

Teesta Valley Tea Company Limited

Board of Directors

Bharat Bajoria
Managing Director

Abha Bajoria

R. K. Dixit

Mudit Bajoria

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", 3, Netaji Subhas Road, Kolkata: 700 001 on Friday, the 28th September, 2012 at 2.30 p.m. to transact the following business :-

1. To consider and adopt the Profit & Loss Account for the year ended 31st March, 2012, the Balance Sheet as at that date and the Directors' Report and Auditors' Report thereon.
2. To appoint a Director in place of Mrs. Abha Bajoria who retires by rotation and being eligible offers herself for re-appointment.
3. To appoint Auditors and to authorize the Board of Directors to fix their remuneration.
4. To appoint Branch Auditors and to authorize the Board of Directors to fix their remuneration.
5. AS A SPECIAL BUSINESS

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 269, 309, 311 and other applicable provision, if any, of the Companies Act, 1956, the Company hereby approves of the appointment and terms of remuneration of Mr. Bharat Bajoria, Managing Director of the Company for a period of five years with effect from 1st August, 2012 upon the terms and conditions set out in the draft Agreement submitted to this meeting and for identification signed by a Director thereof, which Agreement is hereby specially sanctioned with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and / or Agreement in such manner as may be agreed to between the Board of Directors and Mr. Bharat Bajoria.

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 may not be a member of the Company.

The Share transfer book and Register of Members of the Company will remain closed from 27th September, 2012 to 28th September, 2012 both days inclusive.

Registered Office :
5 & 7, Netaji Subhas Road,
Kolkata : 700 001
Dated, the 10th July, 2012

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

NOTES :

1. The proxy form is to be submitted at "McLeod House, 3, Netaji Subhas Road, Kolkata 700001, 48 hours before holding the said Annual General Meeting.
2. Members are requested to notify change in their address.

TEESTA VALLEY TEA COMPANY LIMITED

ANNEXURE TO NOTICE

Explanatory Statement pursuant to Section 173 of the Companies Act, 1956

Item No. 5

At a Board Meeting of the Directors of the Company held on 10th July, 2012, appointed Mr. Bharat Bajoria as Managing Director of the company for a period of 5 (five years) with effect from 1st August, 2012 in such terms and conditions as contained in the draft agreement proposed to be entered into between the company and Mr. Bharat Bajoria subject to the approval of the Shareholders at the Annual General Meeting of the Company.

The said draft agreement, inter alia, contains the following terms and conditions.

- a. Salary : Rs. 16,000/- per-month
- b. Perquisites : Housing, Gas, Electricity, Water and furnishing as per Income-Tax Rules, 1962, subject to a ceiling of 10% of his salary.
- Club Fees not more than two clubs excluding Admission and Life membership fees.
- Provident Fund – 12% of the salary
- Pension Fund – As applicable
- Gratuity Fund – As applicable
- Free use of Company's car with Driver
- Free telephone at his residence. All personal long distance calls shall be billed by the Company.
- c. Others : Actual entertainment expenses incurred for company's business will be reimbursed.
- No Sitting fees to be paid for attending the Board Meetings.

The resolution seeking his appointment as Managing Director of the Company and remuneration payable to him in accordance with the provisions of part II of Schedule XII of the Companies Act, 1956, is recommended for the approval of the members.

A copy of the Agreement executed by Mr. Bharat Bajoria and the Company will be available for inspection at the Registered Office of the Company till 28th September, 2012.

None of the Directors except Mr. Bharat Bajoria is interested in the resolution.

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, 2012.

CROP

During the year 4,65,316 kgs of tea was manufactured as against 4,45,294 kgs. in the previous year.

FINANCIAL RESULTS

The working for the year shows a surplus of Rs. 1,40,53,863/- after providing Rs. 34,86,977/- for depreciation. After considering Extra Ordinary items of Rs. 52,478/- and providing Rs. 13,00,000/- for Taxation, Rs. 79,621/- for Deferred Tax Liabilities and Debit Balance of Rs. 1,63,67,065/- carried forward from previous years Profit & Loss account shows a Debit Balance of Rs. 23,13,202/-. In view of the carried forward losses your Directors do not recommend any dividend for the current period.

