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23rd Annual Report 2008-2009



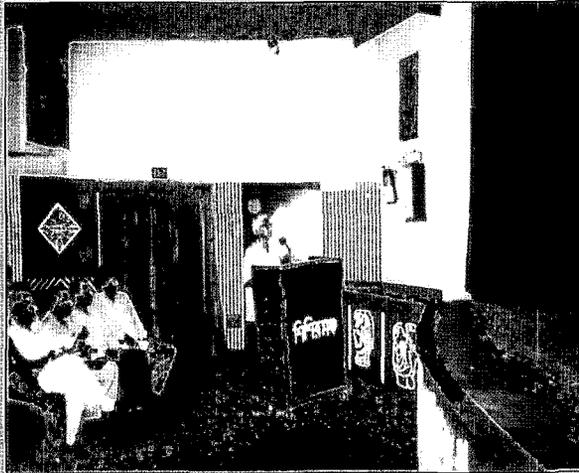
ASIAN TEA & EXPORTS LTD.



Management discussion in progress



A part of the Asian tea family.



A shareholder expresses his views
at previous AGM



Share holders at previous AGM

ASIAN TEA & EXPORTS LIMITED

CORPORATE INFORMATION

- BOARD OF DIRECTORS :** Sri H.R.Garg, Chairman cum Managing Director
Sri Sunil Garg, Whole time Director
Sri C.S.Surana
Sri A.K.Sengupta
Prof. B.C.Ghosh
Sri Lakshman Srinivasan
- COMPANY SECRETARY :** Anand Kumar Jha
- AUDITORS :** Agarwal Kejriwal & Co.
Chartered Accountants
1, Ganesh Chandra Avenue,
Kolkata- 700 013
- BANKERS :** State Bank of India
- REGISTERED OFFICE :** “Sikkim Commerce House”
5th Floor,
4/1, Middleton Street
Kolkata- 700071
- ISIN :** INE822B01017
- WEBSITE :** www.asianteaexports.com
- E-MAIL :** info@asianteaexports.com
- REGISTRAR & TRANSFER AGENT :** S.K.Computers
34/1A, Sudhir Chatterjee Street,
Kolkata- 700 006.
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NOTICE

NOTICE is hereby given that the Twenty Third Annual General Meeting of the members of Asian Tea & Exports Limited will be held on Tuesday, the 15th September, 2009 at 10.00 A.M at Calcutta Rowing Club, 15, Rabindra Sarobar, Kolkata-700 029 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2009, the Profit & Loss Account for the year ended 31st March 2009 and the Report of the Directors and Auditors' thereon.
2. To appoint a Director in place of Shri A.K.Sengupta, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint M/S Agarwal Kejriwal & Co, Chartered Accountants as Auditors and to fix their remuneration.

SPECIAL BUSINESS

4. To consider and if thought fit, to pass the following resolution, with or without modifications as an **ORDINARY RESOLUTION**:

“RESOLVED THAT pursuant to the provisions of sections 198,269,309 & Schedule XIII and other applicable provisions, if any of the Companies Act,1956,and subject to all such approvals as may be required, the approval of the members be and is hereby accorded to the re-appointment of Shri H.R.Garg, as Managing Director of the Company for a period of five years effective from 15th April, 2009 on the terms and conditions including remuneration as set out in the explanatory statement annexed hereto and also the draft agreement submitted to this meeting, with liberty to the Board of Directors to alter, vary, modify the terms and conditions, referred to above, in such a manner as may be agreed to by and between the Board and Shri H.R.Garg.

“Resolved Further that the appointment and remuneration paid to Shri H.R.Garg, Managing Director in terms of the above resolution be and is hereby approved, confirmed and ratified.”

