	Nil
d) If not fully absorbed, area where has not taken place, reasons therefore, and future plans of action.	

The Company subscribes to Tea Research Association within the meaning of Section 35(1) of the Income Tax Act.

FOREIGN EXCHANGE EARNINGS AND OUTGO

a) Activities relating to exports, initiative taken to increase exports.	
b) Development of new export markets for product and services and export plan	
c) Total foreign exchange used and earned	
Foreign exchange used	Rs. NIL
Foreign exchange earned	Rs. NIL

**ANNEXURE TO THE DIRECTOR'S REPORT
COMPLIANCE CERTIFICATE**

Registration No. of the Company : 21-000347

Nominal Capital : Rs. 225 Lakhs

Paid Up Capital Rs. 177 Lakhs

To

The Members of

Teesta Valley Tea Company Ltd.

5 & 7, Netaji Subhas Road,

Kolkata-700 001

We have examined the registers, records, books and papers of **Teesta Valley Tea Company Ltd.** as required to be maintained under the Companies Act, 1956, (the Act) and the Rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2013. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year :

1. The company has kept and maintained all registers as stated in Annexure 'A' to this certificate.
2. The company has filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board.
3. The company, being a public limited company having the minimum paid up capital, comments are not required.
4. The Board of Directors had met Eight times respectively on 20.06.2012, 10.07.2012, 26.09.2012, 28.09.2012, 10.10.2012, 12.11.2012, 27.11.2012 and 05.03.2013 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed.
5. The company closed its Register of Members from 27th September 2012 to 28th September 2012 both days inclusive in compliance of section 154 of the Act.
6. The Annual General meeting for the financial year ended on 31/03/2012 was held on 28.09.2012 and the resolutions passed thereat were recorded in the Minutes Book maintained for the purpose.
7. No extraordinary general meeting was held during the financial year.
8. The Company has not advanced any loans to its Director, however as explained by the Management, the Corporate Guarantee given in favour of another Company doesn't fall under Section 295 of the Act.
9. As explained, the Company has not entered into any contracts falling within the purview of Section 297 of the Act.
10. As explained, the company has made entries in the register maintained under section 301 of the Act.
11. As there were no instances falling within the purview of section 314 of the Act, the company has not obtained any approvals from the Board of Directors, members or Central Government.
12. The Company has not issued any duplicate shares certificates during the financial year.
13. The Company has :
 - i) Delivered all the certificates and on Lodgement thereof for transfer. There was no allotment of Shares during the year.
 - ii) The company has not deposited any amount in a separate account as no dividend was declared during the financial year,
 - iii) The company was not required to post warrants to any member of the company as no dividend was declared during the financial year,
 - iv) The company was not required to transfer the amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund.
 - v) The company has duly complied with the requirements of section 217 of the Act;

14. The Board of Directors of the company is duly constituted. Further the Company has not appointed any alternate directors, additional directors and directors to fill casual vacancies during the financial year.
15. During the Financial year Mr. Bharat Bajoria was re-appointed as Managing Director of the Company for a period of 5 years with effect from 1st August, 2012.
16. The Company has not appointed any sole selling agents during the financial year.
17. The company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar under the various provisions of the Act during the financial year.
18. The directors have disclosed their interest in other firms / companies to the Board of Directors pursuant to the provisions of the Act and the Rules made there under.
19. There were no issue of debentures or other securities during the financial year.
20. The company has not bought back any shares during the financial year.
21. There was no redemption of preference shares/debentures during the financial year.
22. There were no transactions necessitating the company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The company has not invited / accepted any deposits including any unsecured loans falling within the purview of section 58A during the financial year.
24. The Company has made borrowings during the Financial year.
25. The company has not made any loans and investments to other bodies corporate. Further the Company has given Guarantee worth Rs. 12,00,00,000/- in favour of other Company.
26. The company has not altered the provisions of the Memorandum with respect to situation of the company's registered office from one state to another during the year under scrutiny.
27. The company has not altered the provisions of the Memorandum with respect to the objects of the company during the year under scrutiny.
28. The company has not altered the provisions of the Memorandum with respect to name of the company during the year under scrutiny.
29. The company has not altered the provisions of the Memorandum with respect to share capital of the company during the financial year under scrutiny.
30. The company has not altered its Articles of Association with respect to Remuneration of Directors during the financial year under scrutiny.
31. There were no prosecutions initiated against or show cause notices received by the company and no fines or penalties for any other punishment was imposed on the company during the financial year, for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. The Company was regular in deposit of contribution to Provident Fund with prescribed authorities pursuant to section 418 of the Act.

It is stated that the compliance of all applicable provisions of the Companies Act, 1956 is the responsibility of the management. Our examination, on a test-check basis, was limited to procedures followed by the Company for ensuring the compliance with the said provisions. We 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 its affairs. We further state that this is neither an audit nor an expression of opinion on the financial activities / statements of the Company. Moreover, we have not covered any matter related to any other law which may be applicable to the Company except the Companies Act, 1956.

For D. RAUT & ASSOCIATES
(Company Secretaries)

Commerce House, 7th Floor, Room No. 10
2A-Ganesh Chandra Avenue, Kolkata-700 013
Dated : 15th day of July, 2013

Name of the Company Secretary : **DEBENDRA RAUT, ACS**
(Proprietor)
C. P. No. : 5232

Annexure - "A"

Registers as maintained by the Company

1. Register of Transfers u/s 108
2. Register of Members u/s150
3. Minutes of Share Holders Meetings u/s 193
4. Minutes of Board Meeting u/s 193
5. Register of Contracts u/s 301
6. Register of Directors etc. u/s 303
7. Register of Directors Shareholdings u/s 307
8. Register of Charges u/s 143

Annexure - "B"

Forms and Returns as filed by the Company with Registrar of Companies during the financial year ended 31st March, 2013.