PERFORMANCE

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 lower during the year. Due to good agricultural practice however, 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, our 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.

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 Gelle, 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 creches 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 10th July, 2012 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 31.3.2012, does not fully relate to the current year, the Management decided not to provide the value of Gratuity as on 31.3.2012.

DIRECTORS

Mrs. Abha Bajoria retires by rotation, but being eligible, offers herself for the re-appointment.

REMUNERATION COMMITTEE

One meeting of the Remuneration Committee was held on 1st August, 2011 during the financial year ended 31st March, 2012.

i. Brief Description of terms of reference

The Board terms of reference of the Remuneration Committee are as follows

- 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 or 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.

BRANCH AUDITORS

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

AUDITORS

M/s. G. Basu & Co. Chartered Accountants, retire and are eligible for re-appointment.

Registered Office :
5 & 7, Nelaji Subhas Road,
Kolkata-700 001.
Dated the 10th July, 2012

BHARAT BAJORIA	}	Managing Director
ABHA BAJORIA		
R. K. DIXIT	}	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, 2012	31st March, 2011
Power and Fuel Consumption		
1. Electricity		
(a) Purchased		
Unit	3,24,970	3,34,062
Total Amount	Rs. 22,30,155	Rs. 24,48,975
Rate/Unit	Rs. 6.86	Rs. 7.33
(b) Own Generator		
i) Through Diesel Generator		
Unit	3,48,868	3,47,452
Unit per Litre of Diesel Oil	47.34	42.34
Cost/Unit	Rs. 8.07	Rs. 8.84
ii) Through Steam Turbine Generator		
Units	-	-
Unit/Litre of Fuel Oil/Gas	-	-
2. Coal (Quantity)	925.95 MT	979.55 MT
Total Cost	Rs. 57,20,063	Rs. 61,09,773
Average Rate	Rs. 6,178	Rs. 6,237
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.)	4,65,316	4,45,294
Electricity	1.45	1.53
Furnace Oil	-	-
Coal	1.99	2.20
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 lacs
Paid-up Capital : Rs. 177 lacs

To
The Members of
Teesta Valley Tea Company Ltd.
5 & 7, Netaji Subhas Road,
Kolkata-700 001

I 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, 2012. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and agents, I 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, as per the provisions of the Act and the Rules made thereunder and all entries therein have been duly recorded.
2. The company has duly 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 or other authorities within the time prescribed under the Act and the rules made thereunder.
3. The company, being a public limited company having the minimum paid up capital, comments are not required.
4. The Board of Directors duly met five times respectively on 25.06.2011, 01.08.2011, 30.09.2011, 12.12.2011 and 16.02.2012 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 29th September 2011 to 30th September 2011 both days inclusive in compliance of section 154 of the Act.
6. The Annual General meeting for the financial year ended on 31/03/2011 was held on 30.09.2011 after giving due notice to the members of the Company and the resolutions passed thereat were duly 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 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. The Company has not appointed any Managing Director / Whole-time Director / Manager during the financial year.
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 and / or such authorities prescribed 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 within the meaning of section 293(1)(d) after complying with the relevant provisions of the Act.
25. The company has not made any loans and investments to other bodies corporate. Further the Company has given Guarantee worth Rs. 4,30,00,000/- 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. I 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. I further state that this is neither an audit nor an expression of opinion on the financial activities / statements of the Company. Moreover, I 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 : 10th day of July, 2012

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/s 150
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
9. Books of Accounts u/s 209

Annexure - "B"

Forms and Returns as filed by the Company with Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ended 31st March, 2012.

