

# DIANA TEA COMPANY LIMITED

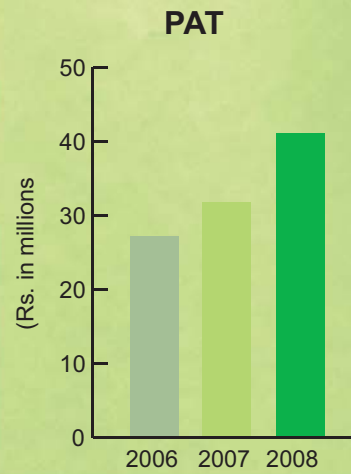
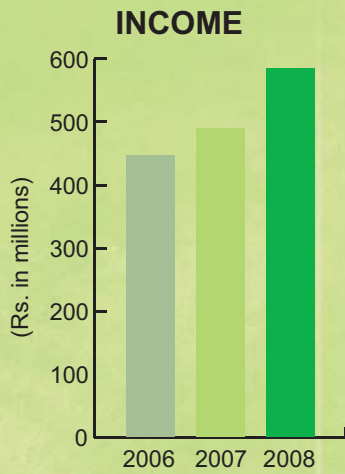


ginger earl grey cinnamon lime  
sweet tea brew refresh chai  
hibiscus peach black sweet iced  
assam darjeeling ctc tea leaves  
hibiscus peach iced ctc vitamins  
antioxidants mild brew herbal  
orthodox vitamins break chai  
doars darjeeling tea leaves  
sweet refresh nilgiri  
mild tea warmth mineral fluoride  
Flavonoids catechin enjoy  
polyphenols refresh anti oxidants enzymes  
calorie-free mild

*Growing on core strengths*

A N N U A L R E P O R T 2 0 0 8

*Our bushes are growing, so are we...*



# DIANA TEA COMPANY LIMITED

## ANNUAL REPORT 2008

### Board of Directors

Sandeep Singhania	<i>Managing Director</i>
Sarita Singhania	<i>Wholetime Director</i>
Neem Chand Mitruka	<i>Independent Director</i>
Harish Parekh	<i>Independent Director</i>
Naresh Pachisia	<i>Independent Director</i>

### Chief Financial Officer & Company Secretary

Manoj Agarwala

### Auditors

Das & Prasad  
Chartered Accountants  
4, Chowringhee Lane  
Kolkata - 700 016

### Bankers

United Bank of India  
Punjab National Bank  
Axis Bank Ltd.

### Gardens

Diana Tea Estate  
P.O. Banarhat - 735 202  
Dist. : Jalpaiguri

Baintgoorie Tea Estate  
P.O. Mal - 735 221  
Dist. : Jalpaiguri

Good Hope Tea Estate  
P.O. Dam Dim - 735 209  
Dist. : Jalpaiguri

Ambari Tea Estate  
P.O. Ambari Bagan - 735 201  
Dist. : Jalpaiguri

### Registered Office

Sir R. N. M House  
3B, Lal Bazar Street  
Kolkata - 700 001  
Phone : (033) 2248-8672/1651/2164  
Fax : (033) 2248-7571  
E-mail : contactus@dianatea.in

### Registrar & Share Transfer Agents

M/s. Maheshwari Datamatics Pvt. Ltd.  
6, Mangoe Lane, 2nd Floor, Kolkata - 700 001  
Phone : 2243-5029/5809, 2248-2248  
Fax : (033) 2248-4787  
E-mail : mdpl@cal.vsnl.net.in

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# Notice

**NOTICE** is hereby given that the 98th Annual General Meeting of **Diana Tea Company Limited** will be held on Saturday, June 27, 2009, at Gyan Manch Education Society Hall, 11, Pretoria Street, Kolkata - 700 071 at 10.30 a.m. to transact the following business :

## ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st December, 2008 and the Profit & Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To declare a Dividend.
3. To appoint a Director in place of Mr. Naresh Pachisia, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and fix their remuneration.

## SPECIAL BUSINESS

5. To consider and, if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution :

“RESOLVED that in terms of Sections 198, 269, 309 and 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof for the time being in force) approval of the Company be and is hereby accorded to the re-appointment of Mrs. Sarita Singhania as Wholetime Director of the Company for a period of three years with effect from July 5, 2009, upon the terms and conditions including remuneration as set out in the draft agreement, the agreement which is hereby specifically approved and sanctioned with authority to the Remuneration Committee and/or to the Board of Directors of the Company to alter and vary the terms and conditions of the said appointment and/or agreement (including authority, from time to time, to determine the amount of salary and commission as also the type and amount of perquisites and other benefits payable to Mrs. Sarita Singhania) in such manner as may be agreed between the Board/or its Committee and Mrs. Sarita Singhania, provided, however, that the remuneration payable to Mrs. Sarita Singhania shall not exceed the limits specified in the Schedule XIII to the Companies Act, 1956, including any amendment, modification, variation or re-enactment thereof.

RESOVLED FURTHER that in the event of any loss, absence or inadequacy of profits in any financial year, during the term of office of Mrs. Sarita Singhania, the remuneration payable to her by way of salary, allowances, commission and perquisites shall not, without the approval of the Central Government (if required), exceeds the limit prescribed under the Companies Act, 1956, or any amendment, modification, verification or re-enactment thereof.

RESOVLED FURTHER that the Board of Directors or any Committee thereof be and are hereby authorised to do all such acts, deeds and things and execute all such documents, agreements, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Director or Secretary to give effect to the aforesaid resolutions.”

Registered Office :  
3B, Lal Bazar Street  
Kolkata - 700 001  
Date : April 30, 2009

For and on behalf of the Board  
**Manoj Agarwala**  
Chief Financial Officer &  
Company Secretary



### Notes & Information to Shareholders

- 1) A MEMBER ENTITLED TO ATTEND AND VOTE IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- 2) The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, is enclosed by way of annexure to this Notice.
- 3) The Register of Members and Share Transfer Register of the Company will remain closed from 23rd June, 2009 to 27th June, 2009 (both days inclusive) for the purpose of Annual General Meeting and payment of Dividend.
- 4) Shareholders seeking any information with regard to accounts are requested to write to the Company before 23rd June, 2009 so as to enable the management to keep the information ready.
- 5) Members/Proxies should bring the attendance slip duly filled in for recording their attendance at the meeting.
- 6) Shareholders are requested to kindly bring their copies of Annual Report at the meeting.
- 7) In terms of the amended provisions of Section 205A read with Section 205C of the Companies Act, 1956, the unclaimed dividend for the year ended 31st December, 2000 has been transferred to the Investor Education and Protection Fund established by the Central Government. The unclaimed dividend for the subsequent years will be transferred to the Investor Education and Protection Fund as and when the same fall due for transfer.
- 8) Information about the Directors retiring by rotation as required under Clause 49 of the Listing Agreement.

#### Mr. Naresh Pachisia

Mr. Naresh Pachisia was appointed as an Additional Director of the Company with effect from 29th July, 2000. Mr. Pachisia is a Commerce Graduate and a Certified Financial Planner (CFP) having 27 years of experience in the Capital Markets. He is presently the Managing Director of M/s. SKP Securities Limited, a Stock Broking and an Investment Advisory Organisation. His wide experience and knowledge is beneficial to the operations of the Company.

His Directorships in other Companies are :

- 1) SKP Securities Limited
- 2) SKP Commodities Limited
- 3) SKP Insurance Brokers & Advisors Private Limited
- 4) Murlidhar Ratanlal Exports Limited
- 5) Linc Pen & Plastics Limited
- 6) Sarda Plywood Industries Limited



# Annexure to the Notice

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

### Item No. 5

The Board of Directors at its meeting held on 30th April, 2009, has re-appointed Mrs. Sarita Singhania as Wholetime Director of the Company for a period of 3 years commencing from 5th July, 2009, subject to the approval of the shareholders at the Annual General Meeting.

The re-appointment and remuneration payable to Mrs. Singhania has been approved by the Remuneration Committee in their meeting held on 30th April, 2009.

The main terms and conditions of re-appointment of Mrs. Sarita Singhania as set out in the draft agreement placed before the meeting are as follows :

- a) The period of appointment shall be for three years commencing from 5th July, 2009.
- b) Salary payable shall be Rs.1,00,000/- (Rupees one lac only) per month.
- c) Commission payable shall be determined by the Board from time to time, subject to overall ceiling as prescribed in the Companies Act, 1956, or any amendment, modification, variation or re-enactment thereof.
- d) Perquisites per annum shall be equivalent to or less than salary.
- e) Other benefits shall include use of car with driver and telephone for the Company's business at residence, contribution to provident fund and superannuation funds and all other benefits as are applicable to senior employees of the company (including but not limited to gratuity, leave entitlement, encashment of leave, entitlement to loans in accordance with the schemes of the Company). Such other benefits shall not be included in the computation of perquisites for the purpose of calculating the ceiling of perquisites.
- f) The valuation of perquisites will be as per the Income Tax Act, 1961 and rules made thereunder, wherever applicable and in absence of such rules, the perquisites shall be valued at actual cost.
- g) In the event of any loss, absence or inadequacy of profits in any financial year, during the term of office of Mrs. Sarita Singhania, the remuneration payable to her by way of salary, allowances, commission and perquisites shall not, without the approval of the Central Government (if required), exceed the limits prescribed under the Companies Act, 1956 or any amendment, modification, variation or re-enactment thereof.
- h) The Board of Directors or any Committee thereof may alter and vary the terms and conditions of the appointment and/or agreement (including the amount of salary and commission as also the type and amount of perquisites and other benefits payable to Mrs. Sarita Singhania), in such manner as may be agreed between the Board or its Committee and Mrs. Sarita Singhania, provided, however, that the remuneration payable to Mrs. Sarita Singhania shall not exceed the limits specified in the Schedule XIII of the Companies Act, 1956, including any amendment, modification, variation or re-enactment thereof.
- i) The agreement may be terminated by either party giving the other party three months notice or the Company paying three months salary in lieu thereof.

The above may be treated as an abstract of the terms of contract/appointment between the Company and Mrs. Sarita Singhania pursuant to Section 302 of the Companies Act, 1956.

The Draft Agreement to be entered into between the Company and Mrs. Sarita Singhania, is available for inspection at the Registered Office of the Company on any working day upto the date of the 98th Annual General Meeting between 11.00 a.m. and 1.00 p.m. and also at the meeting.

Mrs. Sarita Singhania is an Arts Graduate from Kurukshetra University, Delhi. She joined the Board of the Company on 26th November, 1996 and has adequate experience of tea industry. Your Directors are of the view that it will be in the interest of the Company to appoint Mrs. Sarita Singhania as Wholetime Director of the Company and recommend resolution to be passed.

None of the Directors of the Company except Mrs. Sarita Singhania and Mr. Sandeep Singhania, who is a relative of Mrs. Sarita Singhania is concerned or interested in the said resolutions.

Registered Office :  
3B, Lal Bazar Street  
Kolkata - 700 001  
Date : April 30, 2009

For and on behalf of the Board  
**Manoj Agarwala**  
Chief Financial Officer &  
Company Secretary

# Directors' Report

*Dear Shareholders,*

Your Directors have pleasure in presenting their 98th Annual Report along with the Audited Accounts for the year ended 31st December, 2008.

## FINANCIAL RESULTS

(Amount in Rs.)