Sl. No.	Form No./Return	Filed under section	For the period	Date of filing	Whether filed within prescribed time (Yes/No)	If delay in filing whether requisite additional Fee paid (Yes/No)
1.	Annual Return (20B)	159	For AGM held on 28.09.2012	28.11.2012	No	Yes
2.	Balance Sheet (23ACXBRL) & 23ACAXBRL)	220	For the financial year ending 31.03.2012	11.12.2012	Yes	NA
3.	Compliance Certificate (66)	383A	For the financial year ending 31.03.2012	25.10.2012	Yes	NA
4.	Form 23 (Resolution) Appointment of Managing Director	269	Resolution for Appointment of Managing Director	27.10.2012	Yes	NA
5.	Form 23C Appointment of Cost Auditor	233B(2)	Appointment of Cost Auditor for the Financial year ending 31.03.2011	11.10.2012	No	Yes
6.	Form 23C Appointment of Cost Auditor	233B(2)	Appointment of Cost Auditor for the Financial year ending 31.03.2012	11.10.2012	No	Yes
7.	Form 23C Appointment of Cost Auditor	233B(2)	Appointment of Cost Auditor for the Financial year ending 31.03.2013	30.08.2012	No	Yes
8.	Form 17 (Nine numbers)	137	For Satisfaction of Charges from PNB	All form 17 filed on 03.01.2013	Yes	NA
9.	Form 8	125	For Creation of Charge in favour of ICICI	05.11.2012	Yes	NA
10.	Form 8	135	For Modification of Charge in favour of ICICI	14.03.2013	Yes	NA
11.	Form I (Cost Audit Report)	233B(4)	For the financial year ended 31.03.2011	06.01.2013	No	No Fees
12.	Form I (Cost Audit Report)	233B(4)	For the financial year ended 31.03.2012	07.01.2013	No	No Fees

**AUDITORS' REPORT TO THE SHAREHOLDERS
OF
TEESTA VALLEY TEA COMPANY LIMITED**

1. Report on the Financial Statements

We have audited the the accompanying financial statements of **Teesta Valley Tea Company Limited** which comprise the Balance Sheet as at March 31st, 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.

2. Management's 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 the section 211 of the Companies Act, 1956. 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.

3. 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 in 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.

The report on the audit of accounts of the Branch of the Company by B. C., Kundu & Co., Chartered Accountants under section 228 of the Companies Act, 1956 has been forwarded to us as required by clause (c) sub-section (3) of that Section which has been considered in preparing our report and we entirely relied on the Branch Auditors in regard to their checking observations and comments on the accounts and other related matters pertaining to the Company.

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

4. Basis of Qualified Opinion

Neither any provision has been made against liabilities on account of gratuity nor the same have been determined. This is not in continuity with AS-15 (revised). The impacts thereof are not readily ascertainable.

5. Qualified Opinion

f) In our opinion and to the best of our information and according to the explanations given to us, except for possible effects of the matter referred to in 4, 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 :

- i) In the case of the Balance Sheet, of the state of affairs of the company as at March 31st, 2013;
- ii) In case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- iii) 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 purposes of our audit except for the matter described in the Basis for Qualified Opinion paragraph;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from branches not visited by us;
 - 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 (and with the returns received from branches not visited by us),
 - d. Except for the possible effects of the matter described in the basis for Qualified Opinion paragraph, 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 Act.
 - 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 March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.
 - f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

Place : Kolkata
Dated : July 15, 2013

For G. BASU & CO.
Chartered Accountants
Firm Reg. No. 301174E
J. N. DHAR
Partner
Membership No. 007117

ANNEXURE TO THE AUDITORS' REPORT (As referred to in Para 1 of the said report of even date)

- (i)
 - (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) All the fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which in our opinion is reasonable having regard to the size of the company and the nature of its fixed assets. No material discrepancies were noticed on such verification.

- (c) Sale of fixed assets during the year was too meagre to affect the going concern status of the Company.
- (ii) (a) The inventory has been physically verified by the management at regular intervals during the year.
- (b) The procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) The company is maintaining proper records of its inventory and no material discrepancies were noticed on such physical verification
- (iii) (a) The company has not granted unsecured loans/advances to Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (b) The Company has taken unsecured loans during the year repayable on demand for Rs. 39 lakhs from two parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum due during the year was Rs. 122.50 lacs and the year end balance of the same was Rs. NIL including interest dues.
- (c) In our opinion, the rate of interest and other terms and conditions on which loans have been taken by the company are not *prima facie*, prejudicial to the interest of the company.
- (d) The Company is regular in repaying the principal amount as well as interest as and when demanded.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) According to the information and explanations given to us, the company has not accepted any deposits within the meaning of Sections 58A, 58AA or any other relevant provisions of the Companies Act, 1956.
- (vii) The company has an internal audit system during the year commensurate with the size and nature of its business.
- (viii) According to the information and explanations given to us, the cost records as prescribed by the Central Government under cost record rules under section 209 (1) (d) of the Companies Act, 1956 has been maintained.
- (ix) (a) The Company is regular in depositing undisputed dues on account of provident fund and Income Tax with appropriate authorities. The Company is also regular in depositing other undisputed statutory dues as applicable to it including Investor Education & Protection Fund, Employees State Insurance, Wealth Tax, Service Tax, Custom Duty and Excise Duty. According to the information and explanations given to us, the arrears of labour welfare fund dues as at the last day of financial year outstanding for a period of more than six months from the date they became payable amounted to Rs. 77,282/-

- (b) According to the information and explanation given to us, there are no dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited on account of any dispute other than the following :

Name of Statute	Nature of dues	Amount Rs.	Period of dues	Forum where dispute is pending
Income Tax Act	Short deposit of Tax Deducted at Source	1,23,568	Asst. year 1993-94	Income Tax Officer (TDS)

- (x) The Company has not incurred cash losses during the year as well as in immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the company has not made any material default in repayment of dues to Financial Institutions and banks. The Company has not issued any debenture.
- (xii) According to the information and explanations given to us, and the records examined by us, the company has not granted loans and advances on the basis of securities by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the company is not a chit / nidhi / mutual benefit fund / society and as such clause (xiii) of the Order, is not applicable to the company.
- (xiv) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 is not applicable to the company.
- (xv) The Company has given guarantees for loan taken by others from bank, the terms and conditions of which are not prima facie prejudicial to the interest of the company.
- (xvi) In our opinion, the term loans have been applied for the purpose for which they were raised.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the company, we report that the company has not used funds raised on short-term basis for long term investment.
- (xviii) According to the information and explanations given to us, 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.
- (xix) The company has not issued any debentures.
- (xx) The company has not raised money by public issues during the year.
- (xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.
- (xxii) Other para of the order are not applicable to the Company.