By Order of the Board

Place:Kolkata

Date: 11th August' 09

ANAND KUMAR JHA
(Company Secretary)

NOTES:

1. The relative Explanatory statement pursuant to section 173 of the Companies Act, 1956 in respect of the business under item no.4 above is annexed hereto. The relevant details of director seeking re-appointment under item no.2 above, as required by clause 49 of the listing agreements entered into with the Stock Exchanges is also annexed.
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the Company. The instrument appointing a proxy should however be deposited at the Registered Office of the Company not less than forty-eight hours before the commencement of the meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday the 10th September, 2009 to Tuesday 15th September, 2009 (both days inclusive).
4. Details of the Directors seeking appointment/re-appointment in forthcoming Annual General Meeting (in pursuance of clause 49 of the Listing Agreement)

Name of the Director	Shri A.K. Sengupta
Date of Birth	01.11.1926
Date of Appointment	02.02.93
Expertise in specific functional area	Specialised in Soils and Fertilizers
Qualification	Hons. in Geology
Outside Directorship held	Nil
Chairman/Member of the Committee of the Board of Directors of the Company	Nil
No. of shares	Nil

5. Members are requested to make all correspondence in connection with shares held by them by addressing letters directly to the Registrar & Transfer Agent or to the Company at its registered Office quoting reference of their folio numbers or their Client ID number with DP-ID number, as the case may be.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

ITEM NO.4

The Directors of your Company at its Meeting of the Board of Directors approved and ratified subject to the approval of the members of the company, the re-appointment of Shri H.R.Garg as managing Director of the Company for a period of 5 years effective from the 15th April, 2009 on the following terms and conditions and in the manner and to the extent as set out in the draft agreement referred to in the resolution at ITEM NO. 4 of the notice.

A. Remuneration.

- a) **SALARY/SCALE:** In the scale of Rs. 50,000-10,000-1,00,000 to be fixed by the Board of Directors from time to time.
- b) **GRATUITY:** Not exceeding 1/2 months salary for each completed year of service.
- c) **PERQUISITES:**

Part-A.

1. **Medical Reimbursement:** Reimbursement of actual medical expenses in India and/or abroad including hospitalization, nursing home and surgical charges for himself and family.
2. **Leave Travel :** For the managing Director and his family once in a year in respect of family and himself.
3. **Leave:** One months paid leave for eleven months' service.
4. **Club Fees:** Subject to a maximum of two clubs. This will not include admission and life membership fee.
5. **Personal Accident Policy:** Premium not to exceed Rs. 12,500/- per annum.

Part-B

Contribution to Provident Fund, Superannuation Fund or Annuity Fund is not to be included in the computation of ceiling on perquisites to the extent these either singly or together are not taxable under the income Tax Act,1961.

Part-C

Provision of car with driver for use in Company's business and telephone at residence will not be considered as perquisites. However, personal long distance calls and use of car for private purpose will be billed by the Company to the Managing Director

In the absence or inadequacy of profit during the period Shri H.R.Garg shall be paid the above remuneration as minimum remuneration subject to the limit prescribed under section II, Part II of Schedule XIII to the Companies Act.

The draft agreement referred to the above resolution will be available for inspection to any member at the registered office of the Company between 11.00 A.M. to 1.00 P.M. on any working day and also at the Annual General Meeting.

Shri H.R.Garg being promoter Director of the company has made substantial progress due to his efforts. The remuneration proposed to Shri H.R.Garg is justified having regard to the nature of service required from him and the responsibility which he is called upon to bear as Managing Director of the company. The Board recommends acceptance of the Resolution.

In addition to Shri H.R.Garg, Shri Sunil Garg being his relative may also be deemed to be interested Director in the proposed Resolution.

The above may be regarded as an abstract of the terms of appointment and memorandum of concern or interest pursuant to Section 302 of the Act,1956.

By order of the Board

Place: Kolkata

Date: 11th August'09

ANAND KUMAR JHA
(Company Secretary)

THE BOARD OF DIRECTOR'S REPORT

Dear Shareholders,

Your Directors are pleased to present the Twenty Third Annual Report and the audited accounts for the year ended 31st March, 2009.

FINANCIAL RESULTS	For the year Ended 2008-09 (Rs. in Lacs)	For the year Ended 2007-08 (Rs. in Lacs)
Sales and Other Income	10267.12	7289.72
Profit before Taxation	90.55	62.56
Provision for Taxation		
Current	29.00	19.20
Deferred	3.95	6.57
Fringe Benefit Tax	3.15	1.45
Profit after Taxation	54.45	35.30
Expenses/(Income) pertaining to:		
Previous year (net)	(0.22)	(5.43)
Net Profit	54.67	40.73
Balance brought forward from Previous Year	312.42	271.69
Balance to be carried to next year	367.09	312.42

REVIEW OF OPERATIONS

During the year under review the company has recorded a turnover of Rs.10031.14 Lacs as compared to Rs 7234.18 Lacs in the Previous Year. The Company has recorded a net profit to the tune of Rs.54.67 lacs as compared to Rs.40.73 lacs in the previous year.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

During the period under review the company has not carried out any manufacturing activities, hence the disclosures required under the provisions of Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 with regard to energy and technology absorption are not applicable to your company.