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) made made up to 30th Sep., 2011	u/s 159	For AGM held on 30.09.2011	14.12.2011	No	Yes
2.	Balance Sheet (23ACXBRL)& 23ACAXBRL) as at 31/03/2011	u/s 220	For the financial year ending 31.03.2011	20.12.2011	Yes	No
3.	Compliance Certificate (66) for the year ended 31st March 2011	u/s 383A	For the financial year ending 31.03.2011	23.11.2011	No	Yes
4.	Form 23 (Resolution) for change of Articles		Resolution for change of Articles	15.12.2011	No	Yes

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

We have audited the attached Balance Sheet of TEESTA VALLEY TEA COMPANY LIMITED as at 31st March, 2012, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial Statements are the responsibility of the company's management. Our responsibility is to express an opinion on the financial statement based on our audit.

The report on the audit of accounts of the Garden 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) of 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 have conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Subject to accounting of gratuity & bonus on cash basis impact whereof, not being readily ascertainable, we report that:

1. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
2. In our opinion proper books of account as required by law have been kept by the company, so far as it appears from our examination of those books and proper audited returns adequate for the purpose of audit, have been received from the units/gardens;
3. The Balance Sheet, Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of accounts;
4. In our opinion the Profit & Loss Account and the Balance Sheet dealt with by this Report comply with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956, except for treatment of gratuity and bonus.
5. Based on written representations received from the Directors and taken on record by the Board of Directors, we report that none of the director were disqualified as on 31st March, 2012 from being appointed as a Director in terms of Section 274(1) (g) of the Companies Act, 1956.
6. Subject to the above, in our opinion and to the best of our information and according to the explanations given to us, the said accounts read with notes appearing in Schedule '16' give the information required by the Companies Act, 1956 in the manner as 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 31st March, 2012; and
 - (ii) in the case of Profit and Loss Account, of the Profit of the Company for the year ended on that date;
 - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

7. As required by Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, and on the basis of such checks of books and other records of the company as we considered appropriate and on the basis of information and explanations given to us during the course of audit, we report that:-
- (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 repayable on demand for Rs. 83.50 lakhs from a party covered in the register maintained under section 301 of the Companies Act, 1956. The maximum due during the year was Rs. 101.56 lacs and the year end balance of the same was Rs. 93.17 lacs, 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 exceeding Rs. 5.00 lacs in value 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 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, 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	TDS	1,23,568	Asst. year 1993-94	Income Tax Officer (TDS)

- (x) Accumulated loss of the Company is less than 50% of its net worth. The Company has not incurred cash losses during the year as well as in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the company has not made any 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.

3, Chowringhee Approach
Kolkata-700 072
Dated the 10th day of July, 2012

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

STATEMENT OF ACCOUNTS

TEESTA VALLEY TEA COMPANY LIMITED

Balance Sheet as at 31st March, 2012

	Note	As at 31st March, 2012 Rs.	As at 31st March, 2011 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.	(23,13,202)	(1,63,67,065)
2. Share Application money pending Allotment			
—			
3. Non-current liabilities			
(a) Long Term borrowings	3	1,39,59,935	1,56,50,000
(b) Deferred Tax Liabilities (Net)		79,621	—
(c) Long term provisions	4	19,00,000	6,00,000
4. Current Liabilities			
(a) Short Term borrowings	5	3,74,49,994	3,49,32,737
(b) Trade payables		1,11,89,548	1,38,46,481
(c) Other current liabilities	6	40,02,903	2,30,18,752
Total		<u>8,39,68,799</u>	<u>8,93,80,905</u>
(II) ASSETS			
1. Non-current Assets			
(a) Fixed Assets			
Tangible assets	7	6,11,90,696	5,87,32,676
(b) Non-current investments	8	3,600	3,600
(c) Long term loans and advances	9	4,11,774	61,826
2. Current Assets			
(a) Inventories	10	1,35,99,328	2,11,72,961
(b) Trade receivables	11	29,31,418	25,11,439
(c) Cash and cash equivalents	12	8,87,412	15,68,049
(d) Short term loans and advances	13	46,73,084	50,86,586
(e) Other current assets	14	2,71,487	2,43,768
Total		<u>8,39,68,799</u>	<u>8,93,80,905</u>
Notes on Accounts	20		

This is the Balance Sheet referred to in our report of even date.

