



The Grob  
Tea Company  
Limited

**2013-14**

**REPORT &  
ACCOUNTS**

Registered 7th January, 1895

**CORPORATE INFORMATION**

**Board of Directors:**

P.K.Agarwal, Director  
 M.K.Agarwal, Director  
 H.Parekh, Director  
 P. J. Bhide, Director  
 I.B.Sharaf, Executive Director

**Auditors:**

G.P.Agrawal & Co.  
 Chartered Accountants  
 Kolkata

**Bankers:**

United Bank of India  
 State Bank of India  
 HDFC Bank

**Registered Office:**

"HAUTE STREET" 9th Floor  
 86A, Topsia Road,  
 Kolkata - 700 046  
 Phone: 033-40031325/26  
 Fax : 033-40040892  
 E-Mail : grobtea@rawalwasia.co.in  
 CIN : L15494WB1895PLC000963

**Tea Estates:**

Dessoie Tea Estate  
 P.O. Mariani, Assam

**Doyang Tea Estate**

P.O. Oating, Assam

**Kanu Tea Estate**

P.O. Sapekhati, Assam

**Teen Ali Tea Estate**

P.O. Naharkatia, Assam

**Pathemara Tea Estate**

P.O. Thaligram, Assam

**Stock Exchange:**

The Calcutta Stock Exchange Ltd.  
 7, Lyons Range,  
 Kolkata - 700 001

**Registrar & Share Transfer Agents**

Niche Technologies Pvt. Ltd.  
 D-511, Bagree Market, 5th Floor  
 71, Canning Street, Kolkata - 700 001  
 Phone No. 033 22357270/7271  
 Fax No. 033 22156823  
 e-Mail : nichetechpl@nichetechpl.com  
 CIN : U74140WB1994PTC062636

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## DIRECTORS REPORT TO THE MEMBERS

Your Directors have pleasure in presenting the annual report together with Audited Accounts of the Company for the year ended 31<sup>st</sup> March 2014.

### FINANCIAL RESULTS

	2013-14 (₹ in Lacs)	2012-13 (₹ in Lacs)
Profit before Depreciation & Tax	₹ 698.70	₹ 770.34
Less: Depreciation	₹ 244.10	₹ 173.38
Profit before Taxation	₹ 454.60	₹ 596.96
Add : Exceptional Item	—	₹ 365.31
Profit before taxation	₹ 454.60	₹ 962.27
Provision for Taxation:		
– Current Tax	₹ 85.00	₹ 135.00
– Tax for earlier years	—	₹ (20.87)
- Deferred Tax	₹ (12.50)	₹ ( 2.14)
Profit after Tax	₹ 382.10	₹ 850.28
Add: Profit brought forward	₹ 1558.29	₹ 935.03
Balance available for appropriation	₹ 1940.39	₹ 1785.31
Proposed Dividend	₹ 23.25	₹ 23.25
Tax on proposed Dividend	₹ 3.95	₹ 3.77
Transferred to General Reserve	₹ 200.00	₹ 200.00
Balance carried forward	₹ 1713.19	₹ 1558.29

### DIVIDEND

The Directors have recommended a dividend of @ 20% ( Previous Year- 20%) for the year ended 31.03.2014, subject to approval of the shareholders at the ensuing Annual General Meeting of the Company.

### PERFORMANCE

Total saleable crop for the year was 37.21 lacs kgs as compared to 36.77 lacs kgs in the previous year. The dry weather conditions in early part of the season have affected the crop.

Average price realization for the company's tea for the year was ₹ 160.75 per kg which was higher as compared to ₹ 158.52 in previous year. The steep rise in employees cost due to wage and salary revision as per industry wise Agreement, upward cost of inputs specially Coal, Power, Fertilizers & Chemicals etc has affected the profit of the Company.

### PROSPECTS

The prospect of the crop for the year 2014-15 is not encouraging, due to erratic weather condition so far.

### DIRECTORS

Mr. M. K. Agarwal retires by rotation and being eligible has offered himself for re-appointment.

Mr. Harish Parekh, Director of the Company was designated as an Independent Director with effect from May 30, 2014, subject to the approval of members at the ensuing Annual General meeting of the Company.

Pursuant to the provisions of Section 161(1) of the Cos. Act, 2013 and the Articles of Association of the Company, Shri P J Bhide was appointed as an Additional Director designated as an Independent Director w.e.f. 30-05-2014 and he shall hold office up to the date of the ensuing Annual General Meeting. The Company has received requisite notice in writing from a member proposing Shri P J Bhide for appointment as an Independent Director.

**DIRECTORS' REPORT TO THE MEMBERS (Contd)****COST AUDIT**

Pursuant to the directives of the Central Government under provisions of section 233B of Companies Act, 1956, a cost Auditor has been re-appointed to audit Cost Accounts of your Company for the year ended 31<sup>st</sup> March 2014.

**DIRECTORS RESPONSIBILITY STATEMENT**

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

1. In the preparation of the annual accounts, the applicable accounting standards have been followed.
2. Appropriate accounting policies have been selected and applied consistently and judgements and estimated have been made that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company as at the year end and of the result of the Company for the year ended.
3. Proper and sufficient care has been taken for maintenance of adequate records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. The annual accounts have been prepared on a going concern basis.

**COMPANIES (DISCLOSURE OF PARTICULARS) IN REPORT OF DIRECTORS RULES 1998.**

In terms of the above, read with Section 217 (1)(e) of the Companies Act, 1956 the particulars as required therein are given in the Annexure which form a part of Directors Report.

**PARTICULARS OF EMPLOYEES**

The Company has no employee coming within the purview of Section 217 (2A) of the Companies Act, 1956 read with Companies (Particular of employees) rules 1975 during the year.

**AUDITORS**

The Auditors Report is self explanatory and hence is not being separately dealt with here.

M/s. G.P. Agarwal & Co., Chartered Accountants, the Auditors of the company retire from the Office at the conclusion of this meeting and being eligible offer themselves for re-appointment.

**COMPLIANCE CERTIFICATE**

Pursuant to Section 383A of the Companies Act, 1956 a certificate from M/s. H.M. Choraria & Co., Company Secretaries in whole time practice, as to whether the Company has complied with all the provisions of the Companies Act, 1956 is attached.

**ACKNOWLEDGEMENT**

In conclusion, the Directors wish to place on record their appreciation of the devoted services rendered by all the employees of the Company.

REGISTERED OFFICE

"Haute Street" 9th Floor,  
86A, Topsia Road,  
Kolkata-700 046

Dated : 30th May 2014

CIN : L15494WB1895PLC000963

For & on behalf of the Board

M.K.Agarwal            Director

H.Parekh                Director

I.B.Sharaf              Executive Director

**ANNEXURE TO THE DIRECTORS REPORT****ANNEXURE**

Particulars of Conservation of Energy and technology absorption in terms of Section 217(1)(e) of the Companies Act 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 forming part of Directors Report for the year 31<sup>st</sup> March 2014.

**FORM 'A'**

Form for disclosure of particulars with respect to conservation of energy

		<u>Current year</u>	<u>Previous year</u>
<b>A.</b>	<b>POWER &amp; FUEL CONSUMPTION</b>		
1)	Electricity		
a)	Purchased Unit (Kwh)	2488471	2474869
	Total Amount (₹)	19879985	18508814
	Rate/Unit (₹)	7.99	7.48
b)	Own Generation		
	Through Diesel Generation		
	Unit (Kwh)	780129	855388
	Unit per Ltr of Diesel Oil	3.09	2.66
	Cost/Unit (₹)	18.83	14.75
2	Coal		
	Qty (tones)	1629	1917
	Total Cost (₹)	9983850	11598523
	Average Rate (₹)	6129	6050
3	Furance Oil		
	Qty (K-Litres)	—	—
	Total Amount (₹)	—	—
	Average Rate (per Ltr)	—	—
4	Gas		
	Qty in CCU	859695	863506
	Total Cost (₹)	11236959	10338924
	Rate/Unit	13.07	11.97
<b>B.</b>	<b>CONSUMPTION PER UNIT OF PRODUCTION</b>		
	Production of Tea (Kgs)	3809030	3757827
	Electricity (Units)	0.65	0.66
	Furnace Oil (Ltr)	—	—
	Coal (Kgs)	1.06	1.18
	Other – Gas (Scm)	0.38	0.41

**ANNEXURE TO THE DIRECTOR'S REPORT**  
**FORM 'B'**

**ANNEXURE (Contd)**

**Research and Development (R & D)**

- 1 Specific area in which R&D carried out by the Co.
- 2 Benefits as result of above R&D
- 3 Future plan of action
- 4 Expenditure of R&D

The Company is a members of the Tea Research Association and contributed ₹ 5.98 lacs as subs-cription during the year. The thrust of the Company remains on productivity and quality improvement by efficient Operations.

**TECHNOLOGY ABSORPTION ADAPTION AND INNOVATION**

1. Efforts in brief made towards technology absorption, adaptation and innovation. We are continuously upgrading technology in manufacturing process.
2. Benefits derived as a result of the above efforts e.g. quality improvement resulting cost reduction product development, import substitution etc. – increase in the quality of tea produced resulting higher realization.
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 :
  - a) Technology imported —
  - b) Year of import —
  - c) Has Technology been fully absorbed —
  - d) If not absorbed area where this has not taken place, reasons therefore and future plan of actions

No technology was imported during the last 5 year.

**Foreign Exchange Earnings and Outgo**

- a) Foreign Exchange Earning ₹ Nil
- b) Foreign Exchange outgo ₹ 6,13,566

REGISTERED OFFICE  
"Haute Street" 9th Floor,  
86A, Topsia Road,  
Kolkata-700 046  
Dated : 30th May 2014

For & on behalf of the Board  
M.K.Agarwal Director  
H.Parekh Director  
I.B.Sharaf Executive Director

## COMPLIANCE CERTIFICATE

**H. M. CHORARIA & CO.**

*Practising Company Secretaries,*  
14/2 OLD CHINA BAZAR STREET  
4th Floor R.No. 401  
KOLKATA –700 001  
Phone : (033) 22420196/22432509

**Registration No. of the Company; L15494WB1895PLC000963**

**Nominal Capital: Rs.3,00,00,000/-**

**To The Members**

**The Grob Tea Company Limited,  
86A, Topsia Road,  
9th Floor, Kolkata-700 046**

We have examined the Registers, records, books and papers of M/s The Grob Tea Company. Ltd, (the Company) as required to be maintained under the Companies act 1956, and the Rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial period ended on 31st March 2014. 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 register 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 there under.
3. The Company, being a Public limited Company has more than the minimum prescribed paid- Up Capital of Rs. 5 lacs.
4. The Board of Directors duly met four times respectively on 28th May’2013, 12th August’ 2013, 11th November 2013 and 10th February 2014 in respect of which meetings proper notice were given and the proceedings were properly recorded and signed including the circular resolutions if any passed in the Minutes Book maintained for the purpose.
5. The Company closed its Register of Members, from 22nd July, 2013 to 1st August, 2013 and necessary compliance of section 154 of the act has been made
6. The Annual General Meeting for the financial year ended on 31st March’2013 was held on 1st August’ 2013 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extra ordinary General Meeting was held during the financial year