Particulars	31st December, 2008	31st December, 2007
Profit before Interest, Depreciation, Taxation and Extra Ordinary item	7,78,84,509	6,74,99,967
Less : Depreciation	97,21,303	89,55,512
Interest & Finance Charges (Net)	2,56,24,958	2,47,97,972
Profit before Taxation & Extra Ordinary item	4,25,38,248	3,37,46,483
Prior Period Item	1,86,768	—
Profit before Taxation	4,23,51,480	3,37,46,483
Provision for Taxation - Current	(4,60,000)	—
- Fringe Benefit Tax	(2,91,416)	(2,00,000)
- Deferred Tax (Liability)/Assets	(16,46,420)	(18,09,180)
- MAT Credit Entitlement	10,87,365	—
Profit after Tax	4,10,41,009	3,17,37,303
Balance brought forward from previous year	60,95,453	2,87,42,830
Surplus available for appropriation	4,71,36,462	6,04,80,133
<b>Appropriations</b>		
Transferred to General Reserve	4,00,00,000	5,00,00,000
Proposed Dividend	37,47,750	—
Provision for Tax on Proposed Dividend	6,36,930	—
Interim Dividend	—	37,47,750
Provision for Tax on Interim Dividend	—	6,36,930
Balance carried forward to Balance Sheet	27,51,782	60,95,453
	4,71,36,462	6,04,80,133
Basic and Diluted Earning Per Share	2.74	2.12



## REVIEW OF PERFORMANCE

The gross turnover of your company for the year was Rs. 50.49 crores when compared to Rs. 40.84 crores of previous year which shows an impressive growth of 23.62%. Out of the said turnover, Rs.8.04 crores was contributed by tea trading segment compared to Rs.6.25 crores of last year which shows 29% growth in this segment. Own production of the company for the year was 46.73 lakh kgs when compared to 49.14 lakh kgs previous year. Year under review, as in the past, was a year of adverse weather condition in tea growing areas, due to which our own production was down by about 2.41 lakh kgs. inspite of efficient field management and irrigation system followed in the gardens. Being a quality conscious company, as in past, your company has made all efforts for improvisation of its products, which has resulted in higher price realization which is about Rs. 88/- per kg. when compared to Rs. 75/- per kg. last year. You will be happy to know that your company's tea gardens continues to maintain its ranking at the top of 15 in batting order of Dooars and Terai regions. Our continuous steps on cost cutting measures and timely developmental works in field and improvisation in quality has resulted in better profitability for the company. With respectable growth in other segments like bought leaf manufacture, tea trading segments and improving tea market scenario, company has been able to maintain its growth on operational profit and net profit respectively.

## PROSPECTS

Your company is very optimistic about the tea market in the coming year as there has been negligible quantity of carry forward stock coming from last year to this year. Furthermore, production in March and April this year has been very poor owing to adverse weather condition prevailing throughout the tea producing areas. Till the month of April, 2009 the Indian tea production is estimated to be down by around 15/20 million kgs. Over and above that the world tea production is already behind by around 15/20 million kgs by the end of February, 2009 which may touch somewhere near 40/45 million kgs by the end of April, 2009 because of extremely dry condition prevailing in Sri Lanka and Kenya. In addition to that our domestic consumption continues to grow at a steady level of 3.3% CAGR which will ultimately result in major shortage of tea by the end of current year, which is already being felt in rising tea prices worldwide. All these factors are positive sign for tea industry in the coming years. Till date market is up by about Rs. 20/-when compared to last year for the new season tea. With Sri Lankan's tea prices being sky rocketing the Indian producers are making efforts to produce more Orthodox tea for exports which will put further pressure on availability of CTC tea, thus resulting in further appreciation in CTC tea prices.

Target for export set by Tea Board is 200 million kgs for the year. This would also act as a trigger for the tea market. Higher dollar rate could make export further viable and target achievable. We expect the market to be up by Rs.10/15 per kg in the current year when compared to previous year.

Company is taking full benefit of SPTF scheme launched by Tea Board and company is focusing on developmental work in their tea estates through continuous process of uprooting and replanting of its old tea areas. Value added products is getting good response in the market. We expect a reasonable growth in this segment in the coming year also.

Given the prevailing scenario of tea industry and the steps taken by your company for consolidation of its existing plantation and improvisation in quality of its produce with cost cutting measures and further growth of value added products, your company is confident of its better performance and growth in the coming years.

## DIVERSIFICATION PROGRAMMES

As informed in the last AGM, the company has earmarked uncultivable land in its Goodhope Tea Estate for the purpose of eco-based tea tourism and accordingly company has approached Government of West Bengal for conversion of said land for the said purpose, which is being pursued.

## DIVIDEND

The Board has recommended a Dividend of 5% for the year ended 31st December, 2008 and such dividend, on approval, will be paid to those members recorded in the registers of the Company at the close of business on the date of Annual General Meeting subject, however, to the provision of Section 206A of the Companies Act, 1956.

## PERSONNEL

None of the employees of the Company received remuneration exceeding the limit specified under Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, as amended.

We recognise the value of people as our most valuable asset and cordial relations with the employees were maintained at all the Company's locations during the year. The Board would like to place on record its appreciation for the keen interest taken by employees at all levels to bring improvement in the difficult circumstances of the tea industry.





## **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO**

Information pursuant to Section 217(2)(e) of the Companies Act, 1956, read with the Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988, relating to conservation of energy and technology absorption, foreign exchange earning and outgo are given by way of Annexure 'A' to this Report.

## **DIRECTORS**

Mr. Naresh Pachisia retires by rotation and being eligible, offers himself for re-appointment.

## **CORPORATE GOVERNANCE**

In compliance with the disclosures required under the said Clause 49 of the Listing Agreement, a Management Discussion and Analysis Report is provided in Annexure 'B'.

The Report on Corporate Governance as required under the aforesaid Clause is also provided in Annexure 'C' to this Report, together with the Auditors' compliance certificate thereon.

As a measure of the Company's efforts to strengthen its corporate governance practices, it is already in the process of implementing the additional requirements as laid down in Clause 49 of the Listing Agreement.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

As stipulated your Directors affirm their commitment to the Directors' Responsibility Statement as below :

The Directors state that in preparation of the Annual Accounts, your Company has followed the applicable accounting standards except gratuity liability being accounted for, as and when paid/payable. The Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as on 31st December, 2008 and the profit for the year. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of your Company and for preventing and detecting frauds and other irregularities. The Annual Accounts of your Company has been prepared on a going concern basis.

## **AUDITORS' REPORT**

The remarks raised by Auditors in their report are self-explanatory and therefore do not call for any further comments.

## **AUDITORS**

Messers Das & Prasad, Chartered Accountants, retire at the end of the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

## **APPRECIATION**

Your Directors wish to place on record their appreciation to the Financial Institutions, Bankers and Shareholders for their continued assistance and co-operation as well as confidence reposed in the Company. Your Directors also thank the Executives, Staff and Workers for their sincere and dedicated services.

*Registered Office :*  
3B, Lal Bazar Street  
Kolkata - 700 001  
Date : April 30, 2009

For and on behalf of the Board

**Sandeep Singhania**  
*Managing Director*



## Annexure to the Directors' Report – Annexure 'A'

Form 'A' – Form for Disclosure of Particulars with respect to Conservation of Energy

Particulars	Unit	Current Year ended 31.12.2008	Previous Year ended 31.12.2007
<b>A. POWER &amp; FUEL CONSUMPTION</b>			
1. <b>Electricity</b>			
(a) Purchased			
Unit	(KWH)	4,977,348	4,690,386
Total Amount	(Rs.)	25,719,424	24,664,113
Rate per unit	(Rs./KWH)	5.17	5.26
(b) Own Generation			
Through Diesel Generator Unit	(KWH)	415,236	326,404
Unit per Ltr. of Diesel Oil	(KWH)	2.91	2.84
Fuel Cost/Unit	(Rs./KWH)	12.90	12.91
2. <b>Furnace Oil for Tea Processing in Withering &amp; Drying</b>			
Quantity	(Ltrs.)	44,536	53,420
Total Amount	(Rs.)	1,551,569	1,389,373
Average Rate	(Rs./Ltrs.)	34.84	26.01
3. <b>Other for Tea Processing in Withering &amp; Drying</b>			
(a) Coal			
Quantity	(MT)	3,624	3,730
Total Cost	(Rs.)	15,558,287	10,695,462
Rate/Unit	(Rs./MT)	4,293	2,867
(b) H.S.D. Oil : For Transportation & Material Handling			
Quantity	(Ltrs.)	104,886	78,648
Total Cost	(Rs.)	3,674,288	2,641,437
Rate/Unit	(Rs./Ltrs.)	35.03	33.59
(c) Petrol : For Transportation & Material Handling			
Quantity	(Ltrs.)	18,161	17,125
Total Cost	(Rs.)	898,441	808,299
Rate/Unit	(Rs./Ltrs.)	49.47	47.20
<b>B. CONSUMPTION PER UNIT OF PRODUCTION</b>			
Product – Tea (Gross)	(Kg.)	4,672,836	4,913,777
Energy Use : Electricity (including own Generation) – for Manufacturing	(KWH/Kg.)	0.78	0.78
<b>Other Fuel for Processing of Tea</b>			
Furnace Oil	(Ltr./Kg.)	0.02	0.02
Coal	(Kg./Kg.)	0.79	0.76



# Annexure to the Directors' Report

Form 'B' – Form for Disclosure of Particulars with respect to Absorption, Research and Development

## RESEARCH AND DEVELOPMENT (R & D)

- 1) Specific area in which R & D carried out by the Company
- 2) Benefits derived as a result of the above R & D
- 3) Future Plan of Action
- 4) Expenditure on R & D :
  - a) Capital
  - b) Recurring
  - c) Total
  - d) Total R & D Expenditure as a percentage of Total Turn over

The Company subscribes to Tea Research Association which is registered under Section 35(2)(ii) of the Income Tax Act, 1961

## TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

- 1) Efforts, in brief, made towards technology absorption and innovation
- 2) Benefits derived as a result of the above efforts e.g. Product Improvement, Import Substitution etc.
- 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 fully absorbed, areas where this has not taken place, reasons there for and future plans of action

Not applicable

## FOREIGN EXCHANGE EARNINGS AND OUTGO

- 1) Activities relating to exports, initiatives taken to increase exports
- 2) Development of new export markets for products and services and export plan
- 3) Total Foreign Exchange Earned and Used :
 

Earned - Rs.NIL

Used - Rs.80,70,543/- (Interest on FCNR (B)  
Working Capital & Term Loan)

Not applicable

Registered Office :  
3B, Lal Bazar Street  
Kolkata - 700 001  
Date : April 30, 2009

For and on behalf of the Board

**Sandeep Singhania**  
Managing Director

Give your heart some rest, A cup of tea is the best.

# Management's Discussion & Analysis

## Annexure to the Directors' Report – Annexure 'B'

### OVERVIEW

The company's total production for the year was 46.73 lakh kgs. made tea against 49.14 lakh kgs. last year. The primary reason for crop loss was adverse weather condition together with severe pest activity which was prevalent throughout the year. The average price realization was higher at Rs. 87.96 per kg. against the price realization of Rs. 75 per kg. previous year.

### MARKET SCENARIO

The average price realisation of North Indian tea has increased to Rs.94.40 per Kgs compared to Rs.73.18 in the previous year. The prices at the three auction centres are given below to analyse the trend.

(Amount in Rs.)

Auction Centres	2008	2007	2006
Kolkata	97.82	74.79	72.38
Siliguri	85.31	65.96	64.91
Guwahati	91.67	69.79	67.86

Domestic consumption in India continues to grow at a steady rate of 3.3% CAGR. Higher domestic consumption coupled with increase in export will lead to eventually no carry forward stock in current year. Seeing this trend the tea industry can look forward to much buoyant market in the current year.

Price realized by the Company's tea compared to consolidated Auction Average is as under :

(Amount in Rs.)

Tea Areas	Company's Tea	Consolidated Auction Average of Dooars Tea
Dooars	87.96	85.31

### PACKET TEA & VALUE ADDED PRODUCTS

Company's value added division, which consists mainly of packet and tea bags, is picking up steadily. Company's sale volume under this head has grown significantly when compared to last year and company is hopeful of maintaining the growth in the coming years also.

### RISKS AND CONCERNS

Tea Industry is an agricultural industry and its performance is dependant on vagaries of nature.



### **FINANCIAL REVIEW AND ANALYSIS**

The Company's financial position is strong enough which has helped company to pass through in turbulent times. The development work in garden is always given top priority for improvement in quantity as well as quality. The surplus fund of the company is deployed in such a way that reasonable returns are derived.

### **INTERNAL CONTROL**

The Company has laid down policies, guidelines and procedures, which form part of its internal control system. The Company's internal control systems are periodically tested and supplemented by an extensive programme of internal audit by independent firm of Chartered Accountants. Audits are finalised and conducted based on internal risk assessment. Significant findings are brought to the notice of the Audit Committee of the Board and corrective measures recommended for implementation.