The Notes are an integral part of these Financial Statements.

For and on behalf of the Board of Directors

J. N. DHAR
Partner

Membership No. 007117
For G. BASU & CO,
Chartered Accountants
Firm Reg. No. 301174E

BHARAT BAJORIA

*Managing
Director*

ABHA BAJORIA
R. K. DIXIT

} *Director
Director*

3, Chowringhee Approach, Kolkata-72
Dated the 10th day of July, 2012

TEESTA VALLEY TEA COMPANY LIMITED

Profit & Loss Statement for the year ended 31st March, 2012

	Note	31st March, 2012 Rs.	31st March, 2011 Rs.
INCOME:			
Revenue from Operation	15	16,12,98,014	12,78,07,271
Other Income	16	5,10,181	3,70,929
Total Revenue		<u>16,18,08,195</u>	<u>12,81,78,200</u>
EXPENSES			
Change in Inventories of Finished Goods		91,13,000	(18,75,000)
Employees Benefits Expenses	17	7,66,92,719	6,43,38,376
Finance Costs	18	68,60,149	76,92,205
Depreciation & Amortisation Expenses	7	34,86,977	38,82,409
Other Expenses	19	5,01,69,388	4,23,84,672
Total Expenses		<u>14,63,22,233</u>	<u>11,64,22,662</u>
Profit before Exceptional & Extra ordinary items		1,54,85,962	1,17,55,538
Exceptional Items		—	—
Extra Ordinary items		(52,478)	—
Profit before Tax		1,54,33,484	1,17,55,538
Tax Expenses :			
Current Tax		13,00,000	6,00,000
Deferred Tax Liability		79,621	—
Profit for the year		<u>1,40,53,863</u>	<u>1,11,55,538</u>
Earning per Equity share			
Basic		93.69	71.89
Diluted		93.69	71.89
Notes on Accounts	20		

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

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

BHARAT BAJORIA
ABHA BAJORIA
R. K. DIXIT

Managing Director
} *Director*
} *Director*

3, Chowringhee Approach, Kolkata-72
Dated the 10th day of July, 2012

TEESTA VALLEY TEA COMPANY LIMITED

Annexed to and forming part of the Balance Sheet

	31st March, 2012 Rs.	31st March, 2011 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%)
Note : There has been no movement of shares during the year or in the preceding year		
Total	<u>1,77,00,000</u>	<u>1,77,00,000</u>
2 RESERVE & SURPLUS		
Profit & Loss Account :		
Opening Balance	(1,63,67,065)	(2,75,22,603)
Add : Profit for the year	<u>1,40,53,863</u>	<u>1,11,55,538</u>
Total	<u>(23,13,202)</u>	<u>(1,63,67,065)</u>