FOREIGN EXCHANGE EARNINGS AND OUTGO

	2008-09	2007-08
1. Activities relating to export taken to increase exports	Procured orders from new buyers	Procured orders from new buyers
2. Total Foreign exchange Earnings (Rs. In Lac)	9398.27	6367.02
3. Used (Rs. In Lacs)	5382.41	4481.16

Note: Total Foreign exchange earnings during the year was of USD 21.16 Millions.

PARTICULARS OF EMPLOYEE

Section 217 (2A) of the Companies Act, 1956 is not applicable as no employee is in receipt of or entitled to receive remuneration in excess of the limits specified therein.

CORPORATE GOVERNANCE

In terms of Clause 49 of the Listing Agreement, a report on Corporate Governance together with the Auditors Certificate regarding the compliance of conditions of corporate governance are annexed.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under section 217(2AA) of the Companies Act, 1956, your Directors confirm that:

1. In preparation of the Annual Accounts, for the year ended 31st March 2009, the applicable Accounting Standards have been followed and that there are no material departures.
2. The Directors have, in the selection of Accounting Policies, consulted the statutory Auditors and have applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March 2009 and of the Profit and Loss for the financial year ended 31st March, 2009.
3. 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 the Company and for detecting fraud and irregularities.
4. The Directors have prepared the Annual Accounts on Going Concern basis.

DIRECTORS

Pursuant to provisions of the Companies Act, 1956 and the Articles of Association of the Company, Shri A.K.Sengupta, Director of the Company retires by rotation and being eligible offers himself for re-appointment at the ensuing Annual General Meeting.

AUDITORS AND AUDITORS' REPORT

M/S Agarwal Kejriwal & Co, Chartered Accountants, the retiring auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

The notes on accounts referred to in the Auditors Report are self-explanatory and therefore do not require any further comment.

STOCK EXCHANGE

The Company's securities are listed at Calcutta Stock Exchange Association Limited, and Bombay Stock Exchange Ltd.

APPRECIATION

Your Directors place on record their deep appreciation for the continued assistance, support and co-operation extended to the Company by the Banks, Government departments, other agencies and employees at all levels.

Your Directors thank you, our esteemed shareholders, for your continued support.

For and on behalf of the Board

Place: Kolkata
Date: 11th August'09

H.R.GARG
(CHAIRMAN)

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company is committed to practice good corporate Governance. The Company fully realizes the rights of its shareholders to information on the performance of the Company and considers itself a trustee of its shareholders. Sound governance process consists of a combination of business practices which result in enhanced shareholder value and enable the company to fulfill its obligations to customers, employees, financiers and to the society in general. The Company further believes and focuses on attaining the highest levels of core values of transparency, empowerment, accountability, independent monitoring and environment consciousness. The Company makes its best endeavour to uphold and nurture these core values across all aspects of its operations

2. BOARD OF DIRECTORS

(A) Composition of the Board

The Board is headed by the Executive Chairman, Shri Hariram Garg and comprises of persons with considerable professional experience in their respective fields. Sixty Six percent of the Board consists of Non- Executive Directors and Four out of Six are Independent Directors.

The Composition of the Board of Directors and also the number of other Boards or Board Committees of which he is a member or chairperson are as under:

Name of the Director	Executive/Non-Executive/Independent	No. of other Directorship (s)		No. of outside Committee positions held	
		Public	Private	Member	Chairman
Shri H.R.Garg	Chairman- Executive	-	3	-	-
Shri Sunil Garg	Executive	-	4	-	-
Shri A.K.Sengupta	Non-Executive Independent	-	2	-	-
Shri C.S.Surana	Non Executive Independent	-	3	-	-
Shri B.C.Ghosh	Non Executive Independent	-	1	-	-
Shri Lakshman Srinivasan	Non Executive Independent	-	1	-	-

(B) Details of Board Meetings and attendance

The Board met 8 times during the year under review on 30.04.2008, 28.07.2008, 09.08.2008, 19.08.2008, 27.08.2008, 27.10.2008, 27.11.2008, 29.01.2009 and the agenda papers were circulated well in advance of each meeting of the Board of Directors. The Company placed before the Board, the working of the organization and statements containing the status of the various matters pursuant to Corporate Governance practices as required by Clause 49 of the Stock Exchange Standard Listing Agreement.