8. The Company has not advanced any loans to its directors or persons or firms or Companies referred to under section 295 of the Act.
9. The Company has entered into any contracts falling within the purview of Section 297 of the Act. However the compliance under section 297 could not be verified.
10. The Company has made necessary entries in the Register maintained under section 301 of the Act.
11. As there were no instances falling within the preview of Section 314 of the Act, the Company has not obtained any approvals from the Board of directors, members or Central Government.
12. The Board of directors or duly constituted Committee of Directors has approved the issue of duplicate share certificates.
13. The Company:
  - 13.1 has Delivered all the certificates on allotment of securities and on lodgment thereof for Transfer / transmission or any other purpose in accordance with the provisions of the Act.
  - 13.2. has Deposited the amount of dividend declared on 01.08.2013 in a separate Bank Account by way of a written instruction to the Bank dated 06.08.2013,
  - 13.3 has Paid/posted warrants on 21.08.2013 for payment of dividend to all the members within a period of 30 (Thirty) days from the date of declaration
  - 13.4 has no amount, lying 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 as on 31.03.2014 to be transferred to "Investors Education and Protection Fund"
  - 13.5 has Duly complied with the requirements of section 217 of the Act.
14. The Board of directors of the Company is duly constituted. and appointment of directors, additional directors, alternate directors and directors to fill casual vacancies have been duly made.
15. The Company has appointed Executive Director, during the financial year in compliance with the provisions of the Act.
16. The Company has not appointed any sole selling agents during the financial year.
17. The Company has obtained all necessary approval of the Central Government, Company Law Board, Regional Director, Registrar and /or such authorities prescribed Under the various provision 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. The Company has not issued any shares, 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 or Debentures during the financial year.
22. There were no transaction 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 amount borrowed by the Company from directors, members, public, financial institutions, bank and others during the financial year ending 31st March, 2014 is/are within the borrowing limits of the Company
25. The Company has made loans and investments, or given guarantees or provided securities to other bodies corporate in compliance with the provisions of the Act and has made necessary entries in the register kept for the purpose.
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 year under scrutiny,
30. The Company has not altered its Articles of Association during the financial year.
31. As informed to us by the management, there was no prosecution against or any show cause notices received by the Company and no fines or penalties or 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 had deducted contribution towards Provident Fund during the financial year and are generally regular in depositing the same

For **H.M. CHORARIA & CO**  
Practising Company Secretaries  
**( H.M.CHORARIA )**  
Proprietor  
C.P. No. : 1499

Place : KOLKATA  
Dated : 30th May, 2014

**ANNEXURE – A****Registers as maintained by the Company****Statutory Registers**

1. Register of Members u/s 150
2. Register of Returns u/s 163
3. Minutes Book of meetings
4. Books of accounts u/s 209
5. Register of Directors, Managing Directors, Manager and secretary u/s 303
6. Register of Directors' Shareholdings u/s 307
7. Register of Investments or Loans u/s 372.A
8. Register of Contracts U/S 301

**Other Registers**

1. Register of Directors' attendance
2. Register of Shareholders' attendance
3. Register of Transfers
4. Register of Fixed Assets

**ANNEXURE B**

Forms and Returns as filed by Company with Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending 31st March, 2014.

Sl. No	Form No/ Return	Filed under section	For	Date of Filing	Whether filed within Prescribed Time Yes / No	If delay in filing whether requisite Additional Fee Paid Yes / No
1 .	Balance Sheet & Reports	u/s 220 ended on 31.03.2013	for the year	31.08.2013	YES	NO
2.	Annual Return	u/s 160	01.08.2013	18.09.2013	YES	NO
3 .	Compliance Certificate	u/s383A	31.03.2013	08.09.2013	YES	NO
4.	Form No. 25C	U/s 269	27.05.2013	30.09.2013	NO	YES
5.	Form No.17		27.05.2013	30.05.2013	YES	NO
6.	Form No. 17		24.01.2014	06.02.2014	YES	NO
7.	Form No. 17		24.01.2014	06.02.2014	YES	NO
8.	Form 5INV		31.03.2013	27.09.2013	YES	NO
9.	Form No. 23C		28.05.2013	28.06.2013	YES	NO

For **H.M. CHORARIA & CO**  
Practising Company Secretaries  
**(H.M.CHORARIA)**  
Proprietor  
C.P. No. : 1499

Place : KOLKATA  
Dated : 30th May, 2014

## **INDEPENDENT AUDITORS' REPORT**

To the Members of The **GROB TEA COMPANY LIMITED**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of **The Grob Tea Company Limited** ("the Company"), which comprise the Balance Sheet as at **March 31, 2014**, 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.

### **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 notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

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

### **Opinion**

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

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**Report on other Legal and Regulatory requirements**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013;
  - e) on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

7A, KIRAN SHANKAR RAY ROAD,  
KOLKATA - 700 001  
Dated : 30th May, 2014

For **G. P. AGRAWAL & CO.**  
CHARTERED ACCOUNTANTS  
(F.R No. 302082E)  
**(CA. SUNITA KEDIA)**  
Membership No. : 60162  
Partner

## **ANNEXURE TO INDEPENDENT AUDITORS' REPORT**

Statement referred to in our report of even date to the members of The Grob Tea Company Limited on the accounts for the year ended 31st, March, 2014.

- i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- (b) The fixed assets of the Company have been physically verified at the end of the year by the management. To the best of our knowledge, no material discrepancy was noticed on such verification.
- (c) The Company has not disposed off substantial part of fixed assets during the year and the going concern status of the Company is not affected.
- ii) (a) The inventories (excluding stocks lying with third parties) have been physically verified at the end of the year by the management. In respect of inventory lying with third parties, these have been verified with reference to subsequent sale. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
- (c) On the basis of our examination, we are of the opinion that the company is maintaining proper records of inventory. The discrepancies noticed on verification between physical stocks and book records were not material and have been properly dealt with in the books of accounts.
- iii) (a) The Company has not granted any loans, secured or unsecured, to Companies, firms or other parties covered in the register maintained under section 301 of the Act.
- (b) As the Company has not granted any loans, secured or unsecured, to Companies, firms or other parties covered in the register maintained under section 301 of the Act, clauses (iii)(b) to (iii)(d) of paragraph 4 of the said order are not applicable to the Company.
- (c) The Company has not taken any loans, secured or unsecured, from Companies, firms or other parties covered in the register maintained under section 301 of the Act.
- (d) As the Company has not taken any loans, secured or unsecured, from Companies, firms or other parties covered in the register maintained under section 301 of the Act, clauses (iii)(f) to (iii)(g) of paragraph 4 of the said order are not applicable to the Company.
- iv) On the basis of the information and explanation given to us, we are of the opinion that the Company has an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination and according to the information and explanations given to us, we have neither come across nor have we been informed of any instance of major weaknesses in the aforesaid internal control system.
- v) (a) Based on the audit procedures applied by us and according to information and explanations given to us, the particulars of contract or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.
- (b) In our opinion and according to information and explanations given to us, the transactions made in pursuance of such contracts have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- vi) The company has not accepted any deposit within the meaning of Sections 58A and 58AA or any other relevant provisions of the Act and the rules framed there under.
- vii) In our opinion, internal audit system of the Company is commensurate with the size of the Company and nature of its business.
- viii) We have broadly reviewed the books of account maintained by the company in respect of product where pursuant to the rules made by the Central Government, the maintenance of cost records have been prescribed u/s 209(1)(d) of the Act and are of the opinion that, prima facia, the prescribed accounts and records have been made and maintained. We, however, as not required, have not made a detailed examination of such record.
- ix) (a) According to the records, the company is generally regular in depositing undisputed statutory dues including Provident Fund, Income Tax, Sales Tax, Service Tax, Excise duty, Cess, Investor Education

**ANNEXURE TO INDEPENDENT AUDITORS' REPORT (Contd)**

& Protection Fund, Employees' State Insurance and other statutory dues with the appropriate authorities. As explained to us, the provisions of Custom Duty and Wealth Tax are not applicable to the Company. According to the information and explanations given to us, no undisputed amount payable in respect of the aforesaid dues were outstanding as on 31<sup>st</sup> March, 2014 for a period of more than six months from the date of becoming payable.

- (b) According to the information and explanations given to us and the records of the Company examined by us, the disputed statutory dues aggregating to Rs. 4,15,460/- have not been deposited on account of matters pending before appropriate authorities as under:

Name of the statute	Nature of dues	Period to which Pertains	Amount (Rs.)	Forum (where the dispute is pending)
Central Excise Act, 1944	Excise Duty	2012-13	4,15,460	Commissioner (Appeals)

- x) The Company has no accumulated losses and has not incurred any cash loss during the period covered by our audit or in the immediately preceding financial period.
- xi) The Company has not defaulted in payment of dues to banks. The Company has no dues to financial institutions or debenture holders.
- xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures or other securities.
- xiii) The provision of any special statute applicable to Chit Fund, Nidhi or Mutual Benefit Society is not applicable to this Company.
- xiv) In our opinion and according to the information and explanations given to us, the Company is not dealing or trading in shares and securities. The Company has maintained proper records of transactions and contracts in respect of investments in shares and timely entries have been made therein. All investments have been held by the Company in its own name.
- xv) According to the records of the Company and according to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions.
- xvi) On the basis of our examination and according to the information and explanations given to us, the term loans have been applied for the purpose for which the loans were obtained.
- xvii) On the basis of an overall examination of the balance sheet of the company and according to the information and explanations given to us, we report that no funds raised on a short-term basis have been used for long-term investment.
- xviii) 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.
- xix) The Company has not issued any secured debentures.
- xx) The Company has not raised any money by public issues during the period covered by our audit report.
- xxi) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

7A, KIRAN SHANKAR RAY ROAD,  
KOLKATA - 700 001  
Dated : 30th May, 2014

For **G. P. AGRAWAL & CO.**  
CHARTERED ACCOUNTANTS  
(F.R No. 302082E)  
**(CA. SUNITA KEDIA)**  
Membership No. : 60162  
Partner

**BALANCE SHEET AS AT 31ST MARCH, 2014**

	Note No.	As at 31st March, 2014		As at 31st March, 2013	
		₹	₹	₹	₹
<b>I EQUITY AND LIABILITIES</b>					
<b>1 Shareholders' Funds</b>					
a) Share capital	2	11,623,300		11,623,300	
b) Reserves and surplus	3	<u>272,655,649</u>	284,278,949	<u>237,164,822</u>	248,788,122
<b>2 Non-Current Liabilities</b>					
a) Long term borrowings	4	1,684,483		2,875,132	
b) Deferred tax liabilities (Net)	5	—		1,250,486	
c) Other long- term liabilities	6	3,061,440		3,061,440	
d) Long term provisions	7	<u>20,446,473</u>	25,192,396	<u>19,571,945</u>	26,759,003
<b>3 Current Liabilities</b>					
a) Short term borrowings	8	20,904,405		66,500,912	
b) Trade payables	9	16,906,458		16,876,090	
c) Other current liabilities	10	48,898,036		48,208,947	
d) Short term provisions	11	<u>4,471,569</u>	<u>91,180,468</u>	<u>5,285,981</u>	<u>136,871,930</u>
<b>TOTAL</b>			<u>400,651,813</u>		<u>412,419,055</u>
<b>II ASSETS</b>					
<b>1 Non-Current Assets</b>					
a) Fixed Assets					
i) Tangible assets	12	332,385,309		337,054,803	
b) Non-current investments	13	2,181,543		2,181,543	
c) Long term loans and advances	14	<u>8,070,050</u>	342,636,902	<u>12,580,358</u>	351,816,704
<b>2 Current Assets</b>					
a) Inventories	15	37,459,660		31,834,660	
b) Trade receivables	16	2,905,583		9,244,227	
c) Cash and bank balances	17	6,235,192		6,709,051	
d) Short term loans and advances	18	6,069,550		5,776,207	
e) Other current assets	19	<u>5,344,926</u>	<u>58,014,911</u>	<u>7,038,206</u>	<u>60,602,351</u>
<b>TOTAL</b>			<u>400,651,813</u>		<u>412,419,055</u>
Significant accounting policies	1				
Other Disclosures	26				

The accompanying notes 1 to 26 are an integral part of the financial statement.

As per our report of even date attached.