TEESTA VALLEY TEA COMPANY LIMITED

	31st March, 2012 Rs.	31st March, 2011 Rs.
3 LONG TERM BORROWINGS		
Secured		
Term Loan from Bank	17,09,935	—
(a) Nature of Security Hypothecation of Vehicles purchased		
(b) Terms of Repayment : EMI of Rs. 77,930 from April 2013 to March 2015		
Unsecured		
Loans & Advances from related Parties	83,50,000	77,50,000
Terms of Repayment Rs. 40,00,000/- during the year 2013-2014 Rs. 43,50,000/- during the year 2014-2015		
Loans & Advances from Body Corporate	39,00,000	79,00,000
Terms of Repayment : Rs. 25,00,000/- during the year 2013-2014 Rs. 14,00,000/- during the year 2014-2015		
Note : There is no default of principal or interest against any of the above categories of loans		
	<u>1,39,59,935</u>	<u>1,56,50,000</u>
4. LONG TERM PROVISIONS		
Provision for Income Tax	19,00,000	6,00,000
Total	<u>19,00,000</u>	<u>6,00,000</u>
5 SHORT TERM BORROWINGS		
Secured		
Cash Credit Limit from Punjab National Bank	3,34,49,994	3,44,32,737
(a) Nature of Security Security component of Cash Credit Limit from Punjab National Bank includes hypothecation of standing Tea Crops including Green leaves before and after plucking, tea in process, entire finished tea and book debts. Further collaterally secured by equitable mortgage of Land, Buildings, Machineries etc. and by deposit of title deeds in respect of Teesta Valley and Guelle Tea estates and personal guarantee of Mr. Bharat Bajoria, Managing Director		
Unsecured		
Loans & Advances from Body Corporate	40,00,000	5,00,000
Note : There is no default of principal or interest against any of the above categories of loans		
	<u>3,74,49,994</u>	<u>3,49,32,737</u>
6 OTHER CURRENT LIABILITIES		
Component of terms loan repayable within a year	6,54,065	28,96,173
Interest Accrued and due	9,67,286	20,45,382
Advance from Customers	21,66,977	1,77,67,228
Statutory Liabilities:		
T.D.S.	1,37,293	2,50,771
Professional Tax	—	2,500
Labour Welfare Fund	77,282	66,698
Total	<u>40,02,903</u>	<u>2,30,18,752</u>

TEESTA VALLEY TEA COMPANY LIMITED

7 FIXED ASSETS

Particulars of Assets.	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
	Gross Cost as on 01.04.11	Additions during the year	Sale / adjustment during this year	Gross Balance as on 31.03.2012	Total as on 01.04.11	For the Year	Sale / adjustment during this year	Total as on 31.03.12	W.D.V as on 31.03.12	W.D.V as on 31.03.11
Tangible Assets										
Leasehold Land & Development	2,90,80,741	—	—	2,90,80,741	—	—	—	—	2,90,80,741	2,90,80,741
Buildings	3,39,99,063	14,83,540	—	3,54,82,603	1,58,83,209	15,59,850	—	1,74,43,059	1,80,39,544	1,81,15,854
Plant & Machinery	2,28,18,384	5,40,845	—	2,33,68,209	1,41,28,802	12,19,176	—	1,53,47,978	80,20,231	86,89,562
Vehicles	69,99,163	37,52,984	3,51,030	1,04,01,117	49,73,002	5,91,795	3,47,558	52,17,239	51,83,878	20,26,161
Furniture & Fixtures	22,65,782	1,53,800	—	24,19,582	20,53,040	32,038	—	20,85,078	3,34,504	2,12,742
Water Supply Installation & Irrigation Equipments	15,36,271	8,300	—	15,44,571	9,28,655	84,118	—	10,12,773	5,31,798	6,07,616
TOTAL	9,66,99,384	59,48,469	3,51,030	10,22,96,823	3,79,66,703	34,86,977	3,47,558	4,11,06,127	6,11,90,696	5,87,32,676
Previous Year Total	8,62,62,511	1,05,51,873	1,15,000	9,66,99,384	3,41,98,404	38,82,409	1,14,105	3,79,66,708	5,87,32,676	5,20,64,107