Place : Kolkata
Dated : July 15, 2013

For G. BASU & CO.
Chartered Accountants
Firm Reg. No. 301174E
J. N. DHAR
Partner
Membership No. 007117

STATEMENT OF ACCOUNTS

TEESTA VALLEY TEA COMPANY LIMITED
5&7, Netaji Subhas Road Kolkata - 700 001
Balance Sheet as at 31st March, 2013

	Note	As at 31st March, 2013 Rs.	As at 31st March, 2012 Rs.
I EQUITY AND LIABILITIES			
1. Share Holders' Funds			
(a) Share Capital	1	1,77,00,000	1,77,00,000
(b) Reserves and Surplus	2.	2,18,15,162	(23,13,202)
2. Share Application money pending Allotment			
3. Non-current liabilities			
(a) Long Term borrowings	3	9,30,913	17,09,935
(b) Net Deferred Tax Liabilities (Depreciation)		65,211	79,621
(c) Long term provisions	4	43,272	1,66,865
4. Current Liabilities			
(a) Short Term borrowings	5	4,84,90,533	3,34,49,994
(b) Trade payables	6	43,78,839	73,57,354
(c) Other current liabilities	7	1,30,93,348	2,40,85,097
(d) Short Term Provisions	8	32,43,078	12,97,498
Total		<u>10,97,60,356</u>	<u>8,35,33,162</u>
II ASSETS			
1. Non-current Assets			
(a) Fixed Assets			
Tangible assets			
(b) Non-current investments	9	6,07,47,253	6,11,90,696
(c) Long Term Loans and Advances	10	3,600	3,600
(d) Other Non Current Assels	11	5,71,570	3,85,787
	12	11,971	3,27,185
2. Current Assets			
(a) Inventories	13	2,19,21,403	1,35,99,328
(b) Trade Receivables	14	35,53,441	29,31,418
(c) Cash and Cash Equivalentls	15	1,94,92,624	5,60,227
(d) Short Term Loans and Advances	16	31,18,537	42,63,434
(e) Other Current Assets	17	3,39,957	2,71,487
Total		<u>10,97,60,356</u>	<u>8,35,33,162</u>
Significant Accounting Policies & Notes to Accounts	24		
This is the Balance Sheet referred to our report of even date. The Notes are an integral part of these Financial Statements.			

For and on behalf of the Board of Directors

For G. BASU & CO.
Chartered Accountants
Firm Reg. No. 301174E
J. N. DHAR
Partner
Membership No. 007117

BHARAT BAJORIA *Managing
Director*

ABHA BAJORIA } *Director*
R. K. DIXIT } *Director*

Dated : The 15th day of July, 2013

TEESTA VALLEY TEA COMPANY LIMITED
5&7, Netaji Subhas Road Kolkata - 700 001
Profit & Loss Statement for the year ended 31st March, 2013

	Note	31st March, 2013 Rs.	31st March, 2012 Rs.
INCOME			
Revenue from Operation	18	19,39,91,744	16,17,04,665
Other Income	19	2,42,357	1,03,530
Total Revenue		<u>19,42,34,101</u>	<u>16,18,08,195</u>
EXPENSES			
Change in Inventories of Finished Goods	20	(81,98,135)	91,13,000
Employees Benefits Expenses	21	9,09,64,351	7,66,92,719
Finance Costs	22	62,87,354	68,60,149
Depreciation & Amortisation Expenses	9	41,84,801	34,86,977
Other Expenses	23	7,37,98,641	5,01,69,388
Total Expenses		<u>16,70,37,012</u>	<u>14,63,22,233</u>
Profit before Exceptional & Extra ordinary items		2,71,97,089	1,54,85,962
Exceptional Items		—	—
Extra Ordinary items		—	(52,478)
Profit before Tax		2,71,97,089	1,54,33,484
Tax Expenses :			
Income Tax		26,00,000	13,00,000
Agricultural Income Tax		6,50,000	—
Deferred Tax (Depreciation)		(14,410)	79,621
Excess Provision of Tax Written Back		(1,66,865)	—
Profit / (Loss) for the year		2,41,28,364	1,40,53,863
Earning per Equity share			
Basic		160.86	93.69
Diluted		160.86	93.69
Significant Accounting Policies & Notes to Accounts	24		

This is the Profit & Loss Statement referred to our report of even date.

The Notes are an integral part of these Financial Statements.