### **MATERIAL DEVELOPMENT IN HUMAN RESOURCES AND INDUSTRIAL RELATIONS**

Industrial relations in all tea estates and units continued to be cordial. Focus on better deployment of labour in garden area, and shop floor management has resulted in improving productivity both quantitative and qualitative.

### **CAUTIONARY STATEMENT**

The statements in the report of the Board of Directors and the Management's Discussion and Analysis report describing the Company's projections, estimates, expectations or predictions may be forward looking statements within the meaning of applicable securities Laws and Regulations. Actual results could differ materially from those expressed or implied since the Company's operations are influenced by many external and internal factors beyond the control of the Company.

*Registered Office :*  
3B, Lal Bazar Street  
Kolkata - 700 001  
Date : April 30, 2009

For and on behalf of the Board

**Sandeep Singhania**  
*Managing Director*

# Report on Corporate Governance

## Annexure to the Directors' Report – Annexure 'C'

### 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company's core business is cultivation and manufacturing of tea and is amongst top five producers of tea in Doars region of West Bengal. The Company continues to lay utmost importance on continuous upliftment of human assets and economic assets like plantations. The Company's overall philosophy is excellence in all spheres of its operations.

### 2. BOARD OF DIRECTORS

#### Composition :

Company's Board consists of five Directors, out of which three are Independent Directors, thereby more than 50% of the Board consists of Non-Executive Independent Directors.

#### Membership as other Board of Directors / Committee of Directors and Attendance record for the Company :

Six Board meetings were held in 2008 on 25th March 2008, 30th April 2008, 5th July 2008, 25th July 2008, 7th October 2008 and 30th October 2008.

Directors	Category	No. of Board Meetings Attended	Attendance at the last AGM	*No. of outside Directorship held	No. of outside Committee Membership held	No. of outside Committee Chairmanship held
Mr. Sandeep Singhanian	Managing Director	5	Yes	3	–	–
Mrs. Sarita Singhanian	Wholtime Director	5	Yes	2	–	–
Mr. Naresh Pachisia	Non-Executive Independent Director	4	Yes	5	4	–
Mr. Neem Chand Mitruka	Non-Executive Independent Director	1	No	2	–	–
Mr. Harish Parekh	Non-Executive Independent Director	5	Yes	7	2	1

\* Excludes Directorships in Private Limited Companies, Foreign Companies and Companies under Section 25 of the Companies Act, 1956.

### 3. CODE OF CONDUCT

The Board of Directors has laid down a Code of Conduct for all Board members and all employees in management grade of the Company. All Board members and senior management personnel have confirmed compliance with the code.

A declaration signed by the Managing Director is attached and forms part of the Annual Report of the Company.



#### 4. AUDIT COMMITTEE

The Audit Committee comprises Mr. Harish Parekh, Chairman of the Committee, Mr. Neem Chand Mitruka, Independent Director, Mr. Naresh Pachisia, Independent Director and Mr. Sandeep Singhania, Managing Director of the Company. The terms of reference of the Committee are in line with the norms specified for Audit Committee under the listing Agreement and Section 292A of the Companies Act, 1956.

Four Meetings of Audit Committee were held on 25th March 2008, 30th April 2008, 25th July, 2008 and 30th October, 2008. Attendance Record of the Audit Committee Meeting :

Sl. No.	Name of Directors	No. of Meeting Attended
1	Mr. Harish Parekh	3
2	Mr. Naresh Pachisia	2
3	Mr. Sandeep Singhania	4
4	Mr. Neemchand Mitruka	1

#### 5. REMUNERATION COMMITTEE

The composition of the Committee is as under :

Mr. Harish Parekh	Chairman
Mr. Naresh Pachisia	Member
Mr. Neem Chand Mitruka	Member

Terms of reference of this committee include determination of the Company's policy on specific remuneration packages, commission payable to Directors/Managing Director of the Company and sitting fees and other expenses payable to the Directors for attending meeting of the Board, or Committee thereof within the limits approved by the shareholders from time to time.

A meeting of the Director's Remuneration Committee was held on 5th July, 2008.

Attendance Record of the Remuneration Committee Meetings :

Sl. No.	Name of Directors	No. of Meetings Attended
1	Mr. Harish Parekh	1
2	Mr. Naresh Pachisia	1



## 6. REMUNERATION OF DIRECTORS

The details of salary and perks paid to the Managing Director and Wholetime Director and sitting fee paid to the Directors of the company during the year 2008 are given below :

Name of Directors	Sitting Fees (Rs.)		Salary & Perks (Rs.)
	Board Meeting	Committee Meeting	
Mr. Sandeep Singhania	–	–	16,99,416
Mrs. Sarita Singhania	–	–	10,27,991
Mr. Naresh Pachisia	9,000	3,000	–
Mr. Neem Chand Mitruka	3,000	1,000	–
Mr. Harish Parekh	12,000	4,000	–
<b>Total</b>	<b>24,000</b>	<b>8,000</b>	<b>27,27,407</b>

## 7. Investor Grievance and Share Transfer Committee

The Committee comprises of two Non-Executive Director, the Managing Director and the Wholetime Director, namely :

Mr. Naresh Pachisia	Chairperson (Non-Executive)
Mr. Neem Chand Mitruka	Member (Non-Executive)
Mr. Sandeep Singhania	Member (Managing Director)
Mrs. Sarita Singhania	Member (Wholetime Director)

The Committee, which generally meets once a month, met twelve times during the year.

a)	No. of complaints not resolved/no action taken/pending as on 31.12.2007	NIL
b)	No. of complaints received from Stock Exchange/SEBI/Shareholders during the year	7
c)	No. of complaints resolved	7
d)	No. of complaints not resolved/no action taken/pending as on 31.12.2008	NIL

### Name and designation of Compliance Officer :

Mr. Manoj Agarwala, Chief Financial Officer & Company Secretary.

## 8. GENERAL BODY MEETINGS

Location and time where last three AGMs were held :

Date	Location	Time
21st June, 2008	Gyan Manch Society Hall, 11, Pretoria Street, Kolkata - 700 071	10.30 A.M.
23rd June, 2007	- Do -	10.30 A.M.
17th June, 2006	- Do -	10.30 A.M.

No Special resolutions or ordinary resolutions were required to be put through postal ballot at the previous 97th AGM held on 21.06.2008. No resolution on matters requiring through postal ballot are placed for shareholders approval at the forthcoming 98th AGM.

## 9. OTHER DISCLOSURES

### A. Related Party Transaction

Disclosures of materially significant related party transaction :

Details of Related Party Transaction as specified in Accounting Standard - 18 issued by the Institute of Chartered Accountants of India have been reported in the notes to the Accounts.

The Company has not entered into any transaction of material nature with any of its related parties that may have potential conflict with the interest of the Company.

B. No penalties/strictures have been imposed on the Company by any regulatory authority for non-compliance of any laws or any matter related to capital market, during the last three years.





## 10. CEO/CFO CERTIFICATION

Chief Executive Officer (CEO) and Chief Financial Officer (CFO) have issued necessary certificate pursuant to the provision of Clause 49 of the Listing Agreement and the same is annexed and forms part of the Annual Report.

## 11. MEANS OF COMMUNICATION

- Quarterly results and Half-yearly results are published in Newspapers such as The Financial Express, Dainik Statesman (Bengali).
- Company's E-mail address : [contactus@dianatea.in](mailto:contactus@dianatea.in)
- Managements Discussion and Analysis Report Forms part of the Director's Report.

## 12. SHAREHOLDERS' INFORMATION

### (a) AGM date, time and venue

Saturday, the 27th June, 2009 at 10.30 A.M.  
Gyan Manch Education Society Hall,  
11, Pretoria Street, Kolkata - 700 071.

### (b) Financial Calendar and publication of Results

The Financial Year of the Company is January to December.

**Publication of Results will be as follows :**

Period	Approval by the Board of Director (tentative)
1st Quarter ending March 31, 2009	Last week of April, 2009
2nd Quarter ending June 30, 2009	Last week of July, 2009
3rd Quarter ending September 30, 2009	Last week of October, 2009
Final Audited Results for the year ending December 31, 2009 including 4th Quarter	March, 2010
AGM for the year ending December 31, 2009	June, 2010

### (c) Book closure

Tuesday, 23rd June, 2009 to Saturday, 27th June, 2009.

### (d) Listing on Stock Exchanges

The Company's securities are listed at

	Name of the Stock Exchange	Stock Code
1	The Bombay Stock Exchange Ltd. Phiroze Jeejeebhoy Tower, Dalal Street, Mumbai - 400 001	530959
2	The Calcutta Stock Exchange Association Ltd. 7, Lyons Range, Kolkata - 700 001	14038
3	The Delhi Stock Exchange Association Ltd. DSE House, 3/1 Asaf Ali Road, New Delhi - 110 002	8273
4	Ahmedabad Stock Exchange Ltd. Kamdheni Complex, Panjara Pole, Ambawadi, Ahmedabad - 380 015	14121

The Company has applied for delisting of shares from i) The Calcutta Stock Exchange Association Ltd., ii) The Delhi Stock Exchange Association Ltd. and iii) Ahmedabad Stock Exchange Ltd.

(e) **Stock Price Data**

(Amount in Rs.)

Month	The Bombay Stock Exchange Ltd. (BSE)	
	High	Low
January, 2008	31.50	14.35
February, 2008	18.55	13.60
March, 2008	15.30	8.80
April, 2008	20.10	13.50
May, 2008	20.85	15.45
June, 2008	17.50	13.35
July, 2008	23.85	13.65
August, 2008	Stock price was not available because of consolidation	
September, 2008	70.15	35.25
October, 2008	37.00	15.55
November, 2008	19.80	16.20
December, 2008	22.70	15.50

(f) **Share Transfer System**

The Company's shares are in compulsory demat mode. Share transfers are registered within a maximum period of 30 days from the date of receipt, provided the documents are complete in all respects.

(g) **Dematerialisation of shares**

The shares of the Company are compulsorily traded in dematerialised form under depository systems of both National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL).

1,47,48,137 Equity shares representing 98.38% of the paid-up capital of the Company were held in demat form with NSDL & CDSL as on 31st December, 2008.

(h) a) **Distribution of shareholding as on 31st December, 2008.**

Group of Shares	No. of Shareholders	%	No. of Shares held	% to Total Shares
1 to 500	4,202	84.38	5,89,804	3.93
501 to 1000	320	6.42	2,40,886	1.61
1001 to 2000	215	4.32	3,31,189	2.21
2001 to 3000	60	1.20	1,52,173	1.02
3001 to 4000	50	1.00	1,86,353	1.24
4001 to 5000	21	0.42	97,121	0.65
5001 to 10000	49	0.98	3,38,297	2.26
10001 & higher	64	1.28	1,30,55,177	87.08
<b>TOTAL</b>	<b>4,981</b>	<b>100.00</b>	<b>1,49,91,000</b>	<b>100.00</b>



b) **Shareholding pattern as at 31st December, 2008.**

Category	No. of Shareholders	No. of Shares held	% of Shareholding
Promoters	13	91,95,854	61.34
Financial Institutions, Banks, Insurance Co. etc.	3	11,20,941	7.48
Private Body Corporates	215	22,45,707	14.98
Individuals	4,704	23,96,082	15.98
NRI/OCB	46	32,416	0.22
<b>TOTAL</b>	<b>4,981</b>	<b>1,49,91,000</b>	<b>100.00</b>

(i) **Outstanding GDR/Warrants and Convertible Bonds, Conversion dates and likely impact in Equity**

Not Applicable

(j) **Plant Location**

The company owns four tea gardens each having its own processing factory in Dooars (North Bengal) - in Jalpaiguri District

- a) Diana Tea Estate  
P.O. Banarhat - 735 202
- b) Baintgoorie Tea Estate  
P.O. Mal - 735 221
- c) Goodhope Tea Estate  
P.O. Dam Dim - 735 209
- d) Ambari Tea Estate  
P.O. Ambari Bagan - 735 201

(k) **Address for correspondence**

(Registrar & Share Transfer Agents)

M/s. Maheshwari Datamatics Pvt. Ltd.

6, Mangoe Lane, 2nd Floor

Kolkata - 700 001

Phone : (033) 2243-5029/5809, 2248-2248

Fax : (033) 2248-4787

E-mail : mdpl@cal.vsnl.net.in



## DECLARATION REGARDING CODE OF CONDUCT

### To whom it may concern

This is to confirm that the Company has adopted a Code of Conduct for its employees including the Managing Director. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors.