TEESTA VALLEY TEA COMPANY LIMITED

	31st March, 2012 Rs.	31st March, 2011 Rs.
8 NON CURRENT INVESTMENT (held at cost unless otherwise)		
Other than trade (fully paid) :		
Equity instrument in Assam Bengal Cereals Limited	2,000	2,000
Registered Debentures of East India Clinic Limited	600	600
G I C Mutual Fund (Fortune-94)	1,000	1,000
Total	<u>3,600</u>	<u>3,600</u>
9 LONG TERM LOANS & ADVANCES (Unsecured & considered good)		
Security Deposits	56,885	56,885
Advance Tax	3,54,889	4,941
Total	<u>4,11,774</u>	<u>61,826</u>
10 INVENTORIES (Valued at lower of cost and net realisable value)		
Stock of Stores	44,91,241	29,95,753
Finished Goods (Stock of Tea)	89,11,000	1,80,24,000
Stock of Food Stuff	1,97,087	1,53,208
Total	<u>1,35,99,328</u>	<u>2,11,72,961</u>
11 TRADE RECEIVABLES (Unsecured and considered good)		
Debts outstanding for a period of more than 6 months	15,35,470	11,75,557
Other debts	13,95,948	13,35,882
Total	<u>29,31,418</u>	<u>25,11,439</u>
12 CASH & CASH EQUIVALENTS		
Balances with Banks	2,24,121	11,59,586
Cash in Hand	6,63,291	4,08,463
Total	<u>8,87,412</u>	<u>15,68,049</u>
Amount under withdrawal restriction on account of attachment of account by fiscal authorities.	1,23,568	1,23,568
13 SHORT TERM LOANS & ADVANCES (Unsecured and considered good)		
Advance Tax	80,748	80,748
Staff Advances	6,49,240	6,45,040
Loan to Body Corporate	6,45,549	6,45,549
Value Added Tax	12,73,869	8,72,336
Other Advances	20,23,678	28,42,913
Total	<u>46,73,084</u>	<u>50,86,586</u>
Staff advance includes due from officer of the Company	6,15,640	6,15,640

TEESTA VALLEY TEA COMPANY LIMITED

	31st March, 2012 Rs.	31st March, 2011 Rs.
14 OTHER CURRENT ASSETS (Unsecured and considered good)		
Interest accrued on Fixed Deposit	35,670	7,951
Interest accrued on loan to Body Corporate	2,35,817	2,35,817
Total	<u>2,71,487</u>	<u>2,43,768</u>
15 REVENUE FROM OPERATION		
Sale of Tea	15,91,25,756	12,62,47,389
Tea Board Orthodox Subsidy	13,95,948	13,35,882
Tea Board Plantation Subsidy	7,76,310	2,24,000
Total	<u>16,12,98,014</u>	<u>12,78,07,271</u>
16 OTHER INCOME		
Other Interest Income (Fixed Deposits) (Gross TDS 2502/- P.Y. 1965/-)	30,221	28,496
Other non-operating Income :		
Miscellaneous Receipts	4,06,651	1,21,341
Profit on sale of Fixed Assets	66,528	64,105
Excess of balance in Unsecured Loan written back	—	1,31,244
Liabilities written back	6,781	25,743
Total	<u>5,10,181</u>	<u>3,70,929</u>
17 EMPLOYEES BENEFIT EXPENSES		
Salaries, Wages & Bonus	5,12,82,235	4,19,25,789
Contribution to PF and Other Funds	77,45,802	60,00,018
Gratuity	37,37,263	44,87,777
Staff & Labour Welfare Expenses	1,39,27,419	1,19,24,792
Total	<u>7,66,92,719</u>	<u>6,43,38,376</u>
18 FINANCE COST		
Interest Expenses		
(a) On Fixed Loans	2,13,426	5,33,471
(b) On Cash Credit Account	45,31,853	42,68,108
(c) On Other Loans	19,59,446	27,75,992
(d) Bank Charges	1,55,424	1,14,634
Total	<u>68,60,149</u>	<u>76,92,205</u>