The attendance of each of the Directors at the meeting during the year and at the last Annual General Meeting is as follows:

Name of the Director	No. of Board Meetings Attended	Attendance at last AGM
Shri H.R.Garg	8	Yes
Shri Sunil Garg	8	Yes
Shri A.K.Sengupta	6	Yes
Shri C.S.Surana	4	No
Shri Bijay Chandra Ghosh	1	No
Shri Lakshman Srinivasan	4	Yes

3. AUDIT COMMITTEE

(A) Terms of reference

The audit committee oversees the Company's financial reporting process and disclosure of its financial information, to recommend the appointment of Statutory Auditors and fixation of their remuneration, to review and discuss with the Auditors about internal control systems, the scope of audit including the observations of the Auditors, adequacy of the internal audit system, major accounting policies, practices and entries, compliance with accounting standards and Listing Agreements, and other legal requirements concerning financial statements and related party transactions, if any, and to review the financial statements before they are submitted to the Board of Directors.

(B) Composition of the Committee, Meetings and Attendance

The Audit Committee of the Company comprises of four Directors, of which three are Independent and one is executive. The Chairman of the Committee is an independent Director. The Company Secretary acts as the Secretary to the Committee. The Statutory auditor of the company is a permanent invitee at the meetings of the Committee.

The Constitution of the Audit Committee is as follows:

1. Shri A.K.Sengupta : Chairman, Independent Director
2. Shri C.S.Surana : Member, Independent Director
3. Shri Bijay Chandra Ghosh : Member, Independent Director
4. Shri Sunil Garg : Member, Executive Director

The Committee met 4 (four) times during the year on 30.04.2008, 28.07.2008, 27.10.2008 & 29.01.2009 and was attended by all the members of the committee.

4. REMUNERATION COMMITTEE

The Company has not yet formed a remuneration committee which is a part of non-mandatory requirement of the Code. The remuneration policy of the Company is directed towards rewarding performance, based on review of achievements on a periodic basis. The remuneration policy is in consonance with the existing industry practices and the requirements of law. The Company does not have stock option plan or performance linked incentives for its Directors. The details of Directors' remuneration is as follows:

Name of Directors	Salary	Benefits	Sitting Fees	Total
Shri H.R. Garg	540000	21171	-	561171
Shri Sunil Garg	540000	14587	-	554587
Shri A.K. Sengupta	-	-	4500	4500
Shri C.S. Surana	-	-	3000	3000
Shri Bijay Chandra Ghosh	-	-	750	750
Shri Lakshman Srinivasan			3000	3000

5. SHARE TRANSFERS AND SHARE HOLDERS/ INVESTORS GRIEVANCE COMMITTEE.

(A) Terms of reference

The Committee looks into issues relating to share, including transfer /transmission of shares, issue of duplicate share certificates, non- receipt of dividend, annual reports etc. The Committee meets to review status of investor grievances, ratify share transfers, approve transmission of shares and issue duplicate share certificates from time to time. Besides, officers of the Company have been authorized to approve issue of share certificates, approve transfers/ transmission of shares, consolidation, sub-division, split of share certificate.

(B) Composition, Meetings and Attendance

The committee consists of the following members:

- | | |
|-----------------------|-----------------------------------|
| 1. Shri A.K.Sengupta | : Chairman, Independent Director. |
| 2. Shri Sunil Garg | : Executive Director |
| 3. Shri Hari Ram Garg | : Executive Director |

The Committee meets at an interval of 15 days to look share transfers and investor grievances and the meetings have been attended by all the members.

(C) Compliance Officer:

The Board has designated Shri A.K.Jha, the Company Secretary as the Compliance Officer.