I confirm that the Company has in respect of the financial year ended December 31, 2008 received from the Senior Management Team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management Team means the Chief Financial Officer, employees in the Executive cadre and the Company Secretary as on December 31, 2008.

Place : Kolkata  
Date : April 30, 2009

For **DIANA TEA COMPANY LIMITED**  
**Sandeep Singhania**  
*Managing Director*

## CEO/CFO CERTIFICATION

To  
The Board of Directors  
**Diana Tea Company Limited**  
3B, Lal Bazar Street  
Kolkata - 700 001

We, Sandeep Singhania, Managing Director and Manoj Agarwala, Chief Financial Officer & Company Secretary of Diana Tea Company Limited to the best of our knowledge and belief, certify that :

1. We have reviewed financial statement and cash flow statement for the year;
2. Based on our knowledge and information, these statements do not contain materially untrue statement or omit any material fact or contain statements that might be misleading;
3. Based on our knowledge and information, the financial statements, and other financial information included in the report, present in all material respects, a true and fair view of the company's affairs, and are in compliance with the existing accounting standards and/or applicable laws and regulations.
4. To the best of our knowledge and belief, no transactions entered into by the company during the year are fraudulent, illegal or violative of the company's code of conduct.
5. We are responsible for establishing and maintaining internal controls and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
6. We have disclosed based on our most recent evaluation, wherever applicable to the company's auditors and the audit committee of the company's Board of Directors :
  - a) significant changes in internal controls during the year;
  - b) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements, and
  - c) instances of significant fraud of which we are aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system.

Place : Kolkata  
Date : April 30, 2009

For **DIANA TEA COMPANY LIMITED**  
**Sandeep Singhania**                      **Manoj Agarwala**  
*Managing Director*                      *Chief Financial Officer &*  
*Company Secretary*



**AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT**

To  
The Members of  
**Diana Tea Company Limited**  
SIR RNM HOUSE  
3B, Lal Bazar Street  
Kolkata - 700 001

We have examined the compliance of conditions of Corporate Governance by Diana Tea Company Limited (the company) for the year ended 31st December 2008, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representation made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

As required by the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India, we state that the Registrars of the Company have certified that as on 31st December, 2008, there were no investor grievance remaining unattended/pending.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

4, Chowringhee Lane  
Kolkata - 700 016  
Date : April 30, 2009

For **DAS & PRASAD**  
*Chartered Accountants*  
**G. D. Agarwal**  
*Partner*  
Membership No. 4543

# Auditors' Report

To the members of  
**Diana Tea Company Limited**

1. We have audited the attached Balance Sheet of **DIANA TEA COMPANY LIMITED** as at 31st December, 2008 and the Profit and Loss Account and Cash Flow Statement for the year ended on that date both annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis of our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003, as amended by the Companies (Auditor's Report) Amendment Order, 2004 ('CARO') issued by the Central Government of India in terms of sub-section (4A) of Section 227 of "the Companies Act, 1956" of India (the 'Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and on the basis of information and explanations given to us during the course of audit we state that :
  - i) a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - b) The fixed assets of the Company at all its locations were physically verified by the Management at reasonable intervals during the year. As informed, no material discrepancies were noticed on such verification.
  - c) In our opinion and according to the information and explanations given to us, the Company has not disposed off any substantial part of fixed assets during the year.
  - ii) a) As explained to us, the Management has conducted physical verification of inventory at reasonable intervals during the year except stock of tea lying with third party .
  - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of Inventory followed by the Management are reasonable and adequate in relation to the size of the Company and nature of its business.
  - c) In our opinion and according to the information and explanations given to us, the Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
  - iii) In respect of loans granted/obtained by the company to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956, according to the information and explanations given to us :-
    - (a) The Company has granted inter-corporate loans to one company. At the year end the outstanding balance of such loan granted was Rs. 8,00,000/- and maximum amount involved during the year was Rs. 8,00,000/-.
    - (b) In our opinion, the rate of interest and other terms and conditions of such loans are prima facie not prejudicial to the interest of the company.
    - (c) The receipt of principal amounts and interest has been regular during the year.
    - (d) There was no overdue amount in respect of above inter-corporate loans.
    - (e) The Company has taken interest free unsecured loan from holding company. At the year end the outstanding balance of such loan taken was Rs. 65,000/- and maximum amount involved during the year was Rs. 25,00,000/-.



- (f) In our opinion, terms and conditions of such loans are prima facie not prejudicial to the interest of the Company.
- (g) In respect of aforesaid loan the company is regular in repayment of the principal amount as stipulated and is also regular in payment of interest where applicable.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, for purchase of inventory, fixed assets and for the sale of goods & services. During the course of audit, no major weakness has been noticed in the internal control in respect of these areas.
- v) a) To the best of our knowledge and belief and according to the information and explanation given to us, we are of the opinion that the particulars of the transactions that need to be entered into the register maintained under Section 301 of the Companies Act, 1956, have been so entered.
- b) In our opinion and according to the information and explanations given to us, the transactions with parties, with whom transactions exceeding the value of Rupees Five Lacs in respect of each party have been entered into during the financial year, are at prices, which are reasonable, having regard to the prevailing market prices at the relevant time where such market prices are available.
- vi) The Company has not accepted any deposits from the public under Sections 58A and 58AA of the Act and the rules framed thereunder.
- vii) According to the information and explanations given to us, Company has an internal audit system commensurate with the size and nature of its business.
- viii) We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub-section(i) of Section 209 of the Act and are of opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- ix) According to the information and explanations given to us and the records of the company examined by us in respect of Statutory and other dues :-
- (a) In our opinion, undisputed statutory dues including Provident Fund, Investor Education & Protection Fund, Employees State Insurance, Sales Tax, Wealth Tax and any other statutory dues has been regularly deposited with the appropriate authorities during the year except :-
- i) Cess of Rs. 5,09,491/- related to 2002-03 which is still due and not disputed by the Company at any forum, the details of which is given here in below :

(Amount in Rs.)

Accounting Year	W.B.Primary Education Cess	W.B. Rural Employment Cess	Total
2002-03	2,01,985	3,07,503	5,09,488

As per the directive of Hon'ble Supreme Court order dated 29th October, 1999, the above payment has been deferred. Now vide Notification No.869-F.T dated 7th April, 2005 (As per West Bengal Government Finance Act, 2005) the above amount is to be paid in 24 equal monthly instalments commencing from April 2005.

- ii) West Bengal Professional Tax of Rs. 4,25,807/- including interest out of the same Rs. 98,390/-, principal amount has been paid and the company has applied waiver for interest.



- (b) According to the records of the Company, the disputed statutory dues on account of sales tax, income tax, wealth tax, service tax, excise duty and cess that have not been deposited on account of matters pending before appropriate authorities are as follows :

Name of the Statute	Nature of Dues	Amount (in Rs.)	Period to which the Amount relates	Forum where dispute is pending
West Bengal Sales Tax Act, 1994	Sales Tax	80,543/-	2000-2001	Assistant Commissioner
Central Sales Tax Act, 1956	CST	25,28,836/-	2003-2004	Assistant Commissioner
Central Sales Tax Act, 1956	CST	1,94,968/-	2004-2005	Assistant Commissioner
Income Tax Act, 1961	Disputed Income of Rs. 2,83,14,481/- which was set off by the I. T. Dept. with carry forward losses	Nil	2004-2005	Income Tax Appellate Tribunal
Income Tax Act, 1961	Disputed Income of Rs. 4,31,97,440/- which was set off by the I. T. Dept. with carry forward losses	Nil	2005-2006	Income Tax Appellate Tribunal
Income Tax Act, 1961	Disputed Income of Rs. 5,46,18,972/- which was set off by the I. T. Dept. with carry forward losses	Nil	2006-2007	Commissioner of Income Tax (Appeal)

- x) The Company does not have any accumulated losses at the financial year ended 31st December, 2008 and it has not incurred cash losses in the current and immediate preceding financial year.
- xi) According to the information and explanations given to us, the Company has not defaulted in repayment of dues to the Financial Institutions.
- xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loan or advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) In our opinion the Company is not a chit fund or nidhi/mutual benefit fund/societies. Therefore, the provisions of clause 4(xiii) of the Companies (Auditors' Report) Order, 2003, are not applicable to the Company.
- xiv) (a) According to the information and explanations given to us, Company is not dealing/trading in shares, securities or debentures and other investments. Therefore, the provisions of clause 4 (xiv) of the Companies (Auditors' Report) Order, 2003, are not applicable to the Company.
- (b) According to the information and explanations given to us, long-term investments have been held by the Company in its own name.
- xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from the Bank or Financial Institutions during the year.
- xvi) In our opinion, and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purposes for which they were obtained.
- xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet and Cash Flow Statement of the Company, we report that no fund raised on short term basis have been used for long term investment and no long term fund have been used to finance the short term assets.





- (xviii) The Company has not made any preferential allotment of shares to parties or Companies covered in the register maintained under Section 301 of the Companies Act, 1956, during the year and hence the question of the price at which shares have been issued is prejudicial to the interest of the Company does not arise.
- (xix) The Company has not raised debentures during the year and hence question of any security in respect of debentures does not arise.
- (xx) The Company has not raised any money through public issue during the year.
- (xxi) During the course of our examination of the books and records of the company and based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given to us by the management, we have neither come across any instance of fraud on or by the Company noticed or reported during the year nor have been informed of such case by the management.
4. Further to our comments in paragraph 3 above, 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, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts.
  - d) In our opinion, the Balance Sheet, Profit & Loss Account and the Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956, except for Accounting Standard 15 (Revised 2005), in respect of non-provision of part of gratuity liability indicated in Note No. B-8 of Schedule 13.
  - e) On the basis of the written representation received from the Directors as on 31st December, 2008 and taken on record by the Board of Directors we report that none of the Directors is disqualified as on 31st December, 2008, from being appointed as a Director in terms of Clause (g) of sub-section (1) of Section 274 of the Act.
  - f) In our opinion and to the best of our information and according to the explanations given to us, the said statement of accounts read together with Notes as appearing in Schedule 13 to the Accounts particularly (a) Note No. B-5 for non provision of sundry debtors considered as doubtful of recovery, (b) Note No. B-8 for non provision of gratuity liability (c) Note No. B-9 for non-provision of diminution in value of investments, and (d) Note No. B-12 for non provision of professional tax liability. Had the effect of above Notes Nos. (a) to (d) been taken in the books, the profit as well as carried forward profit would have been reduced by the net of sum of the amounts referred in above notes; give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
    - i) in the case of Balance Sheet, of the state of affairs of the Company as at 31st December, 2008;
    - ii) in the case of Profit & Loss Account, of the Profit for the year ended on that date; and
    - iii) in the case of the Cash Flow Statement of the Cash Flow for the year ended on that date.

4, Chowringhee Lane  
Kolkata - 700 016  
Date : March 28, 2009

For **DAS & PRASAD**  
Chartered Accountants  
**G. D. Agarwal**  
Partner  
Membership No. 4543

# Balance Sheet

as at 31st December, 2008

(Amount in Rs.)

	Schedule	As at 31st December, 2008		As at 31st December, 2007	
<b>SOURCES OF FUNDS</b>					
<b>Shareholders' Funds</b>					
Share Capital	1	74,955,000		74,955,000	
Reserves & Surplus	2	560,468,752	635,423,752	526,109,535	601,064,535
<b>Loan Funds</b>					
Secured Loans	3	233,735,634		275,578,915	
Unsecured Loans		125,000	233,860,634	545,000	276,123,915
			869,284,386		877,188,450
<b>APPLICATION OF FUNDS</b>					
<b>Fixed Assets</b>					
Gross Block	4	781,375,437		771,016,789	
Less : Depreciation		117,838,703		108,706,022	
Net Block		663,536,734		662,310,767	
Capital Work-in-Progress		–	663,536,734	–	662,310,767
<b>Investments</b>					
	5		13,239,266		12,103,945
<b>Current Assets, Loans &amp; Advances</b>					
Inventories	6	102,818,050		104,479,855	
Sundry Debtors		56,572,644		72,851,599	
Cash & Bank Balances		10,336,335		18,632,920	
Other Current Assets		21,877,898		22,873,305	
Loans & Advances		103,848,105		83,262,079	
		295,453,032		302,099,758	
<b>Less : Current Liabilities &amp; Provisions</b>					
- Current Liabilities	7	94,374,128		96,848,573	
- Provisions		10,165,122		5,718,471	
		104,539,250		102,567,044	
Net Current Assets			190,913,782		199,532,714
Deferred Tax Assets			1,594,604		3,241,024
			869,284,386		877,188,450
Notes on Accounts & Significant Accounting Policies	13				

The Schedules referred to above form an integral part of the Balance Sheet.