TEESTA VALLEY TEA COMPANY LIMITED

	31st March, 2012 Rs.	31st March, 2011 Rs.
19 OTHER EXPENSES.		
Auditor's remuneration		
Audit Fees	48,877	47,981
For Taxation matter	—	—
For Company Law matters	—	—
For Management Services	—	—
For Other Services	—	—
For re-imbusement of expenses	—	—
Consumption of Stores and spare parts (100% domestic)	1,48,71,662	1,33,67,929
Power and Fuel	19,38,943	22,69,919
Rent	2,26,345	2,19,668
Repairs to Buildings	31,77,994	42,86,048
Repairs to Machinery	17,78,559	12,97,102
Insurance	2,99,127	2,06,510
Rates & Tax (excluding Income Tax)	68,450	91,461
Cultivation Expenses	2,05,82,660	1,39,22,433
Tea Cess & Excise Duty	91,493	66,237
Sales Expenses (including Broker's Commission Rs. 11,30,483/-, [Previous year rs. 9,58,646/-])	19,12,077	16,61,257
Carriage of Tea	6,17,277	5,35,735
Repairs to others	5,46,833	15,16,372
Directors' Fees	50,000	8,000
Telephone, Telex & Other Expenses	1,90,711	1,83,583
Bad Debts written off	1,31,162	1,76,319
Miscellaneous Expenses	36,37,218	25,28,118
Total	5,01,69,388	4,23,84,672
Details of Miscellaneous Expenses :		
Electricity Charges	1,49,270	—
Legal & Professional Charges	1,65,974	2,63,219
Motor Car Expenses	22,900	35,879
Printing & Stationery	1,98,063	2,35,657
R O C.Filing Fees.	7,500	10,500
Subscription	1,87,390	1,79,536
Travelling & Conveyance Expenses	11,26,111	2,39,864
Donation	5,42,837	—
Advertisement	2,81	4,781
Postage & Courier Charges	11,152	10,789
Entertainment Expenses	18,763	5,970
Corporation Tax	2,050	—
Other Miscellaneous Expenses	12,04,927	15,41,923
Total	36,37,218	25,28,118

TEESTA VALLEY TEA COMPANY LIMITED

20 Notes forming Part of the Accounts for the year ended 31st March, 2012

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 :

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 and/or since sold and value realised, 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. Leave encashment and other Retirement Benefits are not applicable to the employees of the Company.

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 occuring 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 Tax is being made on account of current year tax liability whether under MAT or regular assessment. There has been changed in Accounting Polocy by way of implementation of AS-22. This relates to deduction in Profit and rise in deferred tax liability by Rs. 79,621/-.

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. B. Bajoria – Managing Director

(Relative of KMP Mrs. Abha Bajoria (spouse of Mr. B. 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	
	31.3.2012	31.3.2011	31.3.2012	31.3.2011	31.3.2012	31.3.2011
Sales			4,60,77,714	3,03,82,863		
EXPENDITURE						
Interest paid	—	1,66,792			10,74,762	18,73,705
Rent Paid	—	—	72,000	72,000		
Consumption of Stores	—	—	7,20,000	7,20,000		
Remuneration	2,25,240	2,25,240	—	—		
Miscellaneous Expenses	—	—	1,20,000	1,20,000		
Directors Fee	—	—	—	—	25,000	4,000
FINANCE & INVESTMENTS						
Loans taken (net)	—	30,00,000	—	—	61,00,000	83,00,000
Loans refunded back (net)	—	46,50,000	—	—	55,00,000	1,15,50,000
Sales Advance Taken (net)	—	—	—	1,95,924		
Corporate Guarantees Given	—	—	4,30,00,000	4,30,00,000		
OUTSTANDING AS ON 31-3-2012						
Loans taken	—	—	—	—	88,50,000	77,50,000
Interest Payable	—	1,50,118	—	—	9,67,286	15,06,334
Sales Advance taken	—	—	5,70,383	1,61,60,650		
Other Payable	—	—	—	72,000	25,000	4,000

- Note : (i) Entire Sales and corporate guarantee relating 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