For G P AGRAWAL & CO  
Chartered Accountants  
F. R. No. 302082E  
(CA.Sunita Kedia)  
Partner  
Membership No. 60162

M K AGARWAL } Directors  
H PAREKH }  
I B SHARAF Executive Director  
B L PATAWARI CFO

Place: 7A, Kiran Shankar Ray Road,  
Kolkata – 700 001  
Dated : 30th May, 2014

**Statement of Profit and Loss Account for the year ended 31st March, 2014**

	Note	Year ended 31st March, 2014		Year ended 31st March, 2013	
		₹	₹	₹	₹
<b>I Revenue from operations (Gross)</b>	20				
Sale of goods (Gross)		600,065,522		584,884,442	
Less: Excise duty		<u>1,909,288</u>		<u>1,956,116</u>	
Net sale of goods		598,156,234		582,928,326	
Other operating revenue		<u>2,838,263</u>		<u>4,423,536</u>	
Revenue from operations (Net)		600,994,497		587,351,862	
<b>II Other income</b>	21	<u>17,532,186</u>		<u>8,813,284</u>	
<b>III Total Revenue ( I + II)</b>		<u>618,526,683</u>		<u>596,165,146</u>	
<b>IV Expense:</b>					
a) Cost of materials consumed - Green leaf		830,161		835,924	
b) Changes in inventories of finished goods	22	(3,227,992)		9,083,170	
c) Employee benefits expense	23	248,719,716		234,271,320	
d) Finance costs	24	7,906,653		6,165,592	
e) Depreciation and amortisation expense		24,410,786		17,338,092	
f) Other expenses	25	<u>294,427,283</u>		<u>268,774,884</u>	
<b>Total Expenses</b>		<u>573,066,606</u>		<u>536,468,982</u>	
<b>V Profit Before Exceptional and Extraordinary Items and Tax ( III - IV)</b>		45,460,077		59,696,164	
<b>VI. Exceptional Items</b>	26.9	—		36,530,657	
<b>VII. Profit Before Extraordinary Items and Tax (V+VI)</b>		45,460,077		96,226,821	
<b>VIII. Extraordinary Items</b>		—		—	
<b>IX. Profit Before Tax ( VII-VIII)</b>		45,460,077		96,226,821	
<b>X. Tax Expenses</b>					
1) Current Tax		8,500,000		13,500,000	
2) Deferred Tax		(1,250,486)		(214,000)	
3) Tax for earlier years		—	<u>7,249,514</u>	<u>(2,087,472)</u>	<u>11,198,528</u>
<b>XI Profit for the year ( IX - X)</b>			<u>38,210,563</u>	<u>85,028,293</u>	
<b>XII Earning per equity share (Face value ₹ 10/-)</b>	26.3				
1) Basic			32.87	73.15	
2) Diluted			32.87	73.15	
Significant accounting policies	1				
Other Disclosures	26				

The accompanying notes 1 to 26 are an integral part of the financial statement.  
As per our report of even date attached.

For G P AGRAWAL & CO  
Chartered Accountants  
F. R. No. 302082E  
(CA.Sunita Kedia)  
Partner  
Membership No. 60162

Place: 7A, Kiran Shankar Ray Road,  
Kolkata – 700 001  
Dated : 30th May, 2014

M K AGARWAL } Directors  
H PAREKH }  
I B SHARAF Executive Director  
B L PATAWARI CFO



**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014**

	Year ended 31-03-2014 ₹	Year ended 31-03-2013 ₹
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation & extra ordinary item	45,460,077	96,226,821
Adjustment for :		
Depreciation	24,410,786	17,338,092
Finance costs	7,906,653	6,165,592
Interest Received	(1,534,474)	(3,739,697)
Dividend on Long Term Investments	(89,644)	(114,840)
Rent Received	(14,022,460)	(1,739,205)
Liabilities no longer required written back	(353,686)	(398,799)
Profit on disposal of Fixed Assets	(518,654)	(1,895,758)
Profit on disposal of Investment	—	(475,457)
Sundry Balances Written Off	31,380	17,176
Store written off	110,957	188,134
Operating Profit before working capital changes	61,400,935	111,572,059
Adjustment for changes in:		
Increase/(Decrease) in Trade Payable	384,054	876,566
Increase/(Decrease) in Other Current Liabilities	(790,073)	(98,891)
Increase/(Decrease) in Provisions	1,062,758	6,310,251
Increase/(Decrease) in Trade Receivables	6,307,264	(2,265,763)
Increase/(Decrease) in Inventory	(5,735,957)	9,335,044
Increase/(Decrease) in Loans and Advances	4,216,964	9,665,719
Increase/(Decrease) in Other Current assets	1,422,165	(6,707,402)
Cash generated from operations before tax & extra ordinary item	68,268,111	128,687,582
Direct Taxes Paid	(9,520,542)	(7,269,074)
Cash generated from operations before extra ordinary item	58,747,569	121,418,508
Extraordinary Item - Compensation received	—	—
Net Cash Flow from Operating Activities (A)	58,747,569	121,418,508
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Addition to Fixed Assets	(20,505,454)	(157,250,501)
Sale of Fixed Assets	1,282,816	3,033,576
Investment Made	—	(26,500,000)
Sale of Investment	—	26,975,457
Dividend Received	89,644	114,840
Investment in Fixed deposits	(5,000,000)	(5,000,000)
Maturity of Fixed deposits	5,000,000	—
Subsidy received	—	2,347,197
Interest Received	1,805,589	3,739,697
Rent Received	14,022,460	1,739,205
Security Deposit received	—	3,061,440
Net Cash used in Investing Activities (B)	(3,304,944)	(147,739,089)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from long term borrowings	2,994,527	—
Repayment of long term borrowings	(2,875,132)	—
Proceeds from/(Repayment of) Working capital Borrowings (Net)	(45,596,507)	34,296,942
Interest paid	(7,501,053)	(5,492,065)
Other borrowing costs	(405,600)	(673,526)
Dividend Paid (including tax thereon)	(2,701,836)	(2,026,333)
Net Cash used in Financing Activities ( C )	(56,085,601)	26,105,019
<b>Net Increase in Cash and Cash Equivalents (A+B+C)</b>	<b>(642,978)</b>	<b>(215,562)</b>
Cash and Cash Equivalents (Note 17)		
Opening Balance	1,451,780	1,667,342
Closing Balance	<b>808,802</b>	<b>1,451,780</b>

**Notes :**

- The above Cash Flow Statement has been prepared under the Indirect Method as set out in the Accounting Standard - 3 on Cash Flow Statement.
- Additions to Fixed assets include movement of capital work in progress during the period. This is the Cash Flow Statement referred to in our report of even date.

This is the Cash Flow Statement referred to in our report of even date.

For G P AGRAWAL & CO  
Chartered Accountants  
F. R. No. 302082E  
(CA. Sunita Kedia)  
Partner  
Membership No. 60162

Place: 7A, Kiran Shankar Ray Road,  
Kolkata – 700 001  
Dated : 30th May, 2014

M K AGARWAL } Directors  
H PAREKH }  
I B SHARAF } Executive Director  
B L PATAWARI } CFO

**NOTES TO FINANCIAL STATEMENTS****Note No.1: Significant Accounting Policies****1.1 Basis of Preparation**

- a) The financial statements are prepared in accordance with the historical cost convention and on accrual basis of accounting.
- b) These are prepared in accordance with Generally Accepted Accounting Principles in India, provisions of the Companies Act, 1956 and Accounting Standards notified by the Central Government under the Companies (Accounting Standards) Rules, 2006.
- c) The preparation of financial statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities including Contingent Liabilities as of the date of the financial statements and the reported income and expenses for the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates.
- d) All Assets and Liabilities have been classified as current or non-current as per the company's normal operating cycle and other criteria set out in the Schedule VI to the Companies' Act, 1956. Based on the nature of products and time between the acquisition of assets for growing and manufacturing tea and their realization in cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

**1.2 Fixed Assets**

- a) Fixed Assets are stated at cost less accumulated depreciation. Cost includes taxes, duties, freight and incidental expenses related to the acquisition and installation of the assets.
- b) Depreciation on fixed assets is provided on written down value method in accordance with the rates as specified in Schedule XIV to the Companies Act, 1956 (as amended).
- c) The cost of extension planting of cultivable land inclusive of cost of development is capitalized as and when incurred.
- d) Leasehold land and development are not depreciated with effect from 30th June, 1986 in view of long term nature of lease.
- e) Capital Work-in-Progress comprises the cost of fixed assets that are not yet ready for their intended use at the reporting date.

**1.3 Investments**

Investment which are readily realizable and intended to be held not more than one year from the date on which such investments are made, are classified as current investments. All Other investments are classified as long-term investment. Current Investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long Term Investments are stated at cost less provision for other than temporary diminution in value, to recognize a decline in the value of the investments.

**1.4 Inventories**

- a) Inventories (other than tea waste) are valued at lower of cost or net realizable value after providing for obsolescence, if any. Cost of inventory comprises of purchase price, cost of conversion and other cost incurred in bringing the Inventories to their respective present location and condition. The cost of Inventories is computed on weighted average basis except Stores and Spare Parts which are valued on FIFO basis.
- b) Tea wastes are valued at net realizable value.

**1.5 Revenue Recognition**

- a) Sale of goods is recognised at the point of dispatch of finished goods to customers.
- b) Gross turnover is net of sales tax/VAT and inclusive of excise duty.
- c) Dividend income is recognized when the Company's right to receive dividend is established.
- d) Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.
- e) All other income is accounted for on accrual basis.

**1.6 Expenses**

All the expenses are accounted for on accrual basis.

**1.7 Employee Benefits**

- a) Short-term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the related service is rendered.
- b) Post employment and other long-term employee benefits are recognized as an expense in the Statement of Profit and Loss for the year in which the employee has rendered services. The expense is recognized at the present value of the amount payable determined using actuarial valuations. Actuarial gains and losses in respect of post employment and other long-term employee benefits are recognized in the Statement of Profit and Loss.

**Notes to Financial Statements(Contd.)**

**1.8 Borrowing Costs**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such asset. A qualifying asset is one that necessarily takes a substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

**1.9 Insurance Claims**

Insurance claims are recognized when the amount thereof can be reasonably ascertained and the claim is likely to be received.

**1.10 Grants and Subsidies**

- a) Grants and subsidies related to specific fixed assets are adjusted with the value of the fixed asset. If not related to a specific fixed asset, it is credited to Capital Reserve.
- b) Grants and subsidies related to revenue items are adjusted with the related expenditure. If not related to a specific expenditure, it is taken as income.

**1.11 Foreign Currency Transactions**

- a) Transactions in foreign currency are initially recorded at the exchange rate at which the transaction is carried out.
- b) Monetary assets and liabilities related to foreign currency transactions remaining outstanding at the year-end are translated at the year-end exchange.
- c) Any income or expense on account of exchange difference either on settlement or on translation at the year end is recognized in the Statement of Profit and Loss.

**1.12 Research & Development**

Revenue expenditure is charged off in the year it is incurred and expenditure of capital nature is capitalized.

**1.13 Taxes on Income**

Current tax is determined as the amount of tax payable in respect of taxable income for the year. Deferred tax is recognized subject to the consideration of prudence in respect of deferred tax assets, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in or more subsequent periods. Deferred tax asset is recognized and carried forward only to the extent that there is a virtual certainty that the asset will be realized in future.

**1.14 Impairment of Assets**

Wherever events or changes in circumstances indicate that the carrying value of fixed assets may be impaired, the company subjects such assets to test of recoverability, based on discounted cash flows expected from use or disposal of such assets. If the assets are impaired, the Company recognizes an impairment loss as difference between the carrying value and recoverable value.

After impairment, depreciation or amortisation on assets is provided on the revised carrying amount of the respective asset over its remaining useful life.