(D) Details of Shareholder's Complaints Received

The total number of investor complaints received and replied to the shareholders during the year ended 31st March, 2009 was twenty four. There are no investor complaints lying unresolved at the end of the year as on 31st March, 2009. No shares are pending for transfer as on 31st March, 2009.

6. GENERAL BODY MEETINGS

Financial year	Date	Location of the Meeting	Time
2007-2008	30 th September, 2008	Calcutta Rowing Club, 15, Rabindra Sarobar, Kolkata-700 029	10.00 A.M.
2006-2007	29 th September, 2007	Sisir Mancha, 1/1 Acharya Jagdish Chandra Bose Road, Kolkata- 700020	10.00 A.M.
2005-2006	8 th September, 2006	Sisir Mancha, 1/1 Acharya Jagdish Chandra Bose Road, Kolkata- 700020	10.00 A.M.

Extra Ordinary Meeting

An extra-ordinary General Meeting of the Shareholders was held on 20th October 2005 at bye-pass swimming Club, 11 East Topsia Road, Kolkata- 700046

SPECIAL RESOLUTIONS

No special resolutions were passed during last 3 Annual General Meetings.

POSTAL BALLOT

No resolutions were passed through postal ballot in the year 2008-09.

7. DISCLOSURES

Related party disclosures have been made in paragraph 9 of the Significant Accounting Policies.

The Company has complied with the requirements of regulatory authorities on capital markets and no penalties/ strictures were imposed against it during the last three years.

Pursuant to the provisions of Sub- Clause V of the revised Clause 49 of the Listing Agreement with the stock Exchanges, the Managing Director and the Executive Director have issued a certificate to the Board, for the Financial Year ended 31st March 2009.

The Board has taken cognizance of the non-mandatory requirements of Clause 49 of the Listing Agreement and shall consider adopting the same as and when necessary.

The Company has in place a procedure for identification and mitigation of business and commercial risk. The Audit Committee reviews the risk management and mitigation plan from time to time.

8. MEANS OF COMMUNICATION

1. Quarterly results and the half-yearly results are published in leading newspaper in English and Bengali.
2. Management Discussion and Analysis Report forms part of the Directors' Report.

9. GENERAL SHAREHOLDERS INFORMATION.**A) Annual General Meeting**

Date & Time: 15th September, 2009 at 10.00 A.M.

Venue: Calcutta Rowing Club, 15, Rabindra Sarobar, Kolkata-700 029

B) Financial Calendar & Publication of Results (Tentative):

The financial Year of the Company is April to March.

Results for the quarter ending 30 th June, 2009	Fourth week of July, 2009
Results for the quarter ending 30 th September, 2009	Fourth week of October, 2009
Results for the quarter ending 31 st December, 2009	Fourth week of January, 2010
Results for the quarter ending 31 st March, 2010	Fourth week of April, 2010

C) Book Closure Date

The Register of Members and Share Transfer Books of the Company will remain closed from Thursday the 10th September, 2009 to Tuesday the 15th September, 2009 (both days inclusive).

D) Dividend Payment Date

The Board of Directors of the Company has not recommended any dividend for this year.

E) Listing of Stock Exchanges

The Company's securities are listed at:

- i) Calcutta Stock Exchange Association Ltd:
7, Lyons Range, Kolkata- 700 001
- ii) Bombay Stock Exchange Ltd.
Phiroze Jeejeebhoy Towers, Dalal Street, 25th Floor, Mumbai- 400 001

F) Listing Fees

Listing Fee for the year 2009-2010 has been paid to the above stock exchanges.