	31.03.2012 Rs.	31.03.2011 Rs.
8. Estimated amount of contract remaining to be executed on Capital Account and not provided for	NIL	NIL
9. Previous Years Adjustments represents :	(Dr.)/(Cr.) Rs.	(Dr.)/(Cr.) Rs.
Miscellaneous Expenses	7,500	NIL
Land Rent	7,978	NIL
Housing Loan	37,000	NIL
	<u>52,478</u>	<u>NIL</u>
10. (a) Earning per share (before consideration of extra ordinary items) :		
Net Profit/(Loss) as per Profit & Loss Account	1,54,85,962	1,17,55,538
Less: Preference dividend on Pref. Shares	9,72,000	9,72,000
Net Profit/(Loss) attributable to Equity Shareholders	1,45,13,962	1,07,83,538
No. of Equity Shareholders	1,50,000	1,50,000
Earning per share (of Rs. 10/- each) basic & diluted	96.76	71.89
(b) Earning per Share (after consideration of extra ordinary items) :		
Net Profit/(Loss) as per Profit & Loss Account	1,54,33,484	1,17,55,538
Less : Preference dividend on Pref. Shares	9,72,000	9,72,000
Net Profit/(Loss) attributable to Equity Shareholders	1,44,61,484	1,07,83,538
No. of Equity Shareholders	1,50,000	1,50,000
Earning per share (of Rs. 10/- each) basic & diluted	96.41	71.89
11. Raw Materials Consumed – Green Leaf (in Kgs)	20,39,332	19,52,643
12. 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	1,23,568	1,23,568
Arrears of Dividend on Fixed Cumulative Pref. Shares	65,46,724	55,74,724
13. 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.		
14. 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.		
15. Figures for the previous year have been rearranged and regrouped wherever necessary.		

For and on behalf of the Board of Directors

J. N. DHAR
Partner

Membership No. 007117
For G. BASU & CO.
Chartered Accountants
Firm Reg. No. 301174E

BHARAT BAJORIA

Managing
Director

ABHA BAJORIA
R. K. DIXIT

} Director
} Director

3, Chowringhee Approach, Kolkata-72
Dated the 10th day of July, 2012

TEESTA VALLEY TEA COMPANY LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.3.2012

Pursuant to clause 32 of the Listing Agreement

	As at 31st March, 2012 Rs.	As at 31st March, 2011 Rs.	As at 31st March, 2011 Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit before taxation and extraordinary items	1,54,33,483		1,17,55,538
Adjustments for :			
1. Depreciation	34,86,977	38,82,409	
2. Profit on Sale of Assets	(66,528)	((64,105))	
3. Interest (Received)	(30,221)	(28,496)	
4. Interest (Paid)	67,04,725	75,77,571	1,13,57,379
Operating Profit before Working Capital changes	<u>2,55,28,436</u>		<u>2,31,22,917</u>
Adjustments for :-			
1. Trade & Other Receivables	(4,19,979)	(1,201)	
2. Loans and Advances	3,85,783	(15,03,718)	
3. Inventories	75,73,633	(24,00,328)	
4. Trade Payables	(1,59,88,578)	(84,49,141)	(54,06,693)
Cash Generated from Operations	<u>1,70,79,295</u>		<u>1,77,16,224</u>
1. Interest Paid	(77,82,821)	(60,19,584)	
2. Direct Taxes Paid	(3,49,947)	(1,965)	(60,21,549)
Cash Flow before Extraordinary Items	<u>89,46,527</u>		<u>1,16,94,675</u>
Extraordinary Items :			
1. Expenses for previous years	—	—	
2. Irrecoverable Debts Written off	—	—	
3. Liabilities no longer required w/back	—	—	
Cash Flow from Operating activities	<u>89,46,527</u>		<u>1,16,94,675</u>
B. CASH FLOW FROM INVESTING ACTIVITIES			
1. Purchase of Fixed Assets	(59,48,469)	(29,16,895)	
2. Interest Received	30,221	28,496	
3. Sale of Fixed Assets	70,000	65,000	(28,23,399)
C. CASH FLOW FROM FINANCING ACTIVITIES			
1. Proceeds Short Term Borrowings	(8,82,743)	(70,28,754)	
2. Proceeds Long Term Borrowings	(28,96,173)	(37,78,916)	(83,41,581)
Net change in Cash and Cash Equivalents	<u>(6,80,637)</u>		<u>5,29,695</u>
Cash & Cash Equivalents (Opening Balance)	15,68,049		10,38,354
Cash & Cash Equivalents (Closing Balance)	<u>8,87,412</u>		<u>15,68,049</u>
	<u>(6,80,637)</u>		<u>5,29,695</u>

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

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

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

3, Chowringhee Approach, Kolkata-72
Dated the 10th day of July, 2012