As per our Annexed Report of even date.

For **DAS & PRASAD**

Chartered Accountants

**G. D. Agarwal**

Partner

Membership No. 4543

4, Chowringhee Lane, Kolkata - 700 016

Date : March 28, 2009

For and on behalf of the Board

**Manoj Agarwala**  
Chief Financial Officer  
& Company Secretary

**Sandeep Singhania**  
Managing Director

**Sarita Singhania**  
Wholetime Director

# Profit & Loss Account

for the year ended 31st December, 2008

(Amount in Rs.)

	Schedule	For the year ended 31st December, 2008		For the year ended 31st December, 2007	
<b>INCOME</b>					
Sales & Services (Net)	8	503,494,997		406,895,189	
Other Income	9	3,140,446		5,319,195	
Amount Transferred from Capital Reserve [See Note No. B-3]		49,895		-	
Closing Stock		75,694,215	582,379,553	77,788,399	490,002,783
<b>EXPENDITURE</b>					
Opening Stock		77,788,399		60,593,813	
Purchases		73,377,452		58,413,951	
Expenses	10	353,329,193	504,495,044	303,495,052	422,502,816
<b>PROFIT BEFORE DEPRECIATION &amp; INTEREST</b>			77,884,509		67,499,967
Depreciation		9,721,303		8,955,512	
Interest & Finance Charges (Net)	11	25,624,958	35,346,261	24,797,972	33,753,484
<b>PROFIT BEFORE TAXATION &amp; EXTRA ORDINARY ITEM</b>			42,538,248		33,746,483
Prior Period Item	12	186,768			-
<b>PROFIT BEFORE TAXATION</b>			42,351,480		33,746,483
Provision for Taxation					
- Current Tax		(460,000)			-
- Fringe Benefit Tax		(291,416)			(200,000)
- Deferred Tax (Liability)/Assets		(1,646,420)			(1,809,180)
- MAT Credit Entitlement		1,087,365			-
<b>PROFIT AFTER TAXATION</b>			41,041,009		31,737,303
Balance Profit brought forward from previous year		6,095,453			28,742,830
<b>PROFIT AVAILABLE FOR APPROPRIATION</b>			47,136,462		60,480,133
<b>APPROPRIATIONS</b>					
Transferred to General Reserve		40,000,000			50,000,000
Proposed Dividend		3,747,750			-
Provision for Tax on Proposed Dividend		636,930			-
Interim Dividend		-			3,747,750
Tax on Interim Dividend		-			636,930
Balance carried to Balance Sheet		2,751,782			6,095,453
		47,136,462			60,480,133
Basic & Diluted Earning Per Share			2.74		2.12
Notes on Accounts & Significant Accounting Policies	13				

The Schedules referred to above form an integral part of the Profit & Loss Account.

As per our Annexed Report of even date.

For **DAS & PRASAD**

Chartered Accountants

**G. D. Agarwal**

Partner

Membership No. 4543

4, Chowringhee Lane, Kolkata - 700 016

Date : March 28, 2009

For and on behalf of the Board

**Manoj Agarwala**  
Chief Financial Officer  
& Company Secretary

**Sandeep Singhania**  
Managing Director

**Sarita Singhania**  
Wholetime Director

# Cash Flow Statement for the year ended 31st December, 2008

(Amount in Rs.)

	For the year ended 31st December, 2008	For the year ended 31st December, 2007
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax and extraordinary items	42,538,248	33,746,483
Add :		
a) Depreciation	9,721,303	8,955,512
b) Interest & Finance Charges	31,896,176	31,374,736
c) Loss on Sale of Assets	542,381	1,187,166
d) Loss on Sale of Investments	23,091	–
	<u>42,182,951</u>	<u>41,517,414</u>
	84,721,199	75,263,897
Deduct :		
a) Dividend Income	48,769	16,038
b) Interest Income	6,271,218	6,576,764
c) Transferred from Capital Reserve	49,895	–
d) Profit on Sale of Investments	–	774,056
	<u>6,369,882</u>	<u>7,366,858</u>
Operating Profit before Working Capital Changes	78,351,317	67,897,039
Deduct/(Add) :		
Increase/(Decrease) in Inventories	(1,661,805)	22,507,338
	<u>80,013,122</u>	<u>45,389,701</u>
Add/(Less) :		
a) Increase/(Decrease) in Trade & Other Payable	(37,198,867)	53,823,755
b) Increase/(Decrease) in Trade & Other Receivable	33,358,756	(79,852,392)
	<u>(3,840,111)</u>	<u>(26,028,637)</u>
Cash Flow from Operations	76,173,011	19,361,064
Deduct :		
a) Tax Paid	1,475,085	867,549
Cash Flow before extra-ordinary items	74,697,926	18,493,515
Deduct : Prior Period Expenses	186,768	–
Net Cash (Outflow)/Inflow from Operating Activities	<u>74,511,158</u>	<u>18,493,515</u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Out Flow		
a) Acquisition of Fixed Assets	14,879,925	20,337,281
b) Acquisition of Investments	1,953,138	722,152
c) Loss on Sale of Investments	23,091	–
	<u>16,856,154</u>	<u>21,059,433</u>
Deduct :		
In Flow		
a) Sale of Fixed Assets	394,570	375,000
b) Capital Subsidy Received	748,486	–
c) Interest Received	6,198,692	4,058,478
d) Dividend Received	48,769	16,038
e) Sale of Investments	817,817	32,310,678
f) Profit on Sale of Investments	–	774,056
	<u>8,208,334</u>	<u>37,534,250</u>
Net Cash (Outflow)/Inflow from Investing Activities	<u>(8,647,820)</u>	<u>16,474,817</u>

# Cash Flow Statement for the year ended 31st December, 2008 (Contd.)

(Amount in Rs.)

	For the year ended 31st December, 2008		For the year ended 31st December, 2007	
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
In Flow				
a) Proceeds from Borrowings		–		13,978,432
Deduct :				
Out Flow				
a) Repayment of Borrowings	42,263,281		–	
b) Dividend Paid	466		4,384,680	
c) Interest & Finance Charges Paid	31,896,176	74,159,923	32,257,057	36,641,737
Net Cash Inflow/(Out flow) from Financing Activities		(74,159,923)		(22,663,305)
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents (A + B + C)</b>		<b>(8,296,585)</b>		<b>12,305,027</b>
Cash & Cash Equivalents as at Opening		18,632,920		6,327,893
<b>Cash &amp; Cash Equivalents as at Closing</b>		<b>10,336,335</b>		<b>18,632,920</b>

Note to the Cash Flow Statement for the year ended 31st December, 2008

1. Previous Year figures have been re-casted/re-grouped wherever considered necessary to make them comparable with current year figures.

For **DAS & PRASAD**  
Chartered Accountants

**G. D. Agarwal**  
Partner

Membership No. 4543  
4, Chowringhee Lane, Kolkata - 700 016  
Date : March 28, 2009

For and on behalf of the Board

**Manoj Agarwala**  
Chief Financial Officer  
& Company Secretary

**Sandeep Singhania**  
Managing Director

**Sarita Singhania**  
Wholetime Director

## Schedules forming part of the Balance Sheet

(Amount in Rs.)

<b>SCHEDULE - 1</b>	<b>As at 31st December, 2008</b>	<b>As at 31st December, 2007</b>
<b>SHARE CAPITAL</b>		
<b>Authorised</b>		
2,40,00,000 Equity Shares of Rs. 5/- each (Previous year - 6,00,00,000 Equity Shares of Rs. 2/- each)	<u>120,000,000</u>	<u>120,000,000</u>
<b>Issued, Subscribed &amp; Paid-up</b>		
1,49,91,000 Equity Shares of Rs. 5/- each, fully paid (Previous year - 3,74,77,500 Equity Shares of Rs. 2/- each, fully paid)	<u>74,955,000</u>	<u>74,955,000</u>
<b>Out of the above Shares</b>		
a) 89,94,600 Equity Shares of Rs. 5/- each have been allotted as fully paid-up Bonus Shares by way of Capitalisation of Share Premium Account.		
b) 9,24,300 Shares of Rs. 5/- each were allotted as fully paid-up Bonus Shares by way of Capitalisation of General Reserve.		
c) 74,520 Shares of Rs. 5/- each, fully paid were issued as pursuant to Contract without payment being received in cash.		
d) 81,79,340 Shares of Rs. 5/- each fully paid-up are held by Holding Company Diana Capital Ltd.		

<b>SCHEDULE - 2</b>	<b>As at 31st December, 2008</b>	<b>As at 31st December, 2007</b>
<b>RESERVES &amp; SURPLUS</b>		
<b>Share Premium</b>		
As per last Account	32,361,300	32,361,300
<b>Capital Reserve (Revaluation)</b>		
As per last Account	286,156,755	288,518,141
Less : Assets discarded during the year	2,247,217	2,361,386
Less : Transferred to Profit & Loss Account	<u>49,895</u>	<u>—</u>
	283,859,643	286,156,755
<b>Capital Reserve (Share Forfeiture Account)</b>		
As per last Account	9,500	9,500
<b>General Reserve</b>		
As per last Account	201,486,527	151,486,527
Add : Transferred from Profit & Loss Account	<u>40,000,000</u>	<u>50,000,000</u>
Balance in Profit & Loss Account	<u>2,751,782</u>	<u>6,095,453</u>
	<u>560,468,752</u>	<u>526,109,535</u>

## Schedules forming part of the Balance Sheet

(Amount in Rs.)

<b>SCHEDULE - 3</b>	<b>As at 31st December, 2008</b>	<b>As at 31st December, 2007</b>
<b>LOAN FUNDS</b>		
<b>Secured Loans</b>		
<b>1. From United Bank of India</b>		
a) CASH CREDIT ACCOUNT Secured on consortium basis with Punjab National Bank by a first charge on the current assets of the Company namely, Stock of Raw Materials, Semi Finished and Finished Goods, Stores & Spares, Book Debts, Receivable and also secured by pari-passu first charge on all immovable assets of the Company, both present and future, excluding specific items of assets charged/to be charged in favour of lenders or suppliers providing finance for the acquisition thereof and also personal guarantees of two Directors of the Company	<b>61,479,801</b>	67,169,252
b) SECURED TERM LOAN Secured by a first charge on the current assets of the Company and also secured by pari-passu first charge on all immovable assets of the Company, both present and future, excluding specific items of assets charged/to be charged in favour of lenders or suppliers providing finance for the acquisition thereof and also personal guarantees of two Directors of the Company and corporate guarantee by a group company and also by pledgement of the company's 16,07,274 numbers of Equity Shares held by Holding Company and two Directors of the Company. Repayable Within one year Rs. 17,820,766/- (Previous year - Rs. 13,793,084/-]	<b>33,288,768</b>	42,293,225
c) SECURED TERM LOAN (Special Tea Term Loan) Secured by a first charge on the current assets of the Company and also secured by pari-passu first charge on all immovable assets of the Company, both present and future, excluding specific items of assets charged/to be charged in favour of lenders or suppliers providing finance for the acquisition thereof and also personal guarantees of two Directors of the Company repayable within one year Rs. 91,49,139/- (Previous year - Rs. 72,86,040/-)	<b>57,409,733</b>	61,046,634
<b>2. From Punjab National Bank</b>		
a) CASH CREDIT ACCOUNT Secured on consortium basis with United Bank of India by a first charge on the current assets of the Company namely, Stock of Raw Materials, Semi Finished and Finished Goods, Stores & Spares, Book Debts, Receivable and also secured by pari-passu first charge on all immovable assets of the Company, both present and future, excluding specific items of assets charged/to be charged in favour of lenders or suppliers providing finance for the acquisition thereof and also personal guarantees of two Directors of the Company	<b>65,057,332</b>	78,819,804

# Schedules forming part of the Balance Sheet

(Amount in Rs.)