**1.15 Provisions, Contingent Liabilities and Contingent Assets**

- a) Provisions are recognised in respect of obligations where, based on the evidence available, their existence at the Balance Sheet date is considered probable. Provisions are determined by the best estimate of the outflow of economic benefits required to settle the obligation at the balance sheet date.
- b) Contingent liabilities are shown by way of Notes to the Accounts in respect of obligations where, based on the evidence available, their existence at the Balance Sheet date is considered not probable.
- c) Contingent assets are not recognized in the Accounts.

**1.16 Earnings Per share**

Basic earnings per share is computed by dividing the profit after tax (including the post tax effect of extra ordinary items, if any) by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the profit after tax (including the post tax effect of any extra ordinary items, if any) by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares which could be issued on the conversion of all dilutive potential equity shares.

**1.17 Cash flow statement**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing flows. The cash flows from operating, investing and financing activities of the Company are segregated.

**Notes to Financial Statements (Contd.)**

	<b>As at 31st March 2014</b>	<b>As at 31st March 2013</b>
	₹	₹
<b>2. SHARE CAPITAL</b>		
a) <b>Authorised</b>		
30,00,000 ( Previous Year 30,00,000) Equity Shares of ₹ 10/- each	30,00,000	30,00,000
b) <b>Issued, Subscribed and Paid Up</b>		
11,62,330 (Previous Year 11,62,330) Equity Shares of ₹ 10/- each fully paid up	11,623,300	11,623,300

c) **Rights, preferences and restrictions attached to shares**

The company has only one class of equity shares having par value of ₹ 10/-. The holders of equity shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts, in proportion to their shareholding.

d) **Shareholders holding more than 5 % of the equity shares in the Company :**

Name of the Shareholders	As at 31st March 2014		As at 31st March 2013	
	No. of Shares	% held	No. of Shares	% held
M/S Rawalwasia Industries Pvt. Ltd.	478,179	41.14	478,179	41.14
M/s Strip Commodeal Pvt. Ltd.	392,179	33.74	478,179	41.14

**3. RESERVES AND SURPLUS**

	<b>As at 31st March 2014</b>	<b>As at 31st March 2013</b>
Capital Reserve : As per last Account	3,406,507	3,406,507
<b>General Reserve</b>		
General Reserve : As per last Account	60,000,000	40,000,000
Add: Transfer from Surplus in the Statement of Profit and Loss	20,000,000	20,000,000
<b>Securities Premium Account :</b>		
As per last Account	17,929,690	17,929,690
<b>Surplus in the Statement of Profit and Loss</b>		
As per last Account	155,828,625	93,502,168
Add : Profit for the year	38,210,563	85,028,293
Amount available for appropriation	194,039,188	178,530,461
<b>Less : Appropriations</b>		
Transferred to General Reserves	20,000,000	20,000,000
Proposed Dividend on Equity Share	2,324,660	2,324,660
Tax on Dividend	395,076	377,176
	<u>171,319,452</u>	<u>377,176</u>
	<u>272,655,649</u>	<u>237,164,822</u>

- i) During the year ended 31st March, 2014, the Board of Directors has proposed a dividend of ₹ 2/- (Previous year ₹ 2/-) per equity share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. The total dividend appropriation for the year ended March 31, 2014 amounted to ₹ 27,19,736 /- (Previous year ₹ 27,01,836 /-) including corporate dividend tax of ₹ 3,95,076/- (Previous year ₹ 3,77,176 /-).

<b>Notes to Financial Statements (Contd.)</b>		<b>As at 31st March 2014</b>	<b>As at 31st March 2013</b>
		₹	₹
<b>4. LONG TERM BORROWINGS</b>			
a) <b>Term loans -Secured</b>			
From Tea Board-Special Purpose Tea Fund Loan-			
UBI-Tea Board-SPTF Loan-Doyang	—	903,786	
UBI-Tea Board-SPTF Loan-Dessoie	—	1,061,494	
UBI-Tea Board-SPTF Loan-Teen Ali	—	909,852	2,875,132
From HDFC Bank (Car Loan)		<u>1,684,483</u>	<u>—</u>
		<u>1,684,483</u>	<u>2,875,132</u>
b) <b>Nature of securities</b>			
i) Term loans from Tea Board were secured by pari passu charge by way of equitable mortgage on immovable properties including machinery in respect of Doyang, Dessoie and Teen Ali Tea Estates.			
ii) Term loans from HDFC bank is secured by way of hypothecation of car purchased. The loan carries interest @ 9% p.a.			
c) <b>Terms of repayments</b>			
i) Term loans from Tea Board were for a period of 13 years having moratorium on the principal repayment for a period of 5 years. Principal was to be repaid in 16 equal half yearly installment starting from March 2014. The effective interest rate was 9.5% p.a. payable monthly if payment is made within due dates otherwise 3% p.a. interest penalty will be payable. The above term loans have been prepaid during the year.			
ii) The outstanding amount of term loans from HDFC bank is repayable in 26 monthly installments, the last installment is due in the month of May, 2016. Out of the 26 monthly installments, 12 monthly installments are payable within 31st March, 2015, therefore, the same has been included in "Current maturities of long term borrowings" under the line item "Other Current Liabilities" (Note No.10).			
<b>5. DEFERRED TAX LIABILITIES</b>			
a) <b>Deferred tax liabilities :</b>			
Fixed assets		6,092,183	7,246,538
b) <b>Deferred tax assets</b>			
Expenses allowable for tax purposes when paid		<u>6,092,183</u>	<u>5,996,052</u>
<b>Net Deferred Tax Laibilities ( a - b)</b>		<u>—</u>	<u>1,250,486</u>
Deferred tax assets and deferred tax liabilities have been offset as they relate to the same governing taxation laws.			
<b>6. OTHER LONG TERM LIABILITIES</b>			
Security Deposit		<u>3,061,440</u>	<u>3,061,440</u>
		<u>3,061,440</u>	<u>3,061,440</u>
<b>7. LONG TERM PROVISIONS</b>			
Provision for employee benefits			
Leave Encashment		304,185	267,311
Gratuity		<u>20,142,288</u>	<u>19,304,634</u>
		<u>20,446,473</u>	<u>19,571,945</u>
<b>8. SHORT - TERM BORROWINGS</b>			
a) <b>Loans repayable on demand</b>			
From banks -Secured			
Working capital borrowings			
United bank of India (UBI) - Cash Credit		20,124,930	62,976,838
HDFC Bank - Overdraft		779,475	3,524,074
		<u>20,904,405</u>	<u>66,500,912</u>
b) <b>Nature of securities</b>			
i) Cash Credit with UBI is secured by hypothecation of tea, prompts, receivables, other current assets and equitable mortgage of the company's Kanu, Teen Ali, Doyang and Dessoie Tea Estate and also secured against personal guarantee of two Directors of the Company.			
ii) Overdraft Facility with HDFC Bank is secured by pledged of Fixed Deposit of Rs. 50,00,000 with HDFC Bank.			

**Notes to Financial Statements (Contd.)**

	<b>As at 31st March 2014</b>	<b>As at 31st March 2013</b>
	₹	₹
<b>9. TRADE PAYABLES</b>		
Total outstanding dues of other than Micro and Small Enterprises	<u>16,906,458</u>	<u>16,876,090</u>
<b>10. OTHER CURRENT LIABILITIES</b>		
Current maturities of long-term borrowings	1,310,044	—
Unpaid Dividend*	426,391	257,271
Other Payables		
Advance from Customer	6,293,755	7,314,863
Statutory liabilities	2,201,758	522,740
Unpaid salaries and other payroll dues	32,363,910	29,772,797
Accrued expenses	865,485	569,354
Others	<u>5,436,693</u>	<u>9,771,921</u>
	<u>48,898,036</u>	<u>48,208,946</u>
*There are no amounts due and outstanding to be credited to Investor Education & Protection Fund under Section 205 C of the Companies Act, 1956.		
<b>11. SHORT TERM PROVISIONS</b>		
Provision For Employee benefit		
Leave encashment	839,204	650,974
Other provisions :		
Provision for taxation ( Net of advance tax )	912,629	1,933,171
Proposed dividend	2,324,660	2,324,660
Tax on proposed dividend	<u>395,076</u>	<u>377,176</u>
	<u>4,471,569</u>	<u>5,285,981</u>

**Notes to Financial Statements (Contd.)**

**12. FIXED ASSETS**

(in Rupees)

Particulars	G R O S S B L O C K				D E P R E C I A T I O N				N E T B L O C K		
	Cost as at 31st March 2013 ₹	Adxditions during the year ₹	Sold. discarded during the year ₹	Adjustment during the year ₹	Cost as at 31st March 2014 ₹	Deprecia- tion upto 1st April 2013 ₹	Deprecia- tion for the year ₹	Disposal/ Adjust- ment ₹	Deprecia- tion upto 31st March 2014 ₹	Net Balance as at 31st March 2014 ₹	Net Balance as at 31st March 2013 ₹
Leasehold Land & Development	86,345,768	—	162,700	—	86,183,068	8,013,161	—	—	8,013,161	78,169,907	78,332,607
Building	234,597,646	5,470,837	—	—	240,068,483	52,801,057	9,341,539	—	62,142,597	177,925,886	181,796,588
Machinery	106,375,015	2,231,467	370,000	—	108,236,483	74,818,826	4,821,367	351,500	79,288,693	28,947,790	31,556,189
Motor Vehicle	31,140,291	6,561,738	987,325	—	36,714,705	15,973,718	5,324,992	406,613	20,892,098	15,822,607	15,166,573
Electric Installations	19,590,544	—	—	—	19,590,544	15,693,810	482,025	—	16,175,835	3,414,709	3,896,734
Water Supply Scheme	22,626,049	4,301,803	45,000	—	26,882,852	16,635,852	896,270	42,750	17,489,372	9,393,480	5,990,198
Refrigerator	367,307	13,000	—	—	380,307	302,229	7,173	—	309,402	70,905	65,078
Office Equipment	943,901	—	—	—	943,901	388,377	76,543	—	464,920	478,981	555,524
Furniture	16,582,283	58,300	—	—	16,640,583	2,802,302	2,493,779	—	5,296,081	11,344,502	13,779,981
Fencing	6,467,668	—	—	—	6,467,668	3,364,362	155,165	—	3,519,527	2,948,141	3,103,306
Tube well	1,066,310	159,720	—	—	1,226,030	397,060	40,705	—	437,765	788,265	669,250
Air Conditioner	1,955,290	—	—	—	1,955,290	633,065	181,737	—	814,802	1,140,488	1,322,225
Computer	3,512,994	1,708,589	—	—	5,221,583	2,692,442	589,491	—	3,281,933	1,939,650	820,552
<b>Total</b>	<b>531,571,066</b>	<b>20,505,454</b>	<b>1,565,025</b>	<b>—</b>	<b>550,511,496</b>	<b>194,516,263</b>	<b>24,410,786</b>	<b>800,863</b>	<b>218,126,186</b>	<b>332,385,309</b>	<b>337,054,803</b>
<b>Previous Year</b>	<b>374,216,365</b>	<b>172,916,810</b>	<b>13,216,911</b>	<b>2,347,197</b>	<b>531,571,066</b>	<b>189,257,266</b>	<b>17,338,092</b>	<b>12,079,095</b>	<b>194,516,263</b>	<b>337,054,803</b>	<b>184,961,099</b>

**Notes** 1) Depreciation for the year adjusted with the excess depreciation charged in earlier year ₹ NIL /- (Previous year ₹ 4,96,383 /-).  
 2) Building include ₹ 13,07,49,000/- (Previous year ₹ 13,07,49,000/-) in respect of which the deed of conveyance is yet to be executed.