For and on behalf of the Board of Directors

For G. BASU & CO.
Chartered Accountants
 Firm Reg. No. 301174E
 J. N. DHAR
Partner
 Membership No. 007117

BHARAT BAJORIA *Managing Director*
 ABHA BAJORIA *Director*
 R. K. DIXIT *Director*

Dated : The 15th day of July, 2013

TEESTA VALLEY TEA COMPANY LIMITED

Annexed to and forming part of the Balance Sheet

	31st March, 2013 Rs.	31st March, 2012 Rs.
1 SHARE CAPITAL		
Authorised Capital		
5,00,000 (P.Y. 5,00,000) Equity Shares of Rs. 10/- each	50,00,000	50,00,000
1,75,000 (P.Y. 1,75,000) 6% Redeemable Cumulative Preference Shares of Rs. 100/- each	<u>1,75,00,000</u>	<u>1,75,00,000</u>
	<u>2,25,00,000</u>	<u>2,25,00,000</u>
Issued, Subscribed & Fully paid up		
1,50,000 (P. Y. 1,50,000) Equity Shares of Rs. 10/- each fully paid-up	15,00,000	15,00,000
Details of Equity Shares held by shareholders holding more than 5% of the equity shares in the Company	No. of Shares (% of holding)	No. of Shares (% of holding)
Bharat Bajoria, Managing Director	19600 (13.06%)	19600 (13.06%)
Mohanbari Investment Co. Pvt. Ltd.	15900 (10.60%)	15900 (10.60%)
Zen Industrial Services Ltd.	14152 (9.43%)	14152 (9.43%)
Trishul Company Pvt. Ltd.	11223 (7.48%)	11223 (7.48%)
Orlando Holdings Ltd.	10457 (6.97%)	10457 (6.97%)
Tingamira Tea Seeds Co. Ltd.	8525 (5.68%)	8525 (5.68%)
Teesta Valley Exports Ltd.	8000 (5.33%)	8000 (5.33%)
1,62,000 (P.Y. 1,62,000) 6% Redeemable Cumulative Preference Shares of Rs. 100/- each	1,62,00,000	1,62,00,000
(a) 6% Redeemable Cumulative Preference Shares are redeemable any time after expiry of five years and before expiry of twenty years. Respective date of allotment of Preference Shares numbering 50000, 50000, 25000 and 37000 were 26.03.2002, 12.03.2005, 27.03.2007 and 20.03.2009.		
(b) Details of Preference Shares held by shareholders holding more than 5%	No. of Shares (% of holding)	No. of Shares (% of holding)
Teesta Valley Exports Limited	60,000 (37.04%)	60,000 (37.04%)
The Bormah Jan Tea Co. (1936) Limited	50,000 (30.86%)	50,000 (30.86%)
Abha Bajoria	45,000 (27.78%)	45,000 (27.78%)
Foot Note : 1.) There has been no movement of shares during the year or in the preceding year		
2.) Right Preference Repayability & restriction if any on :		
a) Shares (Equity & Preference) are freely transferable provided :		
i. Application of transfer is in duly prescribed instruments duly stamped, executed by transferor and transferee and accompanied by certificate of shares under transfer		
ii. For transfer application made by transferor in respect of partly paid shares, no objection comes from transferee within two weeks of his receipts of notice issued by Company in this regard u/s 34 (2) of Companies Act, 1956.		
b) Preference share holders will be entitled to preferential treatment in respect proceeds of realisation of assets of the company vis-a-vis equity share holders under circumstances of winding up of company.		
Total	<u>1,77,00,000</u>	<u>1,77,00,000</u>

TEESTA VALLEY TEA COMPANY LIMITED

	31st March, 2013 Rs.	31st March, 2012 Rs.
2 RESERVE & SURPLUS		
General Reserve :		
As per last Balance Sheet	—	—
Add : Transferred from Surplus in Statement of Profit & Loss	40,00,000	—
	<u>40,00,000</u>	<u>—</u>
Surplus in Statement of Profit and Loss :		
As per last Balance Sheet	(23,13,202)	(1,63,67,065)
Add : Profit for the year	2,41,28,364	1,40,53,863
	<u>2,18,15,162</u>	<u>(23,13,202)</u>
Less : Transfer to General Reserve	40,00,000	—
	<u>1,78,15,162</u>	<u>(23,13,202)</u>
Total :	<u>2,18,15,162</u>	<u>(23,13,202)</u>
3 LONG TERM BORROWINGS		
Secured		
Term Loan from Bank	9,30,913	17,09,935
(a) Nature of Security :		
Hypothecation of Vehicles purchased		
(b) Terms of Repayment :		
EMI of Rs. 77,930 /- from April 2014 to March 2015		
Note : There is no default in repayment of principal or interest against the above loan.		
	<u>9,30,913</u>	<u>17,09,935</u>
4. LONG TERM PROVISIONS		
Provision for Income Tax (net of advance tax Rs. 12,56,728/-)	43,272	1,66,865
Total	<u>43,272</u>	<u>1,66,865</u>
5 SHORT TERM BORROWINGS		
Secured		
Cash Credit Limit from Punjab National Bank	—	3,34,49,994
Cash Credit Limit from ICICI Bank Limited	4,84,90,533	—
(a) Nature of Security		
Exclusive charge by way of hypothecation on current assets and moveable fixed assets of the Company and exclusive charge by way of equitable mortgage on Land and Factory Building of Teesta Valley Tea Estate and Gielle Tea Estate having aggregate area of land 1204.04 hectares and and personal guarantee of Mr. Bharat Bajoria, Managing Director		
Note : There is no default in repayment of principal or interest against the above loan.		
	<u>4,84,90,533</u>	<u>3,34,49,994</u>
6. TRADE PAYABLES		
Creditors for goods and services	43,78,839	73,57,354
	<u>43,78,839</u>	<u>73,57,354</u>