<b>SCHEDULE - 3</b>	<b>As at 31st December, 2008</b>	<b>As at 31st December, 2007</b>
b) SECURED TERM LOAN Secured by equitable mortgage of leasehold Tea Estates shared on pari-passu basis with UBI and personal guarantee of two directors. Repayable within one year Rs. 38,00,000/- (Previous year - Rs. 38,00,000/-)	<b>10,250,000</b>	15,000,000
c) SECURED TERM LOAN (Special Tea Term Loan) Secured by a first charge on the current assets of the Company and also secured by pari-passu first charge on all immovable assets of the Company, both present and future, excluding specific items of assets charged/to be charged in favour of lenders or suppliers providing finance for the acquisition thereof and also personal guarantees of two Directors of the Company. Repayable within one year Rs. 50,00,000/- (Previous year - Rs. 50,00,000/-)	<b>6,250,000</b>	11,250,000
	<b>233,735,634</b>	<b>275,578,915</b>
<b>Unsecured Loans</b>		
1. From Government of West Bengal	<b>60,000</b>	75,000
2. From Holding Company (Not Bearing Interest)	<b>65,000</b>	470,000
	<b>125,000</b>	<b>545,000</b>

## SCHEDULE - 4

### FIXED ASSETS

Description	Gross Block				Depreciation			Net Block		
	Cost as at 01.01.2008	Addition During the Year	Cost of Assets sold discarded/ Adjusted	Total as at 31.12.2008	Upto 31.12.2007	For the Year	Adjustment/ Written back during the Year	Total upto 31.12.2008	Balance as at 31.12.2008	Balance as at 31.12.2007
Land & Plantations	541,235,310	11,242,746	2,506,771	549,971,285	-	-	-	-	549,971,285	541,235,311
Buildings	69,146,912	111,472	-	69,258,384	19,711,918	1,564,005	-	21,275,923	47,982,461	49,434,994
Roads & Bridges	5,314,596	-	-	5,314,596	895,535	86,629	-	982,164	4,332,432	4,419,061
Plant & Machinery and										
Electric Installation	105,392,087	2,525,273	813,256	107,104,104	58,939,909	5,884,133	7,364	64,816,678	42,287,426	46,452,178
Water Installation	30,316,344	511,545	-	30,827,889	15,205,654	1,258,206	-	16,463,860	14,364,029	15,110,690
Furniture, Fittings & Other Equipments	6,701,185	488,889	-	7,190,074	4,395,611	444,327	-	4,839,938	2,350,136	2,305,574
Vehicles	12,910,354	-	1,201,249	11,709,105	9,557,395	484,003	581,258	9,460,140	2,248,965	3,352,959
<b>Total</b>	<b>771,016,788</b>	<b>14,879,925</b>	<b>4,521,276</b>	<b>781,375,437</b>	<b>108,706,022</b>	<b>9,721,303</b>	<b>588,622</b>	<b>117,838,703</b>	<b>663,536,734</b>	<b>662,310,767</b>
Previous Year Total	754,645,327	20,362,135	3,990,673	771,016,789	99,767,631	8,955,512	17,121	108,706,022	662,310,767	-



# Schedules forming part of the Balance Sheet

(Amount in Rs.)

SCHEDULE - 5	Face value	As at 31st December, 2008		As at 31st December, 2007	
	Rs.	Nos.	Rs.	Nos.	Rs.
<b>INVESTMENTS (AT COST)</b>					
<b>Non Trade - Long Term Investments</b>					
QUOTED : IN FULLY PAID EQUITY SHARES					
Alsa Marine & Harvests Limited	10	800	33,692	800	33,692
Agri-Tech (I) Limited	10	620	19,018	620	19,018
Cerebra Integrated Technologies Limited	10	40,000	2,448,000	40,000	2,448,000
DSQ Software Limited	10	1,200	352,961	1,200	352,961
Ambuja Cements Limited	2	615	—	615	—
JSW Steel Limited	10	150	189,454	—	—
Jindal Steel & Power Limited	1	50	157,377	—	—
Kirloskar Multimedia Limited	10	50,000	500,000	50,000	500,000
Kirtivardhan Finvest Services Limited	1	560	—	560	—
Moving Pictures (I) Limited	10	6,958	382,690	9,958	547,690
Mukand Engineers Limited	10	34,690	2,999,030	40,690	3,517,730
Nath Seeds Limited	10	1,798	55,145	1,798	55,145
Nath Bio-Genes (I) Limited	10	682	20,917	682	20,917
Noida Toll Bridge Company Limited	10	2,500	85,456	2,500	85,456
Ojas Techno Chem Product Limited	10	41,900	664,664	41,900	664,664
Padmini Technologies Limited	10	8,100	1,187,155	8,100	1,187,155
Raj Rayon Limited	10	7,190	317,566	10,000	441,684
RDL Infotech Limited	10	25,000	250,000	25,000	250,000
Reliance Industries Limited	10	90	88,900	90	88,900
Reliance Capital Limited	10	49	88,285	49	88,285
Reliance Infrastructure Limited	10	506	977,323	6	—
Reliance Communication Venture Limited	5	3,090	1,075,811	3,090	1,075,811
Reliance Petroleum Limited	10	500	80,192	—	—
Reliance Natural Resources Limited	5	90	—	90	—
Suvarna Aqua Industries Limited	10	200	2,808	200	2,808
SKP Securities Limited	10	—	—	500	5,000
Srei Infrastructure Finance Limited	10	2,100	507,939	100	6,746
Step Two Corporation Limited	10	700	7,000	700	7,000
Dhunseri Tea & Industries Limited	10	150	60,900	—	—
Tezapore Tea Company Limited	10	—	—	300	60,900
Tata Steel Limited	10	525	67,372	309	47,572
TCM Limited	10	800	27,720	800	27,720
Tecil Chemical & H.P. Limited	10	200	6,000	200	6,000
Tyche Peripheral System Limited	10	—	—	500	5,000
			<b>12,653,375</b>		<b>11,545,854</b>
UNQUOTED : IN FULLY PAID EQUITY SHARES					
Diana Capital Limited	10	29,870	245,127	29,870	245,127
Ambition Vyapaar Private Limited	10	2,000	20,000	2,000	20,000
Orkay Industries Limited	10	2,800	67,376	2,800	67,376
Rank Aqua Estates Limited	10	1,000	45,116	1,000	45,116
Sonal International Limited	10	5,000	180,472	5,000	180,472
			<b>558,091</b>		<b>558,091</b>
			<b>13,211,466</b>		<b>12,103,945</b>
<b>Cumulative Convertible Preference Shares</b>					
Tata Steel Limited	100	278	27,800	—	—
			<b>13,239,266</b>		<b>12,103,945</b>
Market Value of Quoted Investments					
			<b>2,751,412</b>		<b>7,799,279</b>

Tea is calorie-free, unless you add sweetener or milk. If you're looking for a satisfying, calorie-free beverage, tea is a top choice.

# Schedules forming part of the Balance Sheet

(Amount in Rs.)

<b>SCHEDULE - 6</b>	<b>As at 31st December, 2008</b>	<b>As at 31st December, 2007</b>
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>		
<b>Current Assets</b>		
(As taken, valued and certified by the Management)		
<b>Inventories</b>		
- Stores & Spare Parts	26,889,162	26,523,941
- Stores-in-Transit	234,673	167,515
Stock of Tea and Tea Waste	<u>75,694,215</u>	<u>77,788,399</u>
	<b>102,818,050</b>	<b>104,479,855</b>
<b>Sundry Debtors</b>		
Debts outstanding for a period exceeding six months :		
- Considered Doubtful	108,930	108,930
- Considered Good	7,374,002	6,736,816
Other Debts :		
- Considered Good	<u>49,089,712</u>	<u>66,005,853</u>
	<b>56,572,644</b>	<b>72,851,599</b>
<b>Cash &amp; Bank Balances</b>		
- Cash-in-hand (as certified)	3,102,293	2,733,148
- Cheque in transit	29,870	10,750,000
- Remittance-in-transit (as certified)	-	1,680,000
- With Scheduled Banks in Current Accounts	5,698,266	1,963,400
- Deposit Accounts		
(Pledged with Bankers against issue of Bank Guarantees)	1,396,814	1,396,814
- Dividend Accounts	<u>109,092</u>	<u>109,558</u>
	<b>10,336,335</b>	<b>18,632,920</b>
<b>Other Current Assets</b>		
- Interest Receivable	8,465,922	15,782,130
- Compensation Receivable	5,000,000	-
- Deferred Interest	2,734,128	1,664,178
- Replantation Subsidy Receivable	5,814,128	4,774,060
- Input Tax Receivable	<u>(136,280)</u>	<u>652,937</u>
	<b>21,877,898</b>	<b>22,873,305</b>
<b>Loans &amp; Advances</b>		
(Unsecured, Considered good)		
- Loans	85,500,000	70,400,000
- Advances Receivable in cash or in kind or for value to be received	11,460,618	7,839,562
- Income Tax Advance (Less Provisions)	5,902,707	4,091,672
- Balance with Central Excise Department	61,098	106,281
- Security Deposit	463,202	443,202
- Prepaid Expenses	<u>460,480</u>	<u>381,362</u>
	<b>103,848,105</b>	<b>83,262,079</b>
	<u>295,453,032</u>	<u>302,099,758</u>

<b>SCHEDULE - 7</b>	<b>As at 31st December, 2008</b>	<b>As at 31st December, 2007</b>
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>		
<b>Current Liabilities</b>		
Sundry Creditors		
Advance from Customers	85,156,415	80,744,777
Unclaimed Dividend Account	9,104,139	15,988,771
Share Application Refund Account	109,092	109,558
Interest accrued but not due	544	544
	<u>3,938</u>	<u>4,923</u>
	<b>94,374,128</b>	<b>96,848,573</b>
<b>Provisions</b>		
Proposed Dividend	3,747,750	-
Tax on Proposed Dividend	636,930	-
Provision for Bonus	<u>5,780,442</u>	<u>5,718,471</u>
	<b>10,165,122</b>	<b>5,718,471</b>
	<u>104,539,250</u>	<u>102,567,044</u>

Heavy tea drinkers - whether they like it black, green, hot or cold - are more likely to survive a heart attack than those who don't sip the healthy brew.

# Schedules forming part of the Profit & Loss Account

(Amount in Rs.)

<b>SCHEDULE - 8</b>	<b>For the year ended 31st December, 2008</b>		<b>For the year ended 31st December, 2007</b>	
<b>SALES</b>				
Sales	504,942,709		408,363,931	
Less : Excise Duty & Cess	1,493,762		1,514,842	
Net Sales	503,448,947		406,849,089	
Services Rendered	46,050	503,494,997	46,100	406,895,189
<b>SCHEDULE - 9</b>	<b>For the year ended 31st December, 2008</b>		<b>For the year ended 31st December, 2007</b>	
<b>OTHER INCOME</b>				
Miscellaneous Receipt	945,898		54,105	
Claims	163,942		84,441	
Dividend	48,769		16,038	
Replantation Subsidy	1,370,571		4,369,036	
Profit on Sale of Investment (Net)	–		774,056	
Profit on Share Speculation	–		21,519	
Compensation Received	611,266	3,140,446	–	5,319,195
<b>SCHEDULE - 10</b>	<b>For the year ended 31st December, 2008</b>		<b>For the year ended 31st December, 2007</b>	
<b>EXPENSES</b>				
<b>Manufacturing &amp; Cultivation :</b>				
Stores & Spares Consumed	35,840,272		28,949,033	
Power & Fuel	47,344,156		39,181,584	
Purchase of Green Leaf	47,849,234	131,033,662	37,391,519	105,522,136
<b>Repairs &amp; Maintenance to :</b>				
Machinery	4,395,303		3,949,470	
Building	2,411,750		2,180,184	
Others	2,074,449	8,881,502	1,477,434	7,607,088
<b>Payment to &amp; Provisions for Employees :</b>				
Salaries, Wages, Bonus & Gratuity	142,690,733		127,939,266	
Contribution to Provident Fund & Other Fund (including Administrative Charges)	14,661,135		14,007,148	
Workers & Staff Welfare	18,879,232	176,231,100	17,064,311	159,010,725
<b>Other Expenses :</b>				
Office Rent	108,000		108,000	
Rates & Taxes	689,549		707,222	
Insurance	678,627		750,387	
Miscellaneous Expenses	12,794,967	14,271,143	11,664,487	13,230,096
<b>Auditors' Remuneration :</b>				
For Statutory Audit	85,000		85,000	
For Tax Audit	25,000		25,000	
For Limited Review	18,000		24,000	
For Taxation Matters	5,000		5,000	
For Cash Flow	10,000		10,000	
For Service Tax	19,786		30,607	
For Certificates & Others	17,000		20,000	
For Expenses	27,434	207,220	21,163	220,770
<b>Tea Selling Expenses :</b>				
Brokerage & Commission	9,336,855		4,904,176	
Freight, Warehouse and Other Selling Expenses	11,880,568	21,217,423	11,725,303	16,629,479
<b>Donation</b>		32,655		43,555
<b>Loss on Sale/Discard of Fixed Assets</b>		542,381		1,187,166
<b>Loss on Sale of Investment</b>		23,091		–
<b>Liabilities Written Off (Net)</b>		889,016		44,037
		353,329,193		303,495,052

## Schedules forming part of the Profit & Loss Account

(Amount in Rs.)