**Notes to Financial Statements (Contd.)****13 : NON CURRENT INVESTMENTS**

		Face value	As at 31-03-2014		As at 31-03-2013	
		₹	Units	₹	Units	₹
<b>Long Term</b>						
<b>(Valued at cost less provision for other than temporary diminution)</b>						
Other than trade, fully paid up						
Quoted	In equity shares of companies:					
	The Methoni Tea Co. Ltd.	10	1,000	4,375	1,000	4,375
	Castrol India Ltd. (Include 196 Bonus shares)	10	392	37,516	392	37,516
	Bata India Ltd.	10	4,400	572,720	4,400	572,720
	Hindustan Lever Ltd.	1	5,000	1,551,481	5,000	1,551,481
	Aggregate book value of quoted Investments (A)			<u>2,166,092</u>		<u>2,166,092</u>
Unquoted	In equity shares of companies:					
	The Orissa Tea Plantation Ltd.	10	100	1,000	100	1,000
	ABC Tea Workers Welfare Services	10	625	6,250	625	6,250
	Jadavpur Entrepreneurship Development Pvt.Ltd. (in Liquidation)	100	20	1	20	1
	In 5% Non-Redeemable Debenture Stock :					
	Woodlands Hospital & Medical Research Centre Ltd.		--	6,000	--	6,000
	5% Debenture Stock in Shillong Club Ltd.		--	2,200	--	2,200
	Aggregate book value of unquoted Investments (B)			<u>15,451</u>		<u>15,451</u>
	<b>Total (A) + (B)</b>			<u>2,181,543</u>		<u>2,181,543</u>
	Aggregate market value of Quoted Investments			8,194,722		5,645,832

		As at 31st March 2014	As at 31st March 2013
		₹	₹
<b>14. LONG TERM LOANS AND ADVANCES</b>			
(Unsecured, considered good)			
Capital Advance		115,000	909,623
Security and other Deposits		<u>7,955,050</u>	<u>11,670,735</u>
		<u>8,070,050</u>	<u>12,580,358</u>



<b>Notes to Financial Statements (Contd.)</b>	<b>As at 31st March 2014</b>	<b>As at 31st March 2013</b>
	₹	₹
<b>15. INVENTORIES</b>		
Stores and Spare Parts	23,375,567	20,978,559
Finished Goods -Tea	14,084,093	10,856,101
	<u>37,459,660</u>	<u>31,834,660</u>
<b>16. TRADE RECEIVABLES</b>		
Outstanding for a period exceeding six months from due date	90,969	3,028,635
Others	2,814,614	6,215,592
	<u>2,905,583</u>	<u>9,244,227</u>
<b>17. CASH AND BANK BALANCES</b>		
<b>Cash and cash equivalents</b>		
Balances with banks		
On Current Accounts	507,233	1,109,778
Cash - in - hand	301,569	342,002
Cash and cash equivalents	<u>808,802</u>	<u>1,451,780</u>
<b>Other Bank Balances:</b>		
Unpaid dividend accounts (Earmarked balances)	426,391	257,271
Fixed deposit pledged as security against borrowings (Current portion of original maturity period of more than 12 months)	5,000,000	5,000,000
	<u>6,235,192</u>	<u>6,709,051</u>
<b>18. SHORT TERM LOANS AND ADVANCES</b> (Unsecured, considered good)		
Advance to suppliers and others	5,021,479	4,527,528
Balances with Excise Authority	65,132	74,463
Prepaid expenses	982,939	1,174,215
	<u>6,069,550</u>	<u>5,776,206</u>
<b>19. OTHER CURRENT ASSETS</b> (Unsecured, considered good)		
Interest accrued but not due on deposits	249,176	520,291
Rent receivable	4,504,676	1,126,169
Income Tax refund receivable	—	5,386,246
Other receivables	591,074	5,500
	<u>5,344,926</u>	<u>7,038,206</u>

**Notes to Financial Statements (Contd.)**

	Year ended 31-03-2014		Year ended 31-03-2013	
	₹	₹	₹	₹
<b>20. REVENUE FROM OPERATIONS</b>				
Sale of goods (Gross)				
Finished goods- Tea		600,065,522		584,884,442
Other operating revenues				
Replanting subsidy	1,989,383		3,169,706	
Sale of tea seeds	234,380		285,000	
Sale of tea waste	614,500	2,838,263	968,830	4,423,536
<b>Revenue from operations (Gross)</b>		602,903,785		589,307,978
Less : Excise duty on sale of goods		1,909,288		1,956,116
<b>Revenue from operations (net)</b>		600,994,497		587,351,862
<b>21. OTHER INCOME</b>				
Interest – On Deposits		1,534,474		385,199
– On Advances		—		3,354,498
Dividend income - Long Term Investments		89,644		114,840
Profit on sale of current Investments		—		475,457
Other non-operating income				
Profit on Sale of Fixed Assets		518,654		1,895,758
Rent Received		14,022,460		1,739,205
Liabilities no longer required Written Back		353,686		398,799
Insurance claim		150,048		5,200
Miscellaneous Receipts		863,220		444,328
		17,532,186		8,813,284
<b>22. CHANGES IN INVENTORIES OF FINISHED GOODS</b>				
Opening Stock of Finished Goods -Tea		10,856,101		19,939,271
Less: Closing Stock of Finished Goods -Tea		14,084,093		10,856,101
		(3,227,992)		9,083,170
<b>23. Employee benefits expense</b>				
Salaries & Wages		218,244,583		202,751,682
Contribution to Providend & Other Funds		22,381,993		23,958,707
Staff Welfare		8,093,138		7,560,929
		248,719,716		234,271,320

**Notes to Financial Statements (Contd.)**

	Year ended 31-03-2014		Year ended 31-03-2013	
	₹	₹	₹	₹
<b>24. FINANCE COSTS</b>				
Interest on:				
— long term borrowings		200,184		294,417
— short term borrowings		7,300,869		5,197,648
Other borrowing Cost		405,600		673,526
		<u>7,906,653</u>		<u>6,165,592</u>
<b>25. OTHER EXPENSES</b>				
Power and Fuel		42,193,928		38,386,235
Consumption of Stores & Spare Parts		171,379,131		151,193,775
Packing Materials		3,326,663		3,487,468
Transport and Maintenance		6,043,202		6,414,759
Repairs - Building	8,222,492		7,631,762	
- Machinery	<u>5,279,348</u>	13,501,840	<u>6,791,170</u>	14,422,932
Rent		300,000		376,000
Donation		1,651,000		1,166,000
Rates and Taxes		9,524,454		9,103,357
Miscellaneous expenses		10,007,130		10,337,171
Insurance		1,744,617		999,703
Travelling & Conveyance		2,942,133		3,509,868
Directors' Fees		20,000		28,000
Auditors' Remuneration -				
Statutory Audit	225,000		225,000	
Tax Audit	25,000		25,000	
Reimburshment of Expenses	3,680		—	
Other services (Limited review)	<u>47,500</u>	301,180	<u>40,000</u>	290,000
Internal Auditors' Fees		150,000		155,618
Selling and Distribution Expenses		16,220,680		15,371,249
Freight Charges		14,978,990		13,327,438
Stores Written Off		110,957		188,134
Sundry Balances Written Off		31,380		17,176
		<u>294,427,283</u>		<u>268,774,882</u>

**Notes to Financial Statements (Contd.)**

	As at 31-03-2014	As at 31-03-2013
	₹	₹
<b>26. OTHER DISCLOSURES</b>		
<b>1. Contingent liabilities and commitments (to the extent not provided for)</b>		
a) Contigent liability not provided for in respect of :		
Claims against the company not acknowledge as debts -		
– Sales tax demand- under appeal	—	206,962
– Central Excise demand - under appeal	5,95,460	—
<p>The amounts shown above represent the best possible estimates arrived at on the basis of available information. The uncertainties and timing of the cash flows are dependent on the outcome of the different legal processes which have been invoked by the Company or the claimants as the case may be and therefore cannot be estimated accurately. The Company does not expect any reimbursements in respect of the above contingent liabilities.</p> <p>In the opinion of the management, no provision is considered necessary for the disputes mentioned above on the grounds that there are fair chances of successful outcome of appeals.</p>		
b) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	1,294,103	6,735,422
Avances Paid against above	115,000	904,944
<b>2. Employee Benefits :</b>		
a) <b>Defined Contribution Plan:</b>		
<p>Employee benefits in the form of Provident Fund are considered as defined contribution plan.</p> <p>The contributions to the funds are made in accordance with the relevant statute and are recognized as an expense when employees have rendered service entitling them to the contributions. The contribution to defined contribution plan, recognized as expense for the year is as under :</p>		
Defined Contribution Plan		
Employers' Contribution to Provident Fund	16,132,728	1,49,83,347
b) <b>Defined Benefit Plan:</b>		
<p>Post employment and other long-term employee benefits in the form of gratuity and leave encashment is considered as defined benefit obligation. The present value of obligation is determined based on actuarial valuation using projected unit credit method as at the Balance Sheet date. The amount of defined benefits recognized in the balance sheet represent the present value of the obligation as adjusted for unrecognized past service cost, and as reduced by the fair value of plan assets.</p> <p>Details of funded post retirement plans are as follows :</p>		

Notes to Financial Statements (Contd.)	31st March, 2014		31st March, 2013	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
	(Funded)	(Unfunded)	(Funded)	(Unfunded)
	₹	₹	₹	₹
<b>I. Components of Employer Expenses</b>				
Current service Cost	3,721,228	19,732	3,167,115	119,233
Past Service Cost	—	—	—	—
Interest Cost	6,060,926	82,646	5,144,528	44,998
Expected Return on Plan Asset	4,967,535	—	4,748,161	—
Actuarial (gain)/loss recognized in the year	2,058,865	196,896	3,309,210	276,947
Net Expenses Recognised In Statement of Profit and Loss	2,755,754	299,274	6,872,692	441,178
<b>II. Change in Present Value of Defined Benefit obligation</b>				
Present Value of Defined Benefit Obligation	75,761,580	918,285	64,306,594	562,478
Interest Cost	6,060,926	82,646	5,144,528	44,998
Past Service Cost	—	—	—	—
Current Service Cost	3,721,228	19,732	3,167,115	119,233
Benefits Paid	(427,232)	(74,170)	(165,867)	(85,371)
Actuarial (Gain)/Losses	2,058,865	196,896	3,309,210	276,947
Present Value of Obligation at the End of the Year	83,057,637	1,143,389	75,761,580	918,285
<b>III Change in Fair Value Asset during the year end</b>				
Plan Assets at the Beginning of the year	56,456,946	—	50,956,404	—
Expected Return on Plan Assets	4,967,535	—	4,748,161	—
Actual Company Contribution	1,918,100	74,170.00	918,248	—
Benefits Paid	(427,232)	(74,170.00)	(165,867)	—
Actuarial Gain/(Losses)	—	—	—	—
Plan Assets at the End of the Year	62,915,349	—	56,456,946	—
<b>IV Net Assets/(Liability) recognized as at the Balance sheet date</b>				
Present Value of Defined Benefit Obligation	83,057,637	1,143,389	75,761,580	918,285
Fair Value of Plan Assets	62,915,349	—	56,456,946	—
Funded Status - Deficit	(20,142,288)	(1,143,389)	(19,304,634)	(918,285)
Net liability recognized in Balance Sheet	(20,142,288)	(1,143,389)	(19,304,634)	(918,285)
<b>V Actuarial Assumption</b>				
Discounted Rate (Per Annum)	8%	9%	8%	8%
Expected Rate of return on Plan Assets (P.A.)	Not available	N.A.	Not available	N.A.
Salary Increases	5%	5%	5%	5%
Retirement/Superannuation Age	—	58	—	58
Mortality	LIC 94-96 ultimate		LIC 94-96 ultimate	
<b>VI Expected Employer's Contribution for the next year</b>				
Expected Employer's Contribution for the next year	Not available	N.A.	Not available	N.A.