TEESTA VALLEY TEA COMPANY LIMITED

	31st March, 2013 Rs.	31st March, 2012 Rs.
7 OTHER CURRENT LIABILITIES		
Component of terms loan repayable within a year :		
a. From Related parties	—	83,50,000
b. Body Corporate	—	79,00,000
c. From Others	7,79,026	6,54,065
Interest Accrued and due	—	9,67,286
Advance from Customers	—	21,66,977
Creditors for Capital Goods	18,20,000	—
Statutory Liabilities	13,61,986	12,60,081
Other Payables	91,32,336	27,86,688
Total	<u>1,30,93,348</u>	<u>2,40,85,097</u>
8 SHORT TERM PROVISIONS		
Provision for Income Tax (net of advance tax Rs. 6,922/-)	25,93,078	12,97,498
Provision for Agricultural Income Tax (net of advance Tax Rs. NIL)	6,50,000	—
Total	<u>32,43,078</u>	<u>12,97,498</u>
10 NON CURRENT INVESTMENT (held at cost unless stated otherwise)		
Other than trade (fully paid) :		
a. Investments in Equity instrument (Unquoted)		
Assam Bengal Cereals Limited		
(CY : 200 shares, PY : 200 shares of face value of Rs. 10 each)	2,000	2,000
b. Investments in Debentures (Unquoted)		
East India Clinic Limited		
(CY : 6 Debentures, PY : 6 Debentures of face value of Rs. 100 each)	600	600
c. Investments in Mutual Fund (Unquoted)		
G I C Mutual Fund (Fortune-94)		
(CY : 100 Units, PY : 100 Units of face value of Rs. 10 each)	1,000	1,000
Total	<u>3,600</u>	<u>3,600</u>
11 LONG TERM LOANS & ADVANCES (Unsecured & considered good)		
Security Deposits	5,71,570	3,85,787
Total	<u>5,71,570</u>	<u>3,85,787</u>
12 OTHER NON CURRENT ASSETS		
Fixed Deposit with Bank	11,971	3,27,185
Total	<u>11,971</u>	<u>3,27,185</u>
13 INVENTORIES		
Stock of Stores	48,06,245	44,91,241
Finished Goods (Stock of Tea)	1,71,09,135	89,11,000
Stock of Food Stuff	6,023	1,97,087
Total	<u>2,19,21,403</u>	<u>1,35,99,328</u>

TEESTA VALLEY TEA COMPANY LIMITED

9 FIXED ASSETS

Particulars of Assets	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK		
	Gross Cost Value as on 01.04.2012	Additions towards Acquisition during the year	Sub-Total	Sale / adjustment during the year	Gross Block as on 31.03.2013	Total as on 01.04.12	For the Year	Sale / adjustment during the year	Total as on 31.03.13	W.D.V as on 31.03.13	W.D.V as on 31.03.12
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Tangible Assets											
Leasehold Land & Development	2,90,80,741	—	2,90,80,741	—	2,90,80,741	—	—	—	—	2,90,80,741	2,90,80,741
Buildings	3,54,82,603	—	3,54,82,603	—	3,54,82,603	1,74,43,059	15,00,521	—	1,89,43,580	1,65,39,023	1,80,39,544
Plant & Machinery	2,33,68,209	26,40,900	2,60,09,109	—	2,60,09,109	1,53,47,978	11,67,251	—	1,65,15,229	94,93,880	80,20,231
Vehicles	1,04,01,117	11,08,252	1,15,09,369	3,84,000	1,11,25,369	52,17,239	13,89,301	3,76,206	62,30,334	48,95,035	51,83,878
Furniture & Fixtures	24,19,562	—	24,19,582	—	24,19,582	20,85,078	54,250	—	21,39,328	2,80,254	3,34,504
Water Supply Installation & Irrigation Equipments	15,44,571	—	15,44,571	—	15,44,571	10,12,773	73,478	—	10,86,251	4,58,320	5,31,798
TOTAL	10,22,96,823	37,49,152	10,60,45,975	3,64,000	10,56,61,975	4,11,06,127	41,84,801	3,76,206	4,49,14,722	6,07,47,253	6,11,90,696
Previous Year Total	9,66,99,384	59,48,469	10,26,47,853	3,51,030	10,22,96,823	3,79,66,708	34,86,977	3,47,558	4,11,06,127	6,11,90,696	5,87,32,676

Note : Leasehold Land relates to 717.40 Hectares & 486.64 Hectares of land respectively for Teesta Valley T. G. and Gielle T. G. taken on lease from Govt. of West Bengal at Rongji Rongliot in Darjeeling for period of 30 years.

TEESTA VALLEY TEA COMPANY LIMITED

	31st March, 2013 Rs.	31st March, 2012 Rs.
14 TRADE RECEIVABLES (Unsecured and considered good)		
Debts outstanding for a period exceeding six months from the date they are due for payment	21,07,606	15,35,470
Other debts	14,45,835	13,95,948
Total	<u>35,53,441</u>	<u>29,31,418</u>
15 CASH & CASH EQUIVALENTS		
Balances with Banks	1,54,08,754	6,63,291
Balance with NABARD (TDAS-2007 Account)	40,06,200	—
Cash in Hand	89,641	2,24,121
Total	<u>1,95,04,595</u>	<u>8,87,412</u>
Less : Fixed Deposit Maturing after 12 months	11,971	3,27,185
Total	<u>1,94,92,624</u>	<u>5,60,227</u>
Note :		
i. Balance with Bank include fixed deposit maturing within a year	3,85,214	70,000
ii. Amount under withdrawal restriction on account of attachment of account by fiscal authorities	1,23,568	1,23,568
iii. Withdrawal restricted other than specified scheme within the meaning of Section 33AB of the Income Tax Act, 1961	40,06,200	—
16 SHORT TERM LOANS & ADVANCES (Unsecured and considered good)		
Advance to Employees	15,89,915	18,60,635
Loan to Body Corporate	4,09,732	4,09,732
Value Added Tax	3,68,824	12,73,869
Advance to Suppliers	3,18,556	5,03,980
Other Loans & Advances	4,31,510	2,15,218
Total	<u>31,18,537</u>	<u>42,63,434</u>
Staff advance includes due from officer of the Company	9,91,640	6,15,640
17 OTHER CURRENT ASSETS (Unsecured and considered good)		
Interest accrued on Fixed Deposit	75,217	35,670
Interest accrued on others	28,923	—
Interest accrued on loan to Body Corporate	2,35,817	2,35,817
Total	<u>3,39,957</u>	<u>2,71,487</u>
18 REVENUE FROM OPERATION		
A. Sale of Products		
Sale of Tea (Domestic)	19,19,48,317	15,91,25,756
B. Other Operating Revenues		
Tea Board Orthodox Subsidy	14,45,835	13,95,948
Tea Board Replantation Subsidy	4,90,056	7,76,310
Sale of Sample Tea	1,07,536	4,06,651
Total	<u>19,39,91,744</u>	<u>16,17,04,665</u>