<b>SCHEDULE - 11</b>	<b>For the year ended 31st December, 2008</b>		<b>For the year ended 31st December, 2007</b>	
<b>INTEREST &amp; FINANCE CHARGES (Net)</b>				
Interest to Banks for Working Capital finance	<b>17,325,698</b>		14,939,187	
Interest on Term Loans	<b>13,582,324</b>		15,732,364	
Interest to Others	<b>10,626</b>		73,735	
Finance Charges	<b>977,528</b>	<b>31,896,176</b>	629,450	31,374,736
Less : Interest Income (Gross) (TDS - Rs. 11,99,085 )		<b>6,271,218</b>		6,576,764
Previous year - Rs. 7,35,437/-)				
		<b>25,624,958</b>		24,797,972

<b>SCHEDULE - 12</b>	<b>For the year ended 31st December, 2008</b>		<b>For the year ended 31st December, 2007</b>	
<b>PRIOR PERIOD ITEM</b>				
Salary & Wages	<b>41,556</b>		-	
Subscription	<b>120,969</b>		-	
Motor Car Expense	<b>21,146</b>		-	
Conveyance	<b>3,097</b>	<b>186,768</b>	-	-

# Schedules

to and forming part of the Balance Sheet as at 31st December, 2008 and the Profit & Loss Account for the year ended on that date.

## SCHEDULE - 13

### NOTES ON ACCOUNTS

#### A) Significant Accounting Policies

The financial statements have been prepared in accordance with the generally accepted accounting principles and acceptable accounting standard notified under Section 211(3C) of the Companies Act, 1956, in India. A summary of significant accounting policies what have been applied consistently is set out below. The financial statements have also been prepared in accordance with the relevant presentational requirements of the Companies Act, 1956.

##### 1) Basis of Accounting

The financial statements have been prepared in accordance with the historical cost convention.

##### 2) Revenue Recognition

2.1) The Company follows the Mercantile System of accounting and recognizes income and expenditure on an accrual basis except gratuity.

2.2) Sales are net of Sales Tax wherever applicable.

##### 3) Fixed Assets

Fixed assets are stated at cost (or revalue amounts, as the case may be) less accumulated depreciation.

Cost includes purchase price net of modvat/cenvat and any directly attributable cost of bringing the assets to working condition for the intended use.

Expenditure incurred on extension planting and for upkeep of the same up to commercial plucking are capitalised.

Subsidies from Government in respect of Fixed Assets are deducted from the cost of respective assets on receipt/settled.

##### 4) Replantation Expenditure

Expenditure on replanting and maintenance of replantation has been carried forward under fixed assets as Plantation.

##### 5) Impairment of Fixed Assets

An impairment loss is recognised where applicable when the carrying value of the fixed assets of a cash generating unit exceeds its net selling price or value in use, whichever is higher.

##### 6) Depreciation & Amortisation

Depreciation on fixed assets has been provided on Straight Line Method as per provision of Section 205(2)(b) of the Companies Act, 1956, applying the rates as prescribed in the Schedule XIV of the Companies Act, 1956.

No provision has been made in respect of amortisation of Leasehold Land & Plantation.

##### 7) Contingent Liabilities

Contingent Liabilities are generally not provided for, in the accounts and are separately shown in the Notes to the Accounts.

##### 8) Inventories

Stock of Tea is valued at lower of cost computed on annual average basis or net realisable value. Stock of Tea Waste is valued at estimated realisable value.

Stock of stores and spares are valued at cost on weighted average basis or net realisable value.

As per practice followed by the Company the value of green leaf in stock as at the close of the year are not taken into accounts.

Provision is made for obsolete and slow moving stores wherever necessary.

Drinking tea may help keep your arteries smooth and clog-free, the same way a drain keeps your bathroom pipes clear.

## Schedules to and forming part of the Balance Sheet as at 31st December, 2008 and the Profit & Loss Account for the year ended on that date. (Contd.)

### 9) Investments

Investments are classified as Long Term Investments and Current Investments (Investments intended to be held for not more than one year). Current Investments are carried at lower cost or fair value and provision is made to recognize any decline in the carrying value. Long Term Investments are carried at cost and provision is made to recognize any decline, other than temporary in the value of such investments. Unquoted Investments are carried at cost. Cost includes purchase price plus brokerage and transfer cost.

### 10) Excise Duty & Cess on Tea Production

Excise Duty & Cess on tea as applicable on manufactured goods is accounted for at the time of clearance. However, provision for Cess is made at the year end on finished goods lying in stock at factory.

### 11) Retirement Benefits

- a) Gratuities are paid in accordance with the Payment of Gratuity Act, 1972 and accounted for, as and when paid/payable.
- b) The Company contributes to the Employees Provident Fund maintained under the Employees Provident Fund Scheme run by the Central Government and are charged against revenue each year.
- c) Leave salary is accounted for on accrual basis.

### 12) Income Tax

Provision is made for Income Tax on a yearly basis under the tax payable method based on tax liability as computed after taking credit for allowances, expenses and carry forward losses. In case of matters under appeal due to disallowance or otherwise, full provision is made when the said liabilities are accepted.

Deferred Tax is recognized subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or subsequent periods. Deferred Tax Assets are recognized for all deductible timing differences, unabsorbed depreciation and carry forward of losses only to the extent that there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. The carrying amount of deferred tax assets/liability is reviewed at each balance sheet date and the consequential adjustments are carried out.

### 13) Provisions

A provision is recognised when there is a obligation as a result of past event, it is probable that an outflow of resources will be required to settle the obligation and in respect of which reliable estimate can be made.

### 14) Borrowing Costs

Borrowing Costs that are directly attributable to the acquisition, construction or production of qualifying assets are being capitalised as part of the cost of that assets and other borrowing costs are recognised as an expense of the year in which they are incurred.

### 15) Grants/Subsidies

Subsidies from government in respect of fixed assets are deducted from the cost of respective assets.

Other subsidies are accounted for on accrual basis when one is reasonably certain of its receipt. Duty drawback are recognised as deduction in reporting the related expenditure.

### 16) Foreign Currency Transactions

- Transactions in foreign currency are recorded at exchange rates prevailing on the date of the transactions.
- The foreign currency assets and liabilities (other than those covered by forward contracts) as on the Balance Sheet date are revalued in the accounts on the basis of exchange rate prevailing at the close of the year and exchange difference arising therefrom, is charged to the Profit & Loss Account.
- In case of transactions covered by forward contracts, the difference between the contract rate and exchange rate prevailing on the date of transaction, is charged to the Profit & Loss Account, proportionately over the period of contract.

## Schedules to and forming part of the Balance Sheet as at 31st December, 2008 and the Profit & Loss Account for the year ended on that date. (Contd.)

### B) OTHER NOTES

- 1) Contingent Liability not provided for in respect of :-
  - 1.1) Bank Guarantees issued to various Government Bodies to the extent of Rs. 65,94,142/- (Previous year Rs. 66,22,029/-).
  - 1.2) Claim against the Company not acknowledged as debts amounting to Rs. 2,54,40,300/- (Previous year Rs. 2,54,40,300/-).
  - 1.3) West Bengal Sales Tax demand for the Assessment Year 2000-01 of Rs. 80,543/-
  - 1.4) Income Tax demand of Rs. 38,49,637/-, Rs. 93,79,835/- and Rs. 74,25,995/- being contested by the company for the Assessment Year 2004-05, 2005-06 and 2006-07 respectively.
  - 1.5) Central Sales Tax demand for the Assessment Year 2003-04 and 2004-05 of Rs.25, 28,836/- and Rs.1,94,968/- respectively.
- 2) Stock of Tea includes 7,36,478 Kgs valuing Rs. 6,88,38,599/- lying with other Parties (Previous year - 9,05,657 Kgs valuing Rs. 5,87,59,026/-).
- 3) Depreciation as calculated includes additional charges of Rs. 49,895/- on revalued assets and an amount equivalent to the additional charges has been transferred to Profit and Loss Account from Capital Reserve (Revaluation of Fixed Asset) such transfer according to an authoritative Professional view being acceptable for the purpose of the Companies annual accounts.
- 4) In accordance with the AS – 28 on Impairment of Assets, the company has assessed as on the balance sheet date, whether there are any indication (listed in paragraphs 8 to 10 of the standard) with regard to impairment of any assets. Based on such assessment, it has been ascertained that no potential loss is present and therefore, formal estimate of recoverable amount has not been made. Accordingly, no impairment loss has been provided in the books of accounts.
- 5) No provision has been made for Sundry Debtors amounting to Rs. 1,08,930/- considered as Doubtful of Recovery (Under Litigation) (Previous year - Rs. 1,08,930/-).
- 6) Sundry Creditors include outstanding in respect of Machinery and vehicle amounting to Rs. 1,35,71,000/- (Previous year Rs. 82,13,282/-) purchased in terms of Hire Purchase Agreements.
- 7) The Company has not received any information from its suppliers regarding registration under “The Micro, Small and Medium Enterprises Development Act, 2006”. Hence, the information required to be given in accordance with Section 22 of the said Act, is not ascertainable. Hence, not disclosed.
- 8) The disclosures required under Accounting Standard 15 (Revised 2005) “Employee Benefits” notified in the Companies (Accounting Standards) Rules, 2006, are given below :

a) DEFINED CONTRIBUTION PLAN - PROVIDENT FUND	(Amount in Rs.)
Employer’s contribution to Provident Fund	13,231,673
Employee’s contribution to Provident Fund	13,231,673

#### b) DEFINED BENEFIT PLAN - GRATUITY

No provision has been made in respect of present liabilities for future payment of gratuity to the staff and workers which will be charged to accounts as and when paid. According to actuarial valuation under revised AS-15, the liability for gratuity payable to Staff and Workers as on 31st December, 2008 is Rs. 6,39,35,949/- (Previous year - Rs. 5,57,93,963/-). Company is not contributing to any approved Gratuity Fund. Hence, fair value of Plan Assets, Current Service Cost, Interest Cost, Actuarial Gain/(Loss) as on 31st December, 2008, are not ascertainable. However, during the year Company has paid Rs. 26,22,922/- to employees who have retired/died.

ACTUARIAL ASSUMPTION	(%)
Discount Rate (per annum)	8.00%
Rate of Escalation in Salary (per annum)	5.00%

The discount rate is based upon the market yield available on government bonds at the accounting date within a term that matches that of the liabilities and the salary increase should take account inflation, Seniority, Promotion and other relevant factors.

## Schedules to and forming part of the Balance Sheet as at 31st December, 2008 and the Profit & Loss Account for the year ended on that date. (Contd.)