**Notes to Financial Statements (Contd.)****VI Basis of estimate of rate of escalation in salary**

The estimates of rate of escalation in salary, considered in actuarial valuation, take into inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

**VII Other Disclosure :**

- a) The Gratuity Expenses have been recognized in "Contribution to Provident & other funds " and Leave Encashment in "Salaries & wages" under note no. 23.

	Gratuity		Leave encashment	
b) Disclosure related to previous years	<b>2 0 1 3 - 1 4</b>		<b>2 0 1 2 - 1 3</b>	
	₹	₹	₹	₹
Present value of Defined Benefit Obligation	83,057,637	1,143,389	75,761,580	918,285
Fair Value on Plan Assets	62,915,349	—	56,456,946	—
Funded Status (Surplus/(deficit))	(20,142,288)	(1,143,389)	(19,304,634)	(918,285)
Experience adjustments of plan assets Gain/(Loss)	—	—	—	—
Experience adjustments of Obligation (Gain)/Loss	—	—	—	—
	<b>2 0 1 1 - 1 2</b>		<b>2 0 1 0 - 1 1</b>	
	₹	₹	₹	₹
Present value of Defined Benefit Obligation	64,306,594	562,478	60,396,212	505,006
Fair Value on Plan Assets	50,956,404	—	45,732,942	—
Funded Status (Surplus/(deficit))	13,350,190	562,478	14,663,270	505,006
Experience adjustments of plan assets Gain/(Loss)	—	—	—	—
Experience adjustments of Obligation (Gain)/Loss	—	—	—	—
	<b>2 0 0 9 - 1 0</b>			
	₹	₹		
Present value of Defined Benefit Obligation	52,791,803	411,291		
Fair Value on Plan Assets	35,844,460	—		
Funded Status (Surplus/(deficit))	16,947,343	411,291		
Experience adjustments of plan assets Gain/(Loss)	—	—		
Experience adjustments of Obligation (Gain)/Loss	—	—		
b) Expected Employer's contribution for the next year, major category of plan assets and experience arising on Plan Liabilities and Plan Assets in respect of gratuity are not available and therefore, not disclosed.				

**26.3 Earning Per Share-The numerators and denominators used to calculate Basic/Diluted Earnings Per Share :**

	<b>As at 31st March, 2014</b>	<b>As at 31st March, 2013</b>
a) Amount used as the numerator (₹)		
Profit after Tax attributable to Shareholders (A)	38,210,563	85,028,293
b) Basic/weighted average number of Equity Share used as the denominator (B)	1,162,330	1,162,330
c) Nominal Value of Equity Shares (₹)	10	10
d) Basic/Diluted Earnings Per Share - (A/B) (₹)	<b>32.87</b>	<b>73.15</b>

**Notes to Financial Statements (Contd.)**

**25.4. Related party disclosures as per Accounting Standard - 18 are given below :**

**a) Name of the related parties and description of relationship :**

- |     |   |   |
|-----|---|---|
| i)  | Key Managerial Personnel (KMP):   | Mr. P K Agarwal , Director<br>Mr. M K Agarwal, Director<br>Mr. I.B.Sharaf, Executive Director   |
| ii) | Enterprises over which KMP and their relatives have significant influence : | a) Shroff Chemicals Pvt. Ltd.<br>b) Banka Enterprises Pvt. Ltd.<br>c) Gillanders Arbuthnot & Co. Ltd.<br>d) Rawalwasia Manufacture Company Pvt. Ltd.<br>e) Transmission Projects Pvt. Ltd.<br>f) K L Mechanical Works Pvt. Ltd.<br>g) Teletronics Products Pvt. Ltd.<br>h) Strip Commodeal Pvt. Ltd.<br>i) SRTR Realtors Pvt. Ltd.<br>j) Rawalwasia Industries Pvt. Ltd.<br>k) Platinum Dealers Pvt. Ltd.<br>l) Altius Distributors Pvt. Ltd.<br>m) Altius Pharmachem |

**b) Transactions with Related parties :**

**Nature of Transaction**

Enterprise over which KMP and their relatives have significant influence		Key Management Personnel	
31-03-2014	31-03-2013	31-03-2014	31-03-2013

	₹	₹	₹	₹
<b>Rent Received :-</b>				
Shroff Chemicals Pvt. Ltd.	94,392	70,000	—	—
Banka Enterprises Pvt. Ltd.	94,392	70,000	—	—
Rawalwasia Manufacture Company Pvt. Ltd.	67,416	50,000	—	—
Transmission Projects Pvt. Ltd.	67,416	50,000	—	—
K L Mechanical Works Pvt. Ltd.	94,392	70,000	—	—
Teletronics Products Pvt. Ltd.	94,392	70,000	—	—
Strip Commodeal Pvt. Ltd.	—	49,000	—	—
SRTR Realtors Pvt. Ltd.	94,392	70,000	—	—
Rawalwasia Industries Pvt. Ltd.	94,392	70,000	—	—
Platinum Dealers Pvt. Ltd.	94,392	70,000	—	—
Altius Distributors Pvt. Ltd.	31,464	—	—	—
Altius Pharmachem	94,392	—	—	—

**b) Transactions with Related parties :**

**Sale of Goods :**

Gillanders Arbuthnot & Co. Ltd.	—	1,621,256	—	—
---------------------------------	---	-----------	---	---

**Loans Taken :**

Shroff Chemicals (P) Ltd.	—	10,000,000.00	—	—
Banka Enetrprises (P) Ltd.	—	38,500,000.00	—	—

**Loans Repaid :**

Shroff Chemicals (P) Ltd.	—	10,000,000.00	—	—
Banka Enetrprises (P) Ltd.	—	38,500,000.00	—	—

**Notes to Financial Statements (Contd.)**

**b) Transactions with Related parties :  
Nature of Transaction**

**Interest on Loan Taken :**

	Enterprise over which KMP and their relatives have significant influence		Key Management Personnel	
	31-03-2014	31-03-2013	31-03-2014	31-03-2013
Shroff Chemicals (P) Ltd.	—	268,493	—	—
Banka Enetrprises (P) Ltd.	—	249,179	—	—

**Receiving of Services**

Trident Travel (P) Ltd.	—	751,955	—	—
Mr. I.B.Sharaf (Directors Remuneration)	—	—	1,634,605	1,313,172

**Outstanding balance**

	—	—	—	—
--	---	---	---	---

c) There is no provision for doubtful debt and no amount has been written off/ written back during the year in respect of amount due from or due to related parties.

d) The transactions with related parties have been entered at an amount which are not materially different from those on normal commercial terms

**26.5 Segment Reporting**

The company is engaged in the business of integrated activities of manufacture and sale of Tea, predominantly in the domestic market, hence there is no reportable segment as per AS - 17 on " Segment Reporting " as notified pursuant to the Companies ( Accounting Standards) Rules, 2006.

**26.6 Disclosure under Clause 32 of the Listing Agreement**

There are no transaction (other than transactions with related parties as given in para 4 above ) which are required to be disclosed under Clause 32 of the listing Agreement with the Stock Exchanges where the Equity Shares of the Company are Listed.

26.7 The company has not received any memorandum as required to be filed by the suppliers with the notified authority under Micro, Small and Medium Enterprises Development Act 2006 for claiming their status as micro, small or medium enterprises. Therefore, there is no due outstanding to Micro and Small Enterprises (Previous year Nil).

26.8 Salaries and Wages excludes ₹ 450/- ( Previous year ₹ 1,80,000/-) and Stores and Spares consumed excludes ₹ 27,986/- (Previous year ₹ 3,18,744/-) debited to other accounts.

26.9 Exceptional item of ₹ NIL (Previous year ₹ 3,65,30,657/-) is on account of Compensation received from Government of Assam for acquisition of certain part of Land of Kanu T.E.

**26.10 Consumption of spare parts and components \***

	31-03-2014		31-03-2013	
	₹	%	₹	%
Imported	—	—	—	—
Indigenous	171,379,131	100	151,193,775	100
	<u>171,379,131</u>	<u>100</u>	<u>151,193,775</u>	<u>100</u>

\* Spare parts includes store items also.

**26.1 Earnings in Foreign Exchange**

Nil

Nil

**26.1 Expenditure incurred in Foreign Currency**

613,566

142,694

26.1 The previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary. Amounts and other disclosures for the preceding year are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.

As per our report of even date attached.

For G P AGRAWAL & CO

Chartered Accountants

F. R. No. 302082E

(CA.Sunita Kedia)

Partner

Membership No. 60162

M K AGARWAL } Directors

H PAREKH }

I B SHARAF Executive Director

B L PATAWARI CFO

Place: 7A, Kiran Shankar Ray Road,  
Kolkata – 700 001

Dated : 30th May, 2014



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Registered Office : 14, Motilal Nehru Road, Kolkata 700 029

Tel : 033 4003 2108 • E-mail : tara.investments@rediffmail.com

CIN No : L31200WB1931PLC007116

## POSTAL BALLOT FORM

Ballot No. \_\_\_\_\_

1. Name and Registered :  
Address of the Sole/First  
Named Shareholder

2. Name of the Joint :  
Shareholder(s) if any

3. Folio No./DP ID & Client ID No\*  
(\*applicable to investors holding  
Shares in demat form)

4. No. of Equity Share held

I/We hereby exercise my/our vote in respect of the Special Resolution to be passed through Postal Ballot to the business stated in the Notice of the Company by sending my/our assent or dissent to the said Resolution by placing the tick (✓) mark in the appropriate box below.

Sl. No.	Description	No. of Ordinary Shares for which votes cast	I/ We assent to the resolution (FOR)	I/We dissent to the resolution (AGAINST)
1	Special Resolution pursuant to section 61 of the Companies Act, 2013 and other applicable provisions, if any, for increase in Authorized Share Capital of the company to 12,000,000 equity shares of Re. 1/- each.			
2	Special Resolution pursuant to section 13 read with section 61 of the Companies Act 2013 and other applicable provisions if any, for Amendment to Memorandum of Association of the company by substituting clause 5 with the Clause 5 as set out in the notice.			
3	Special Resolution pursuant to section 14 of the Companies Act 2013 and other applicable provisions, if any, for Amendment to Article of Association of the company by substituting Article 4 with Article 4 as set out in the notice.			
4	Special Resolution pursuant to section 63 of the Companies Act, 2013 and other applicable provisions, if any, and also subject to SEBI guidelines/regulation for issue of Bonus shares.			

Place : .....

Date : .....