TEESTA VALLEY TEA COMPANY LIMITED

	31st March, 2013	31st March, 2012
19 OTHER INCOME		
Other Interest Income (Fixed Deposits) (Gross TDS 3702/- P.Y. 2502/-)	43,249	30,221
Other Interest Income (NABARD) (Gross TDS 3220/- P.Y. NIL)	32,143	—
Other Non-Operating Income :		
Profit on sale of Fixed Assets	88,356	66,528
Liabilities written back	78,609	6,781
Total	<u>2,42,357</u>	<u>1,03,530</u>
20 CHANGE IN INVENTORIES OF FINISHED GOODS		
Opening Stock	89,11,000	1,80,24,000
Closing Stock	1,71,09,135	89,11,000
Total	<u>(81,98,135)</u>	<u>91,13,000</u>
21 EMPLOYEES BENEFIT EXPENSES		
Salaries, Wages & Bonus	6,27,34,689	5,12,82,235
Contribution to PF and Other Funds	78,50,911	77,45,802
Gratuity	64,04,051	37,37,263
Staff & Labour Welfare Expenses	1,39,74,700	1,39,27,419
Total	<u>9,09,64,351</u>	<u>7,66,92,719</u>
22 FINANCE COST		
Interest Expenses		
(a) On Fixed Loans	—	2,13,426
(b) On Cash Credit Account	43,73,693	45,31,853
(c) On Other Loans	15,19,365	19,59,446
(d) Bank Charges	3,94,296	1,55,424
Total	<u>62,87,354</u>	<u>68,60,149</u>

TEESTA VALLEY TEA COMPANY LIMITED

	31st March, 2013	31st March, 2012
23 OTHER EXPENSES		
Auditor's remuneration		
Audit Fees	48,877	48,877
Consumption of Stores and spare parts (100% domestic)	1,81,61,256	1,48,71,662
Power and Fuel	29,94,183	19,38,943
Rent	2,26,897	2,26,345
Repairs to Buildings	55,08,166	31,77,994
Repairs to Machinery	24,35,633	17,78,559
Insurance	3,78,021	2,99,127
Rates & Tax	2,50,701	68,450
Miscellaneous Expenses :		
Cultivation Expenses	3,04,67,168	2,05,82,660
(including Pruning Expenses Rs. 38,25,445/- P.Y. Rs. 42,40,352/-)		
Tea Cess & Excise Duty	99,801	91,493
Sales Expenses (including Broker's Commission Rs. 15,68,345/-, [Previous year Rs. 11,30,183/-])	28,36,530	19,12,077
Carriage of Tea	7,08,532	6,17,277
Repairs to others	27,94,947	5,46,833
Directors' Fees	1,20,000	50,000
Telephone, Telex & Other Expenses	1,79,350	1,90,711
Bad Debts written off	—	1,31,162
Other Miscellaneous Expenses	65,88,579	36,37,218
Total	7,37,98,641	5,01,69,388
Details of Miscellaneous Expenses :		
Electricity Charges	1,56,076	1,49,270
Legal & Professional Charges	2,13,750	1,65,974
Motor Car Expenses	15,396	22,900
Printing & Stationery	2,16,726	1,98,063
R.O.C Filing Fees	30,900	7,500
Subscription	3,98,882	1,87,390
Travelling & Conveyance Expenses	22,75,024	11,26,111
Donation	15,00,000	5,42,837
Advertisement	1,562	281
Postage & Courier Charges	10,398	11,152
Entertainment Expenses	1,732	18,763
Corporation Tax	2,050	2,050
Other Miscellaneous Expenses	17,66,092	12,04,927
Total	65,88,579	36,37,218

TEESTA VALLEY TEA COMPANY LIMITED

24. Significant Accounting Policies & Notes to Accounts for the year ended 31st March, 2013.

A. Significant Accounting Policies

BASIS OF PREPARATION OF FINANCIAL STATEMENTS.

The Accounts have been prepared under the historical cost convention in accordance with the provisions of the Companies Act, 1956 and mandatory Accounting Standards issued by the Institute of Chartered Accountants of India. Accounting policies unless specifically stated to be otherwise, are consistent and are in consonance with generally accepted accounting principles.

USE OF ESTIMATES

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affects the reported amounts of Assets, Liabilities, Revenues and Expenses and disclosure of contingent liabilities on the date of the financial statements. Actual results may differ from those estimates.

Fixed Assets : (Tangible)

Fixed Assets are stated at cost which includes freight, duties, insurance, taxes and expenses incidental to acquisition and installation. All expenditure incurred on extension planting are capitalised.

Borrowing Cost

Borrowing costs relating to the acquisition /construction of qualifying assets are capitalised until the time all substantial activities necessary to prepare the qualifying assets for their intended use are complete. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

Depreciation :

Depreciation has been provided on Reducing balance method at the rates and in the manner provided in Schedule XIV (as amended) to the Companies Act, 1956.

Investments :

Long term Investments are stated at cost, less provisions for diminution in value of investments other than temporary in nature.

Inventories :

Stock of Tea is valued at estimated realisable value, stock of stores (including Food Stuffs) is valued at cost. Cost for the purpose of valuation of stores is computed on FIFO basis. Cost comprises inward freight, duties, taxes etc. Provision is made for obsolete, slow moving and defective stocks where necessary. Excise duty and Cess on Tea lying at factory at the year end is accounted for on accrual basis.

Recognition of Income and Expenses :

- a) Sales include Excise Duty and Cess, Rebates, discounts, claims and other non-recoverable are excluded there from.
- b) Sales is recognised in the Accounts on passing of title to the goods. i.e. delivery as per terms of sale or on completion of auction in case of auction sale.
- c) All other items of income & expenses are accounted for on accrual basis unless specifically stated otherwise.

Retirement Benefits :

Gratuity if any is being accounted for as and when paid.