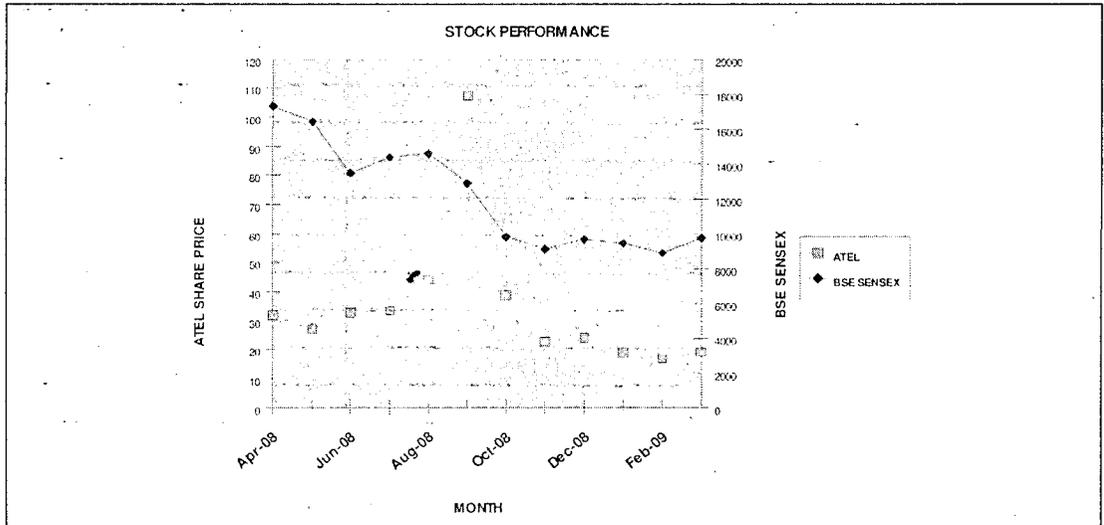
G) Stock Code

Calcutta Stock Exchange Association Ltd.	011053
Bombay Stock Exchange Ltd.	519532
ISIN NO.	INE822B01017

H) Stock Price Data

Month	Bombay Stock Exchange Limited	
	High (Rs)	Low (Rs)
April 2008	34.95	29.00
May 2008	36.05	26.25
June 2008	32.90	22.00
July 2008	40.00	29.75
August 2008	44.15	32.65
September 2008	115.50	45.50
October 2008	101.95	38.80
November 2008	38.00	19.65
December 2008	30.15	20.05
January 2009	26.90	18.10
February 2009	20.00	16.80
March 2009	20.50	15.15

I) Stock Performance



J) REGISTRAR & TRANSFER AGENT

S.K.Computers

34/1A, Sudhir Chatterjee Street, Kolkata- 700 006

Tel:- (033) 2219-4815/ 6797, Fax: (033) 2219-4815

K) Share Transfer System

Share Transfers are normally effected within a maximum period of 30 days from the date of receipt and demat requests are confirmed within a maximum period of 14 days.

L) Distribution of Shareholding as on 31.3.09

No of Shares	No of Shareholders	% to total holders	No of Shares	% to total holding
Upto to 500	11945	96.11	1363608	16.04
501 to 1000	248	2.00	203125	2.40
1001 to 2000	100	.80	152016	1.79
2001 to 3000	25	.20	62450	.73
3001 to 4000	19	.15	67462	.79
4001 to 5000	14	.11	67077	.79
5001 to 10000	32	.26	229005	2.69
10001 to 50000	22	.18	453056	5.33
50001 to 100000	6	.05	458810	5.40
100001 and above	18	.14	5443391	64.04
TOTAL	12429	100.00	8500000	100.00

M) Categories of shareholders as on 31.03.09

Category	No of Shares held	% of shareholding
Res Ind	2409185	28.34
Dom Com	3693419	43.45
N.R.I	108096	1.27
For Com	0.00	0.00
Mutual Funds	15200	0.19
Fin Ins	0.00	0.00
Nal Bank	0.00	0.00
Dir Relv	2274100	26.75
F.I.I.S	0.00	0.00
GRAND TOTAL	8500000	100.00

N) Dematerialisation of shares

86.81 % of the Shares aggregating to 73,78,697 Shares have been Dematerialized Upto 31st March'2009

O) There are no outstanding GDR/ Warrants and Convertible Bonds**P) Plant Locations:**

Factory Warehouse: Budge Budge Trunk Road, Rampur, 24 Parganas (South), West Bengal.