\_\_\_\_\_  
Signature of the Shareholder

**Note** : Please read the instructions carefully before exercising your vote.

### ELECTRONIC VOTING PARTICULARS

EVSN (E-Voting Sequence Number)	User ID	Password
141021002	Please refer Point 14 of the Notice of Postal Ballot	

## I N S T R U C T I O N S

- a) Members can opt for only one mode of voting i.e. either by Postal Ballot or through e-voting. In case you are opting for voting by Postal Ballot, then please do not cast your vote by e-voting also and vice versa. In case Members cast their votes both by Postal Ballot and e-voting, the votes cast through e-voting shall prevail and the votes cast through postal ballot form shall be considered invalid.
- b) A Member desiring to exercise his vote by Postal Ballot may complete this postal ballot form and send it to the Scrutinizer in the attached pre-paid self-addressed envelope. However, envelopes containing postal ballots, if deposited in person or sent by courier at the expense of the shareholder will also be accepted.
- c) The self-addressed envelope bears the address of the Scrutinizer appointed by the Board of Directors of the Company.
- d) This Form should be completed and signed by the Member (as per the specimen signature registered with the Company / Depository Participants). In case of joint holding, this Form should be completed and signed by the first named Member and in his/ her absence, by the next named Member.
- e) Incomplete, unsigned or incorrect or improperly tick (✓) marked Postal Ballot Forms will be rejected. The scrutinizer's decision on the validity of the Postal Ballot shall be final and binding.
- f) Voting rights in the Postal Ballot / e-voting cannot be exercised by a proxy.
- g) Duly completed Postal Ballot Form should reach the Scrutinizer on or before the close of working hours on Saturday, November 29, 2014. All Postal Ballot Forms received after this date will be strictly treated as if reply from such Member(s) has not been received.
- h) Where the postal ballot form has been signed by an authorized representative of a body corporate a certified copy of the relevant authorization to vote on the Postal Ballot should accompany the postal ballot form. A Member may sign the form through an Attorney appointed specifically for this purpose in which case an attested true copy of the Power of Attorney should be attached to the postal ballot form.
- i) The date of declaration of the result of the Postal Ballot shall be taken to be date of passing of the resolution.
- j) Shareholders are requested not to send any other papers or documents along with the form in the self addressed envelope, as any extraneous papers will be destroyed by the Scrutinizer.
- k) A shareholder may request a duplicate postal ballot form, if so required. However, the duly filled in duplicate postal ballot form should reach the Scrutinizer not later than the date specified in Point (g) above.
- l) Voting rights shall reckoned on the paid up value of shares registered in the name of shareholder on the cut-off date i.e. 17th October, 2014.
- m) Pursuant to the provisions of section 110 of the Companies Act, 2013 read with Rule 20 and Rule 22 of the Companies (Management and Administration) Rules, 2014 the Company is pleased to provide facility to members to exercise their right to vote for the resolution proposed to be passed through postal ballot vide electronic means and the voting may be done through e-voting services provided by Central Depository Services (India) Limited. However, the e-voting is optional for the members.
- n) Shri H.M. Choraria, Practicing Company Secretary (CP no. 1499) has been appointed as the Scrutinizer to conduct the entire postal ballot process in a fair and transparent manner.
- o) The shareholders shall have one vote per equity share held by them as on the cut-off date i.e. on 17th October 2014. The facility of e-voting would be provided once for every folio/client id, irrespective of the number of joint holders
- p) Members are informed that the votes casted electronically shall be treated as final, in case, votes are casted by any member through both the modes i.e. electronically as well as by exercising the votes vide postal ballot forms.
- q) The Scrutinizers decision on the validity of the vote shall be final and binding

# POSTAL BALLOT NOTICE

(Pursuant to Section 110 of the Companies Act, 2013  
read with Companies (Management and Administration) Rules, 2014)

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**Dear Member,**

NOTICE is hereby given to the members of Salem Erode Investments Limited for passing of appended resolutions as Ordinary/Special Resolutions, through postal ballot in accordance with the Section 110 of the Companies Act, 2013, read with the Rule 22 of the Companies (Management and Administration) Rules, 2014.

Pursuant to provisions of Section 102 of Companies Act, 2013, the Explanatory Statement pertaining to the Resolutions setting out to the material facts and the reasons thereof is annexed hereto along with Postal Ballot Form (the 'Form') for your consideration. You are requested to send the duly filled Postal Ballot Form with your assent or dissent to the annexed Resolutions.

The Board of Directors has appointed Mr. H. M. Choraria, Practicing Company Secretary (Certificate of Practice No 1499), as Scrutinizer for conducting the Postal Ballot process.

The Company is offering e-voting facility to all its Members as a mode to exercise their right to vote. For this purpose, the Company has entered into an agreement with CDSL for facilitating e-voting to enable the Members to cast their votes electronically. Members opting to exercise their vote through E-voting may log on to the site [www.evotingindia.com](http://www.evotingindia.com) and cast their votes from 10.00 a.m. on October 31, 2014 till 6.00 p.m. on November 29, 2014. Please note that e-voting is optional. Members may opt for one mode of voting i.e., either by post or e-voting. If the Members opt for e-voting, then they should not vote by post and vice versa. However, in case Members cast their vote by post and e-voting, then voting done through e-voting shall prevail and voting done by post will be treated as invalid. E-voting will not be allowed beyond 6.00 p.m. of November 29, 2014.

Members exercising their vote through Postal Ballot shall return the Ballot form duly completed in the attached self-addressed, postage pre-paid envelope so as to reach the Scrutinizer at the registered office of the Company, not later than the close of working hours i.e. 6:00 p.m. on the November 29, 2014. Upon completion of the scrutiny of the Forms and voting casted through electronic means, the Scrutinizer will submit his report to the Chairman latest by December 4, 2014. Subsequently, the result of the Postal Ballot will be announced by Mr. S. K. Kanoria, Director, and in his absence, Mr. Ravi Kumar Shah Director of the Company on December 5, 2014 at the Registered Office of the Company.

The result of the Postal Ballot will also be posted on the Notice Board at the Registered Office of the Company besides communicating to the Stock Exchanges concerned where the Company's shares are listed.

**Registered office :**  
**14, Moti Lal Nehru Road,**  
**Kolkata 700 029**  
**October 21, 2014**

**By order of the Board of Directors**

**SUNIL KUMAR KANORIA**  
**Managing Director**  
**DIN No. 00789 030**

**Enclosures:**

- 1) Resolution along with Explanatory Statement
- 2) Postal Ballot Form and self addressed postage pre-paid envelope.

# POSTAL BALLOT NOTICE

(Pursuant to Section 110 of the Companies Act, 2013 read with  
Companies (Management and Administration) Rules, 2014)

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## SPECIAL BUSINESS

### 1. INCREASE IN AUTHORIZED SHARE CAPITAL

To consider, and if thought fit, to pass with or without modification, the following resolution, as a Special Resolution:

**“RESOLVED THAT** as per the provisions of Section 61 and all other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the rules framed thereunder including any statutory modification or re-enactment thereof, for the time being in force, and pursuant to the provisions of Memorandum and Articles of Association of the Company, the Authorized Share Capital of the Company be and is hereby increased from Rs.8,500,000/- (Rupees Eighty-Five Lakhs Only) divided into 8,500,000 (Eighty-Fifty Lakh) Equity Shares of Re. 1/- (Rupee One Only) each to Rs.12,000,000/- (Rupees One Crores Twenty Lakhs only) divided into 12,000,000 (One Crore Twenty Lakhs) Equity Shares of Re. 1/- (Rupee One Only) each by creation of 3,500,000 (Thirty-Five Lakh) Equity Shares of Re. 1/- (Rupee One Only) each.

**RESOLVED FURTHER THAT** the Board of directors of the Company be and is hereby authorized to do all such acts, deeds and things as may be necessary for giving effect to this resolution.”

### 2. AMENDMENT TO MEMORANDUM OF ASSOCIATION

To consider, and if thought fit, to pass with or without modification, the following resolution, as a Special Resolution:

**“RESOLVED THAT** as per the provisions of the Section 13 read with Section 61 and other applicable provisions, if any, of the Companies Act, 2013, the Clause 5 of the Memorandum of Association of the Company be and is hereby substituted with the following new Clause 5:

5. The Authorized Share Capital of the Company is Rs.12,000,000/- (Rupees One Crores Twenty Lakhs only) divided into 12,000,000 (One Crore Twenty Lakhs) Equity Shares of Re. 1/- (Rupee One Only), each with such rights, privileges and conditions attaching thereto as are provided by the regulations of the Company for the time being, with power to increase and decrease the capital into the Company and to divide the shares in capital for the time being into several classes and to attach thereto respectively such preferential rights, privileges or conditions as may be determined by or in accordance with the Articles of the Company for the time being and to modify or abrogate any such rights, privileges or conditions in such manner as may be permitted by the Act or provided by the Articles of the Company for the time being.

**RESOLVED FURTHER THAT** the Board of directors of the Company be and is hereby authorized to do all such acts, deeds and things as may be necessary for giving effect to this resolution.”

### 3. AMENDMENT TO THE ARTICLES OF ASSOCIATION

To consider, and if thought fit, to pass with or without modification, the following resolution, as a Special Resolution:

**“RESOLVED THAT** pursuant to provisions of Section 14 and all other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) (including any amendment thereto or re-enactment thereof), the Article 4 of the Articles of Association of the Company be and is hereby substituted by the following new Article 4

4. The Authorised Share Capital of the company shall be the capital as specified in Clause 5 of the Memorandum of Association, with power to increase and reduce the Share Capital of the company and to divide the shares in the Capital for the time being into several classes as permissible in law and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company to vary, modify, amalgamate or abrogate any such rights, privileges or conditions in such manner as may for time being be provided in the Articles of Association.

**RESOLVED FURTHER THAT** the Board of directors of the Company be and is hereby authorized to do all such acts, deeds and things as may be necessary for giving effect to this resolution.”

### 4. ISSUE OF BONUS SHARES

To consider, and if thought fit, to pass with or without modification, the following resolution, as a Special Resolution:

**“RESOLVED THAT** in accordance with the Section 63 and other applicable provisions of the Companies Act, 2013, read with relevant rules thereof including any amendment or re-enactment thereof for the time being in force and as per the Articles of Association of the Company and also subject to the regulations/guidelines issued by the Securities and Exchange Board of India (SEBI) in this behalf and subject to such approvals, consents, permissions and sanctions as may be necessary from appropriate authorities, consent of the members of the Company be and is

hereby accorded for capitalization of a sum not exceeding Rs. 10,032,330/- (Rupees One Crores Thirty-two Thousand Three Hundred Thirty Only) from the Securities Premium Account, General Reserves, Capital Redemption Reserve or any other permitted reserves/surplus of the Company for the purpose of issue of Bonus Shares of Re. 1/- (Rupee One each), credited as fully paid-up to the holders of the Equity Shares of the Company whose names shall appear on the Register of Members on the 'Record Date' determined by the Board or a Committee thereof empowered in this behalf for this purpose, in the proportion of 7 (Seven) fully paid up Bonus Equity Shares of Re. 1/- each for every 1 (One) fully paid-up Equity Shares of Re. 1/- each held by them and that the Bonus Shares so distributed shall, for all purposes, be treated as an increase in the paid up Capital of the Company held by each such Member, and not as income.

**RESOLVED FURTHER THAT** the Bonus Shares so allotted shall rank pari passu in all respects with the fully paid-up Equity Shares of the Company as existing on the Record Date, save and except that they shall not be entitled to any dividend that may be declared before the 'Record Date'.

**RESOLVED FURTHER THAT** the Bonus Shares so allotted shall always be subject to the terms and conditions contained in the Memorandum and Articles of Association of the Company.

**RESOLVED FURTHER THAT** no letter of allotment shall be issued in respect of the Bonus Shares and in the case of Members who hold Shares or opt to receive the Shares in dematerialized form, the Bonus Shares shall be credited to the respective beneficiary accounts of the Members with their respective Depository Participants and in the case of Members who hold Equity Shares in certificate form, the share certificates in respect of the Bonus Shares shall be dispatched, within such time as prescribed by law and the relevant authorities.

**RESOLVED FURTHER THAT** the issue and allotment of the Bonus Shares to Non-Resident Members, Foreign Institutional Investors (FIIs) & other foreign investors, be subject to the approval of the Reserve Bank of India, as may be necessary.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to take necessary steps for listing of such shares on the Stock Exchanges where the securities of the Company are listed as per the provisions of the Listing Agreements with the concerned Stock Exchanges and other applicable guidelines, rules and regulations.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this Resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things and to give such directions as may be necessary or expedient, and to settle any question, difficulty or doubt that may arise in this regard as the Board in its absolute discretion may deem necessary or desirable and its decision shall be final and binding."