Research and Development Expenses :

Subscription to Tea Research Association is charged in the Profit and Loss Account under the Head "Miscellaneous Expenses".

TEESTA VALLEY TEA COMPANY LIMITED

Events Occuring after the Balance sheet date :

Events occurring after the date of balance sheet, where material, are considered up to the date of approval of the accounts by the Board of Directors.

Contingent Liabilities

Disputed liabilities and claims against the company including claims raised by fiscal authorities (e.g. Sales Tax, Income Tax, Excise etc.) pending in appeal / Court for which no reliable estimate can be made of the amount of the obligation or which are remotely poised for crystallization are not provided for in accounts but disclosed in notes to accounts.

However present obligation as a result of past event with possibility of outflow of resources, when reliably estimable is recognized in accounts.

Foreign Currency Transactions :

Foreign currency transactions are recorded at the exchange rate prevailing on the transaction date. Addition/deletion in liability/asset at the point of settlement of transaction on a subsequent date on account of change in rate of overseas currency vis-a-vis reporting currency is accounted for as exchange gain or loss as the case may be.

GOVERNMENT GRANTS

Revenue grants including subsidy/ rebates are credited to Profit and Loss Account under "Other Income" / and / or deducted from the related expenses.

TAXATION

Provision for Current Tax is estimated on taxable income for the accounting year in accordance with Income Tax Rules. Deferred Tax for timing difference between Book Profit and Tax Profit is accounted for using the Tax rates laws substantially, enacted by the Balance Sheet date.

Miscellaneous Expenditure :

Preliminary and pre-operative expenditure are amortized over a period of five years.

IMPAIRMENT OF FIXED ASSETS

Fixed assets are subjected to test of impairment on the basis of Cash Generating Unit (CGU) concept if indication exists within the meaning of para 6, AS-28. Each garden constitute separate CGU.

Test of impairment involves ascertainment of recoverable value of the CGU being higher of worth of a CGU derived under value in use method and net selling price method. Value in use refers to as on date discounted value of net cash inflow to be generated by the CGU in its assessed life span.

Assets are held in accounts at lower of their carrying cost and recoverable value.

B. Notes on Accounts :

1. Additions to Leasehold Land and Development includes the Cost of New Extension and in accordance with past practice. No depreciation has been provided for on Leasehold Land and Developments due to usual practice of the authorities to renew the lease period after expiry of same.
2. The Company operates in a single business segment i.e. tea, no further disclosure is required to be made as per AS - 17 on Segment Reporting.
3. In the opinion of the Board of Directors' the Current Assets, Loans and Advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet.
4. Considering absence of indication of impairment for either of the two CGU within the meaning of para 6, AS-28, no exercise of test of impairment has been undertaken for the year.
5. The liability of the Company is estimated considering the provision of the Income Tax Act, 1961. Deferred Tax is recognised subject to the consideration of prudence, on time difference being the difference between taxable incomes and accounting income that originate in one period and capable of reversal in one or more subsequent periods in due cognizance of AS-22.

TEESTA VALLEY TEA COMPANY LIMITED

6. Necessary application has been filed with appropriate authority for renewal of lease of Teesta Valley Tea Garden the approval of which is awaited. However, pending renewal of lease, Lease Rent payment thereon has been accepted by the Govt. of West Bengal, which has been recognized as expenditure in accounts.
7. Related Party disclosure as identified by the management in accordance with the Accounting Standard 18.

- a) Related parties and nature of relationships with whom the Company had transactions.

Key Management Personnel (KMP)

Mr. Bharat Bajoria – Managing Director

(Relative of KMP Mrs. Abha Bajoria (spouse of Mr. Bharat Bajoria))

- b) Enterprises over which any person described in (a) above is able to exercise Significant influence.

The Tingamira Tea Seed Co. Limited

Teesta Valley Exports Limited

Orlando Holdings Limited

- c) Disclosure of Transactions carried out with the related parties in the ordinary course of the business.

Transaction with related Parties	KMP		Enterprises where KMP have control		Relatives of KMP	
	31.3.2013	31.3.2012	31.3.2013	31.3.2012	31.3.2013	31.3.2012
Sales			3,51,14,253	4,60,77,714	—	—
EXPENDITURE						
Interest paid	1,26,153	—			6,54,808	10,74,762
Rent Paid	—	—	72,000	72,000		
Consumption of Stores	—	—	11,30,220	7,20,000		
Remuneration	2,25,240	2,25,240	—	—		
Miscellaneous Expenses	—	—	1,20,000	1,20,000		
Directors Fee	—	—	—	—	40,000	25,000
FINANCE & INVESTMENTS						
Loans taken (net)	19,00,000	—	—	—	20,00,000	61,00,000
Loans refunded back (net)	19,00,000	—	—	—	1,03,50,000	55,00,000
Bank Guarantees	—	—	12,00,00,000	4,30,00,000		
OUTSTANDING AS ON 31-3-2013						
Loans taken	—	—	—	—	—	83,50,000
Interest Payable	—	—	—	—	—	9,67,286
Sales Advance taken	—	—	—	5,70,383		
Other Payable	—	—	—	—	61,500	25,000
Bank Guarantee	—	—	12,00,00,000	4,30,00,000		

- Note : (i) Entire Sales and corporate guarantee related to Teesta Valley Exports Ltd.
(ii) Rent and miscellaneous expenses relate to Orlando Holdings Ltd. and The Tingamira Tea Seed Company Ltd. respectively.