Q) Investor Correspondence

S.K.Computers
34/1A, Sudhir Chatterjee Street,
Kolkata- 700006
Tel: 2219-4815/679
Fax: 2219-4815

OR Anand Kumar Jha
Company Secretary
Sikkim Commerce House
4/1, Middleton Street, Kolkata 700071
Tel: 2287-7334/9320
E-mail: anand@asianteaexports.com

R) Pan Requirement

SEBI has vide its circular no. MRD/Dop/Cir-05/2009 dated 20-05-2009 made the requirement of PAN Card of all Transferee(s) compulsory in case of all Physical Transfer of Shares.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

Production of tea in India was estimated at 980 million kgs in the year 2008 compared to a approx 950 million kgs. in 2007, implying an increase of 30 million kgs. India with 41% share of global production is the largest producer of black tea in the world, followed by Kenya- 346 million Kgs and Srilanka – 318 Million Kgs.

Export of tea from India in 2008 is estimated at 190 million kgs compared to approx 180 million kgs. in 2007, a modest increase of 10 million kgs. Negative carry forward stock and strong domestic consumption drove up tea prices by an average of approx Rs.20/- per Kg.

The company has recorded substantial increase of 38% in its business turnover from Rs.723 million in 07-08 to Rs.1003.11 million in 08-09. The company has crossed 1000 million turnover for the first time in its history. Despite the hefty increase in purchase cost, interest charges and other costs and exchange losses, the company has recorded an increase in PAT by over 54%.

OPPORTUNITIES AND THREATS

Global financial crisis had some impact on the demand of tea especially from the Middle East & CIS countries. The after effects remain, although improvements can be seen. An appreciating rupee may have a negative impact on demand of Indian tea..

BUSINESS OUTLOOK

The company has managed to grow despite adverse global economic condition. Efforts are being made to increase the customer base. The company has received orders from new clients in UK and Germany. The company has also forayed into value added tea products like tea bags. The business outlook is expected to be stable during the current year.

RISKS & CONCERNS

Rising tea prices may dampen demand. The effect of the global financial crisis lingers on and has potential to cause further disruptions.

DECLARATION BY THE MANAGING DIRECTOR UNDER CLAUSE 49 OF THE LISTING AGREEMENT REGARDING ADHERENCE TO THE CODE OF CONDUCT.

The Company has adopted a code of conduct for its Directors, senior management and employees of the Company.

In accordance with sub-clause I-(D) of Clause 49 of the Listing Agreement with the stock exchanges, I hereby confirm that all the Directors and Senior Management Personnel of the Company have affirmed compliance with their Codes of Conduct, as applicable to them, for the Financial Year ended 31st March, 2009.

For ASIAN TEA & EXPORTS LTD.

Hariram Garg
Managing Director

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

To
The Members of Asian Tea & Exports Ltd.
Sikkim Commerce House,
4/1, Middleton Street,
Kolkata- 700 071.

We have examined the compliance of Corporate Governance by ASIAN TEA & EXPORTS LTD, for the year ended on 31st March 2009, 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 implementations 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 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 March 2009, there were no investor grievances remaining unattended/ pending for a period exceeding one month.

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.

Place: Kolkata
Date: 11.08.09

For Agarwal Kejriwal & Co.
Chartered Accountants

(M.Agarwal)
Partner

AGARWAL KEJRIWAL & CO.*Chartered Accountants*

1. Ganesh Chandra Avenue,
4th Floor, Kolkata-700 013
☎ 2236-5177/1785; 2225-6995
☎ (033) 22256372
✉ agarwalkejriwal@vsnl.com

AUDITORS' REPORT

To The Members of
Asian Tea & Exports Limited

1. We have audited the attached balance sheet of **Asian Tea & Exports Limited** as at 31st March, 2009, the profit and loss account and also the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on 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 disclosures 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 for our opinion.
 3. As required by the Companies (Auditors' Report) (Amendment) Order 2004 issued by the Central Government of India in terms of Sub-section (4A) of Section 227 of the Companies Act, 1956 and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
 4. Further to our comments in the Annexure referred to above, we report that :
 - (i) We have obtained all the information and explanations, which
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to the best of our knowledge and belief were necessary for the purposes of our audit;

- (ii) In our opinion, proper books of accounts as required by law have been kept by the company so far as appears from our examination of those books;
- (iii) The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of accounts
- (iv) In our opinion, the balance sheet, profit and loss account and 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;
- (v) On the basis of written representations received from the directors, as on 31st March, 2009 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2009 from being appointed as a director in terms of para (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts 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;
 - (a) in the case of balance sheet, of the state of affairs of the company as at 31st March, 2009;
 - (b) in the case of the profit and loss account, of the profit for the year ended on that date; and
 - (c) in the case of the cash flow statement of the cash flow for the year ended on that date.