**Registered Office :**  
**14, Moti Lal Nehru Road,**  
**Kolkata 700 029**  
**October 21, 2014**

**By order of the Board of Directors**

**SUNIL KUMAR KANORIA**  
**Managing Director**  
**DIN No. 00789 030**

**NOTES:**

1. An explanatory statement pursuant to Section 102 read with section 110 of the Companies Act, 2013 setting out all material facts concerning the aforesaid special business are annexed herewith.
2. The Postal Ballot Notice is being sent to all the Members whose names appear in the Register of Members/List of Beneficial Owners received from the depositories National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as on 17th October 2014.
3. Postal Ballot Forms and the self-addressed postage pre-paid envelopes are enclosed for the use of members.
4. In compliance with the provisions of Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules 2014 the Company has also extended e-voting facility as an alternate to its Members to enable them to cast their votes electronically instead of dispatching Postal Ballot Form/s. Please note that e-voting is optional.
5. The Board of Directors of the Company had appointed Shri H. M. Choraria, Practicing Company Secretary (Certificate of Practice Number 1499) as Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner and to receive and scrutinize the completed ballot paper form the Members. After completion of his scrutiny, the Scrutinizer will submit his report to the Managing Director of the Company.
6. A member desiring to exercise vote by postal ballot may complete this Postal Ballot Form and send in the attached self-addressed postage pre-paid envelop.
7. A member desiring to exercise vote by e-voting may follow the instructions given for voting through electronic means. The e-voting on the website: [www.evotingindia.com](http://www.evotingindia.com), will commence on and from October 31, 2014 at 10.00 a.m. and shall end on November 29, 2014 at 6.00 p.m.



8. A copy of all relevant documents will be available for inspection at the Registered Office of the Company on all working days, except holidays, between October 31, 2014 and November 29, 2014.
9. Members are requested to carefully read the instructions printed on the Postal Ballot Form before exercising their votes.
10. Voting Rights shall be reckoned on the paid up value of the shares registered in the name of the Shareholders on 17th October 2014.
11. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with the Rules and Clause 35B of the Listing Agreement the Company is pleased to offer e-voting for its members to enable them to cast their votes electronically. Members have option to vote either through e-voting or through the physical postal Ballot Form. If a Member has opted for e-voting then he/she should not vote by physical Postal Ballot also and vice-versa. However, in case Members cast their vote both via physical and Postal Ballot and e-voting then voting through e-voting shall prevail and voting done by Postal Ballot shall be treated as invalid. For this purpose the Company has signed an agreement with the Central Depository Service (India) Limited (CDSL) for facilitating e-voting.

## 12. GENERAL INFORMATION

- i. There will be one Postal Ballot Form / e-voting for every Client ID no. / folio no. irrespective of the number of joint holders.
- ii. Members can opt for only one mode of voting i.e. either by Postal Ballot or through e-voting in case you are opting for voting by Postal Ballot, then please do not cast your vote by e-voting and vice versa. In case Members cast their votes both by Postal Ballot and e-voting the votes cast through e-voting shall prevail and the votes cast through postal ballot form shall be considered invalid.
- iii. Voting rights in the Postal Ballot / e-voting cannot be exercised by a proxy.

## 13. PROCESS FOR MEMBERS OPTING FOR VOTING BY POSTAL BALLOT

- i. Members desiring to cast their vote by Postal Ballot should complete and sign the Postal Ballot Form and send it to the Scrutinizer, Shri H. M. Choraria, Practising Company Secretary (Certificate of Practise Number 1499) at the registered office of the Company 14 Moti Lal Nehru Road, Kolkata – 700 029.
- ii. In case of joint holding, the Postal Ballot Form should be completed and signed by the first named Member and in his absence by the next named Member.
- iii. In respect of shares held by corporate and institutional shareholders (companies, trusts, societies, etc), the completed Postal Ballot Form should be accompanied by a certified copy of the relevant board resolution/ appropriate authorization, with the specimen signature(s) of the authorized signatory (ies) duly attested.
- iv. The signature of the Member on this Postal Ballot Form should be as per the specimen signature furnished by National Securities Depository Limited (NSDL) / Central Depository Services (India) Limited (CDSL) or registered with the Company, in respect of shares held in dematerialized form in physical form, respectively.
- v. Completed Postal Ballot Forms should reach the Scrutinizer not later than the close of working hours i.e. on 29th November 2014 at the Registered Office of the Company. Postal Ballot Forms received after this date will be considered invalid.
- vi. Postal Ballot Forms which are incomplete or unsigned or defective in any manner are liable to be rejected. The Scrutinizer's decision in this regard shall be final and binding.
- vii. A member seeking duplicate Postal Ballot Form or having any grievance pertaining to the Postal Ballot process can write to Niche Technologies Pvt Ltd, D-511, Bagree Market, 71 B.R.B. Basu Road, Kolkata – 700 001, Phone (033) 2235 7270-71, Fax (033) 2215 6823, email : [nichetechpl@nichetechpl.com](mailto:nichetechpl@nichetechpl.com).

Duly completed and signed duplicate Postal Ballot Form should however reach the Scrutinizer not later than 29th November 2014.

- viii. Members are requested not to send any paper (other than the resolution/authority as mentioned under "Process for Members opting for voting by Postal Ballot" above) along with the Postal Ballot Form in the enclosed self-addressed postage pre-paid envelope as all such envelopes will be sent to the Scrutinizer and if any extraneous paper is found in such envelope the same would not be considered and would be destroyed by the Scrutinizer.

## 14. VOTING THROUGH ELECTRONIC MEANS

- I. Pursuant to the provisions of Section 110 of the Companies Act, 2013 read together with the Companies (Management and Administration) rules 2014, the company is pleased to provide members facility to exercise their right to vote for the resolution proposed to be passed through Postal Ballot vote electronic means and the

voting may be done through E-voting Services provided by Central Depository Service (India) Limited ( CDSL). However, the e-voting is optional for the members.

II. The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 31st October 2014 at 10.00 a.m. and ends on 29th November 2014 at 6.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the Cut-Off Date of 17th October 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com) during the voting period
- (iii) Click on "Shareholders" tab.
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company, excluding the special characters.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company / Depository Participant are requested to enter in capital letters the PAN field of 10 characters as First 2 Characters of the First Holder Name followed by 8 characters consisting of Folio Number prefix by "0" (or 8 characters from right of BO-ID). No special characters or space will be taken from the name and folio number and name shall be excluded of titles like Mr / Mrs / Smt / Miss / Ms / M/s etc. Example:</li> </ul> <p>(1) Mr. V. N. Swami and Folio Number is S/0245, the PAN will be VN000S0245</p> <p>(2) M/s. 4-square Company Ltd. and Folio Number is C-0052 the PAN will be 4S000C0052</p>
DOB	<p>Enter the Date of Birth as recorded in your demat account with the depository or in the company records for your folio in dd/mm/yyyy format.</p>
Bank Account Numner (DBD)	<p>Enter the Bank Account Number as recorded in your demat account with the depository or in the company records for your folio.</p> <ul style="list-style-type: none"> <li>• Please Enter the DOB or Bank Account Number in order to Login.</li> <li>• If both the details are not recorded with the depository or company then please enter in the Bank Account Number field the Number of Shares Held by you as on the Cut-Off Date of 17th October 2014.</li> </ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.



- (xi) Click on the EVSN (E-voting Sequence Number 141021002 for the relevant “Salem Erode investments Ltd” on which you choose to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/ NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non-Institutional Shareholders and custodians :
  - Non-Individual Shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they have to create a compliance user which should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

15. Institutional members/Bodies Corporate (i.e. other than individuals, HUF, NRI etc) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/authority letter etc together with attested specimen signature of the duly authorized signatories) who are authorized to vote through e-mail at [tarainvestmentsltd@gmail.com](mailto:tarainvestmentsltd@gmail.com) with a copy marked to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) on or before 29th November 2014 at 6.00 p.m. without which the vote shall not be treated as valid.
16. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the Cut Off Date of 17th October 2014.

**Kindly note that the Members can opt only for one mode of voting, i.e., either by Postal Ballot or E-voting. If you are opting for e-voting, then do not vote by Postal Ballot also and vice versa. However, in case members cast their vote by Postal Ballot and e-voting, then voting done through valid E-voting shall prevail and voting done by Postal Ballot will be treated as invalid.**

## **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

### **ITEM NO. 1**

In order to facilitate the capitalization of Securities Premium Account, General Reserves, Capital Redemption Reserve or any other permitted reserves/surplus of the Company as set out in the Resolution at item No. 4 of the accompanied Notice, the Company proposes to increase its Authorised Share Capital. Accordingly, it is proposed to increase authorised share capital from Rs. 85 Lacs to Rs. 1.20 Crores.

As per section 61 and other applicable provisions of the Companies Act, 2013, the consent of shareholders is required to increase the authorised share capital of the Company.

Consequent to increase in the authorised share capital, the existing capital clause of the Memorandum of Association and the Articles of Association of the Company will also be required to be amended.

The Board of Directors of your Company recommends the Resolution set out at item no. 1 of the Notice for the approval of the shareholders as an Ordinary Resolution.

None of the Directors and Key Managerial Personnel and their relatives are concerned or interested in the above referred resolution.

### **ITEM NO. 2**

The Company intends to increase the authorized share capital of the company from Rs. 85 Lakhs to Rs. 1.20 Crores to facilitate issue of Bonus Shares. Accordingly, it is proposed to alter the Memorandum of Association of the Company in terms of the Sections 13 read with Section 61 of the Companies Act, 2013.

The Board of Directors of your Company recommends the Resolution set out at item no. 2 of the Notice for the approval of the shareholders as a Special Resolution.

None of the Directors and Key Managerial Personnel and their relatives are concerned or interested in the above referred resolution.

### **ITEM NO. 3**

The Company intends to increase the authorized share capital of the Company from Rs. 85 Lakhs to Rs. 1.20 Crores to facilitate issue of Bonus Shares. Accordingly, it is proposed to alter the Articles of Association of the Company in terms of the Sections 14 of the Companies Act, 2013.

The Board of Directors of your Company recommends the Resolution set out at item no. 3 of the Notice for the approval of the shareholders as a Special Resolution.

None of the Directors and Key Managerial Personnel and their relatives are concerned or interested in the above referred resolution.

### **ITEM NO. 4**

The Board of Directors of the Company proposed to issue bonus shares to the existing shareholders of the Company in the ratio of seven bonus equity share of Re.1/- each for every one fully paid-up equity shares of Re.1/- each held. The issue of Bonus Shares will result in increasing in the Issued, Subscribed and Paid-up Share Capital of the Company. The issue of Bonus Shares is proposed by capitalization of a sum not exceeding Rs.10,032,330/- (Rupees One Crores Thirty-two Thousand Three Hundred Thirty Only) from the Securities Premium Account, General Reserves, Capital Redemption Reserve or any other permitted reserves/surplus of the Company. The Bonus Shares will be credited as fully paid-up to the holders of the Equity Shares of the Company whose names shall appear on the Register of Members on the 'Record Date' determined by the Board or a Committee thereof empowered in this behalf for this purpose.

The Bonus Shares proposed to be issue shall, for all purposes, be treated as an increase in the paid-up Capital of the Company held by each such Member, and not as income. The Bonus Shares so allotted shall rank pari-passu in all respects with the existing fully paid-up Equity Shares of the Company, save and except that they shall not participate in any dividend that may be declared before the 'Record Date'.

The Board of Directors of your Company recommends the Resolution set out at item no. 4 of the Notice for the approval of the shareholders as a Special Resolution.

None of the Directors and Key Managerial Persons or their relatives are interested or concerned in the resolution except to the extent of their respective shareholdings in the Company.

**Registered office :**  
**14, Moti Lal Nehru Road,**  
**Kolkata 700 029**  
**October 21, 2014**

**By order of the Board of Directors**

**Sunil Kumar Kanoria**  
**Managing Director**  
**DIN No. 00789 030**