TEESTA VALLEY TEA COMPANY LIMITED

	31.03.2013 Rs.	31.03.2012 Rs.
8. Estimated amount of contract remaining to be executed on Capital Account and not provided for	NIL	NIL
9. Previous Years Adjustments represents : (Accounted for as extra ordinary item)	(Dr.)/(Cr.)	(Dr.)/(Cr.)
Miscellaneous Expenses	Rs.	Rs.
Land Rent	NIL	7,500
Housing Loan	NIL	7,978
	NIL	37,000
	<u>NIL</u>	<u>52,478</u>
10. (a) Earning per share (before consideration of extra ordinary items) :		
Net Profit/(Loss) as per Profit & Loss Account	2,71,97,089	1,54,85,962
Less: Preference dividend on Pref. Shares	9,72,000	9,72,000
Net Profit/(Loss) attributable to Equity Shareholders	2,62,25,089	1,45,13,962
No. of Equity Shareholders	1,50,000	1,50,000
Earning per share (of Rs. 10/- each) basic & diluted	174.83	96.76
(b) Earning per Share (after consideration of extra ordinary items) :		
Net Profit/(Loss) as per Profit & Loss Account	2,71,97,089	1,54,33,484
Less : Preference dividend on Pref. Shares	9,72,000	9,72,000
Net Profit/(Loss) attributable to Equity Shareholders	2,62,25,089	1,44,61,484
No. of Equity Shareholders	1,50,000	1,50,000
Earning per share (of Rs. 10/- each) basic & diluted	174.83	96.41
11. Raw Materials Produced & Consumed – Green Leaf (in Kgs)	19,61,286	20,39,332
12. Finished Goods (Quantity in Kgs)		
Opening Stock of Tea	9,274	39,843
Actual Production of Tea	4,81,945	4,65,316
Sale of Tea	4,33,268	4,76,774
Samples, Garden Use, Shortage etc.	19,931	19,111
Closing Stock of Tea	38,020	9,274

TEESTA VALLEY TEA COMPANY LIMITED

	31st March, 2013	31st March, 2012
13. Contingent Liabilities & Commitments :		
Claim against company not acknowledge as debt :		
Agricultural Income Tax (1975-76) under appeal	80,339	80,339
Income Tax (TDS) for the Asst Year 1993-94 (Disallowed by the authorities and challenged by the Company)	1,23,568	1,23,568
Arrears of Dividend on Fixed Cumulative Pref. Shares	75,18,724	65,46,724
14. As the Production of Green Leaf (Raw materials) from Company's own Garden involves an integrated process having various stages such as Nursery, replanting etc. Details regarding the value of consumption cannot be given.		
15. Payments against supplies from enterprises registered as small & micro enterprise under MSMED Act, 2006 are made in accordance with agreed credit terms within the purview of relevant statute. There was no amount due/overdue for payment at the end of the year. Neither any payment made to such entrepreneur during the year in contravention of specified credit period. [Y.E. outstanding Rs. NIL (P.Y outstanding Rs. NIL)]		
16. Figures for the previous year have been rearranged and regrouped wherever necessary.		

For and on behalf of the Board of Directors

For G. BASU & CO.
Chartered Accountants
Firm Reg. No. 301174E
J. N. DHAR
Partner
Membership No. 007117

BHARAT BAJORIA	<i>Managing Director</i>
ABHA BAJORIA	} <i>Director Director</i>
R. K. DIXIT	

Dated : The 15th day of July, 2013

TEESTA VALLEY TEA COMPANY LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.3.2013

Pursuant to clause 32 of the Listing Agreement

	Rs.	As at 31st March, 2013 Rs.	Rs.	As at 31st March, 2012 Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before taxation and extraordinary items		2,71,97,089		1,54,85,962
Adjustments for :				
1. Depreciation	41,84,801		34,86,977	
2. Profit on Sale of Assets	(88,356)		(66,528)	
3. Interest (Received)	(75,392)		(30,221)	
4. Interest (Paid)	58,93,058	99,14,111	67,04,725	1,00,94,953
Operating Profit before Working Capital changes		3,71,11,200		2,55,80,915
Adjustments for :-				
1. Trade & Current Receivables	2,68,621		(34,196)	
2. Inventories	(83,22,075)		75,73,633	
3. Trade Payables	(1,48,22,978)	(2,28,76,432)	(1,59,88,578)	(84,49,142)
Cash Generated from Operations		1,42,34,768		1,71,31,773
Direct Taxes Paid		(12,61,148)		(3,49,947)
Cash Flow before Extraordinary Items		1,29,73,620		1,67,81,826
Extraordinary Items :				
Expenses for previous years		—		(52,478)
Cash Flow from Operating activities		1,29,73,620		1,67,29,348
B. CASH FLOW FROM INVESTING ACTIVITIES				
1. Payment against acquisition of Fixed Assets	(19,29,152)		(59,48,469)	
2. Interest Received	75,392		30,221	
3. Sale of Fixed Assets	96,150	(17,57,610)	70,000	(58,48,248)
C. CASH FLOW FROM FINANCING ACTIVITIES				
1. Proceeds Short Term Borrowings	1,50,40,539		(8,82,743)	
2. Proceeds Long Term Borrowings	(7,79,022)		(28,96,173)	
3. Interest Paid	(68,60,344)		(77,82,821)	
Net change in Cash and Cash Equivalents		74,01,173		(1,15,61,737)
Cash & Cash Equivalents (Opening Balance)		1,86,17,183		(6,80,637)
Cash & Cash Equivalents (Closing Balance)		8,87,412		15,68,049
Cash & Cash Equivalents (Closing Balance)		1,95,04,595		8,87,412
		1,86,17,183		(6,80,637)

Notes :

1. Above statements have been prepared in indirect method except in case of interest, dividend, purchase & sale of investments and taxes which have been considered on the basis of actual movement of cash, with corresponding adjustments in assets & liabilities.
2. Cash and Cash Equivalents consist of cash in hand and balance with Banks.
3. Additions to Fixed Assets are stated inclusive of movements of Capital work in progress between beginning and end of the year and treated as part of investing activities.

For and on behalf of the Board of Directors

For G. BASU & CO.
Chartered Accountants
Firm Reg. No. 301174E
J. N. DHAR
Partner
Membership No. 007117

BHARAT BAJORIA *Managing
Director*

ABHA BAJORIA } *Director*
R. K. DIXIT } *Director*

Dated : The 15th day of July, 2013