- 9) In accordance with Accounting Standard (AS) 13 issued by the Council of the Institute of Chartered Accountants of India, the Long Term Investments held by the Company are valued at cost and Rs. 1,00,10,042/- (Previous year - Rs. 48,49,168/-) being diminution in values thereof has been considered by the management to be temporary and accordingly has not been recognized in this account. These would, however be covered adequately by the Company's year end Reserves & Surplus.
- 10) Miscellaneous Expenses includes Directors Board Meeting Fee & Committee Fee Rs. 32,000/- (Previous year - Rs. 34,000/-).
- 11) During the year One Time Settlement (OTS) has been done against interest at Rs 80.00 Lacs with M/s Pretoria Enclave Limited. According to OTS M/s. Pretoria Enclave Limited will pay Rs. 80.00 Lacs as compensation in three yearly instalments and after the completion of instalments of Rs. 80.00 Lacs, the aforementioned Company will pay its principal amount from the year 2010-11 in three years time. Interest will be Charged from April, 2011 onwards.
- 12) No Provision has been made in respect of West Bengal Professional Tax Liability of Rs. 3,27,417/- in respect of interest for which the company had applied for waiver.
- 13) Interest to bank for working capital finance and term loan includes Rs. 14.25 Lacs (Previous year - Rs. NIL) being the proportionate amount of foreign exchange fluctuation for repayment of foreign currency loan from bank, covered by forward contract.
- 14) Sundry Creditors includes Rs. 1,71,983/- (Previous year - Rs. 2,53,556/-) due to Small Scale Industrial undertakings to the extent such parties have been identified from the available documents/information. An amount of Rs. 1,71,983/- is due to party namely M/s. Avani Poly Pvt. Ltd. is outstanding for more than 30 days.
- 15) During the year Company has received Subsidy Rs. 7,48,486/- against Quality Upgradation and Product Diversification Scheme. Accordingly, the Company has calculated depreciation on net amount with prospective effect according to Accounting Standard - 12.
- 16) Land & Plantation includes Rs. 790 Lacs in respect of Ambari Tea Estate, conveyance for which is not executed.
- 17) The Provision for Taxation has been computed on the basis of the profits for the year ended 31st December, 2008, which extends over two Assessment Years, Assessment Year 2008-09 and Assessment Year 2009-10 and in view of the carried forward losses and on the basis of computation, provision for taxation is not required. Although the ultimate tax liability for the Assessment Year 2009-10 will be determined on the basis of profits for the period from 1st April, 2008 to 31st March, 2009.
- 18) In accordance with the Accounting Standard - 22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India, the Company has reviewed the net deferred tax liability/assets as at 31st December, 2008 and the net deferred tax assets have been computed Rs. 15,94,604/-. Accordingly the deferred tax amounting to Rs. 16,46,420/- for the year has been recognized in the Profit and Loss Account.
- 19) In the opinion of the Board of Directors of the Company the Current Assets, Loans, Advances and Deposits are approximately of the value stated in the accounts, if realised, in ordinary course of business unless otherwise stated. The provisions for all known liabilities are adequate and not in excess of the amount reasonably required.
- 20) Basic and Diluted Earnings/(Loss) Per Share :

	2008	2007
a) Profit for the year attributable to Equity Share Holders (In Rs.)	41,041,009	31,737,303
b) Number of Equity Shares of Rs. 5/- each outstanding during the year (Adjusted)	1,49,91,000	1,49,91,000
c) Adjusted Basic & Diluted Earnings Per Share (Rs.)	2.74	2.12

- 21) 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 the AS – 17 on "Segment Reporting" as issued by the ICAI.



## Schedules to and forming part of the Balance Sheet as at 31st December, 2008 and the Profit & Loss Account for the year ended on that date. (Contd.)

### 22) Related Party Disclosures :

(Amount in Rs.)

Name of Party	Nature of Relation	Description of Transaction	Transaction during year ended on 31st December		Balance Outstanding as on 31st December	
			2008	2007	2008	2007
Singhania Builders Ltd.	Directors interested as Directors	Rent Payment	1,08,000	1,08,000	–	–
		Electricity	1,31,786	1,20,277	17,239	18,315
		Maintenance Charges	36,164	35,500	9,041	–
Mr. Sandeep Singhania	Managing Director	Remuneration & Perquisites	16,99,416	14,81,035	–	–
Mrs. Sarita Singhania	Wholetime Director	Remuneration & Perquisites	10,27,991	10,28,891	–	–
Diana Capital Ltd.	Holding Company	Loan taken	56,00,000	47,00,000	65,000	4,70,000
Woodville Properties & Finance Ltd.	Directors Interested as Directors	Loan given	8,00,000	8,00,000	8,00,000	8,00,000
		Interest	80,000	79,781	1,93,067	1,29,547

In addition to above Company's financial assistance of Rs. 725 Lacs from United Bank of India are additionally secured by pledgement of company's 9,57,500 equity shares held by Holding Company, Diana Capital Limited, 2,74,850 equity shares held by Managing Director Mr. Sandeep Singhania and 3,74,924 equity shares held by Whole time Director Mrs. Sarita Singhania. Singhania Builders Ltd., has also given corporate guarantee of Rs. 35 Lacs for the above term loan of Rs. 725 Lacs as additional security to United Bank of India.

### 23) Remuneration to the Managing Director and Wholetime Director.

(Amount in Rs.)

	Year ended 31st December, 2008	Year ended 31st December, 2007
a) Salary & Bonus	24,00,000	22,04,032
b) Contribution to Provident Fund	2,88,000	2,64,484
c) Perquisites	39,407	41,410
24) Information pursuant to the Provision of Paragraphs 3, 4C & 4D of Part II of Schedule VI to the Companies Act, 1956.		
1) <b>Tea</b>		
Particulars of capacity, production, stock and sales :		
i) Licenced Capacity	Not applicable	Not applicable
ii) Installed Capacity (as certified by the Management)	57,00,000 Kgs	57,00,000 Kgs
iii) Actual Production (excluding tea issued for sampling, shortage, tea waste destroyed & complimentary 45,758 Kgs, Previous year - 52,953 Kgs)	46,27,078 Kgs	48,60,824 Kgs

	Year ended 31st December, 2008		Year ended 31st December, 2007	
	Quantity (Kgs.)	Amount (Rs.)	Quantity (Kgs.)	Amount (Rs.)
iv) Opening Stock	11,82,644	7,77,88,399	9,49,656	6,05,93,813
v) Purchase of tea	8,36,233	7,69,05,619	8,25,887	6,02,88,985
vi) Closing Stock	9,56,410	7,56,94,215	11,82,644	7,77,88,399
vii) Gross Sales	56,89,545	50,44,58,555	54,53,723	40,78,53,804
2) <b>Coffee</b>				
i) Purchase	1,536	2,44,943	1,755	2,86,338
ii) Sales	1,536	2,54,554	1,755	2,91,571

Tea provides nearly 90 percent of the favonoid antioxidants per capita in US diet.

## Schedules

to and forming part of the Balance Sheet as at 31st December, 2008 and the Profit & Loss Account for the year ended on that date. (Contd.)

	Year ended 31st December, 2008		Year ended 31st December, 2007	
	Quantity (Kgs.)	Amount (Rs.)	Quantity (Kgs.)	Amount (Rs.)
3) <b>Milk</b>				
i) Purchase	2,030	2,19,785	2,006	2,09,748
ii) Sales	2,030	2,29,600	2,006	2,18,556
4) Particulars of Raw Materials consumed (all indigenous)				
Green leaf harvested	1,64,45,198	–	1,71,48,347	–
Green leaf purchased	39,29,600	4,78,49,234	40,95,426	3,73,91,519

(Green leaf harvested from Company's own gardens and utilized in the integrated activity of manufacture and value at the intermediate stage is not ascertainable)

5) Value of Imported/Indigenous Stores and Spare Parts consumed and percentage thereof.

	Year ended 31st December, 2008		Year ended 31st December, 2007	
	(Rs.)	(%)	(Rs.)	(%)
All Indigenous	3,58,40,272	100	2,89,49,033	100
6) i) Expenditure in Foreign currency (On account of payment of interest on Foreign Currency Loan from Bank)	80,70,543		NIL	
ii) Earnings in foreign exchange (On account of export of Tea)	NIL		5,56,190	

# Schedules to and forming part of the Balance Sheet as at 31st December, 2008 and the Profit & Loss Account for the year ended on that date. (Contd.)

25) Abstract of the Balance Sheet as at 31.12.2008 and Company's General Business Profile as per Part IV of Schedule VI (amended) to the Companies Act, 1956.

## I. Registration Details

Registration No.

State Code

Balance Sheet Date     
Date Month Year

## II. Capital Raised during the year (Amount in Rs. Thousands)

Public Issue

Right Issue

Bonus Issue

Private Placement

## III. Position of Mobilisation & Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities

Total Assets

Sources of Funds

Paid-up Capital

Reserves & Surplus

Secured Loans

Unsecured Loans

Application of Funds

Net Fixed Assets

Investments

Net Current Assets

Miscellaneous Expenditure

Deferred Tax Assets

Accumulated Losses

## IV. Performance of Company (Amount in Rs. Thousands)

Turnover

Total Expenditure

Profit before Tax

Profit after Tax

Earning Per Share (in Rs.)

Dividend Rate (%)

## V. Generic Names of Three Principal Products/Services of Company (As per monetary terms)

Item Code No. (ITC Code)

Products Description

26) Figures for the previous year have been re-grouped, re-arranged and re-casted wherever necessary.

Signatures to Schedule 1 to 13

For **DAS & PRASAD**

Chartered Accountants

**G. D. Agarwal**

Partner

Membership No. 4543

4, Chowringhee Lane, Kolkata - 700 016

Date : March 28, 2009

For and on behalf of the Board

**Manoj Agarwala**  
Chief Financial Officer  
& Company Secretary

**Sandeep Singhania**  
Managing Director

**Sarita Singhania**  
Wholetime Director



# DIANA TEA COMPANY LIMITED

Registered Office : Sir R. N. M. House, 3B, Lal Bazar Street, Kolkata - 700 001

## ATTENDANCE SLIP

L.F./Client ID No. ....

DP ID No. ....

No. of Shares held.....

I/We hereby record my/our presence at the 98th Annual General Meeting of the Members of the Company on Saturday, June 27, 2009, at Gyan Manch Education Society Hall, 11, Pretoria Street, Kolkata - 700 071 at 10.30 a.m.

Full name of the Shareholder : \_\_\_\_\_  
(in block letters)

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

Full name of Proxy : \_\_\_\_\_  
(in block letters)

Signature of the Proxy : \_\_\_\_\_

**Notes :**

1. You are requested to sign and handover this slip at the entrance to the Meeting Venue.
2. If you intend to appoint a proxy to attend the Meeting instead of yourself, the proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the Meeting.

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# DIANA TEA COMPANY LIMITED

Registered Office : Sir R. N. M. House, 3B, Lal Bazar Street, Kolkata - 700 001

## FORM OF PROXY

L.F./Client ID No. ....

DP ID No. ....

No. of Shares held.....

I/We \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_  
\_\_\_\_\_ being a member/members of DIANA TEA COMPANY LIMITED hereby appoint  
\_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_  
\_\_\_\_\_ or failing him/her \_\_\_\_\_ of \_\_\_\_\_

in the district of \_\_\_\_\_ as my/our proxy to vote for me/our behalf at the 98th Annual  
General Meeting of the Members of the Company to be held on 27th day of June 2009 and at any adjournment thereof.

as witness my/our hand/hands this \_\_\_\_\_ day of \_\_\_\_\_ 2009.

Signed by the said \_\_\_\_\_

Please  
Affix  
Revenue  
Stamp

**Notes :**

1. The proxy need not be a member of the Company.
2. The proxy form signed across Re. 1/- Revenue Stamp Should reach Company's Registered Office atleast 48 hours before the time of meeting.



# Portfolio

## List of products

Bulk Packing Jute Bags  
(in 26 kgs & 35 kgs)

Tea Chest  
(in 26 kgs & 35 kgs)

Poly Pouch Pack  
(3 varieties in 250 gms)

Tea Bags  
(25 bags & 100 bags pack)

Mini Chestlet  
(500 gms)





## DIANA TEA COMPANY LIMITED

"SIR R. N. M. HOUSE"

3B, Lal Bazar Street, Kolkata 700 001

Phone : 2248-8672/1651/2164, Fax : (033) 2248 7571

E-mail : [contactus@dianatea.in](mailto:contactus@dianatea.in)