For AGARWAL KEJRIWAL & CO.

Chartered Accountants

(M. Agarwal)

Partner

Place : Kolkata

Date : 11th August '09

Membership No. : 52474

Annexure

Referred to in paragraph 3 of our report of even date.

- (I)
 - (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) All the assets have been physically verified by the management during the year. No material discrepancies were noticed on such verification.
 - (c) During the year no substantial part of fixed assets have been disposed off by the company. Therefore, the provision of clause (1c) of para 4 of the aforesaid order, in our opinion, are not applicable to the company.
- (II)
 - (a) The company has conducted physical verification of inventory at reasonable intervals.
 - (b) In our opinion, the procedure 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) The company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (III)
 - (a) The company had not granted any loan, secured/unsecured, to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
 - (b) As the company had not granted any loan, secured/unsecured, to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956, the para 4(iii)(b) of the aforesaid order is not applicable to the company.
 - (c) As the company had not granted any loan, secured/unsecured, to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956, the para 4(iii)(c) of the aforesaid order is not applicable to the company.
 - (d) As the company had not granted any loan, secured/unsecured, to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956, the para 4(iii)(d) of the aforesaid order is not applicable to the company.
 - (e) The company has not taken any loan, secured/unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
 - (f) In view of our comment in paragraph (III)(e) above, clause (III)(f) & (III)(g) of para 4 of the aforesaid order are not applicable to the company.
- (IV) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.

- (V) (a) According to the information and explanations given to us, we are of the opinion that particulars of contracts or arrangements referred in section 301 that need to be entered into the register maintained under above section of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained u/s. 301 of the Companies Act, 1956 does not exceed Rupees Five lacs in value in respect of any party. Therefore, the provisions of para 4(v)(b) of the order is not applicable to the company.
- (VI) In our opinion and according to the information and explanations given to us, the company has not taken deposits from public. Therefore, the provisions of para 4(vi) of the Companies (Auditors' Report) (Amendment) Order 2004 are not applicable to the company.
- (VII) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- (VIII) In our opinion, para 4(viii) of the Companies (Auditors' Report) (Amendment) Order 2004 is not applicable to the company.
- (IX) (a) The company is regular in depositing with appropriate authorities undisputed statutory dues including income tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of statutory dues including provident fund, investor education & protection fund, employees state insurance, income tax, wealth tax, service tax, customs duty, excise duty, cess and any other statutory dues were in arrears, as at 31st March, 2009 for a period of more than six months from the date they became payable.
- (c) According to the records of the company and information and explanation given to us, there are no dues on account of Income Tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess & other material statutory dues applicable to it, which have not been deposited on account of dispute as on 31st March' 2009.
- (X) The company does not have accumulated losses. Therefore, the para 4(x) of the order is not applicable to the company.
- (XI) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution or bank and the company does not have any borrowings by way of debentures.
- (XII) According to the information and explanations given to us, we are of the opinion that the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provisions of para 4(xii) of the Companies (Auditors' Report) (Amendment) Order 2004 are not applicable to the company.
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- (XIII) In our opinion, the company is not a chit fund or a nidhi mutual benefit fund/society. Therefore, the provisions of para 4(xiii) of the Companies (Auditors' Report) (Amendment) Order 2004 are not applicable to the company.
- (XIV) In our opinion and according to the information and explanations given to us, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly the provisions of para 4(xiv) of the order is not applicable to the company.
- (XV) In our opinion and according to the information and explanations given to us, the provisions of para 4(xv) of the Companies (Auditors' Report) (Amendment) Order 2004 are not applicable to the company, as the company has not given any guarantee for loans taken by others from bank or financial institutions.
- (XVI) In our opinion, the term loans have been applied for the purpose for which they were raised.
- (XVII) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the no funds raised on short-term basis have been used for long-term investment.
- (XVIII) According to the information and explanations given to us, the company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- (XIX) According to the information and explanations given to us, during the period covered by our audit report, the company had not issued debentures.
- (XX) According to the information and explanations given to us, the provisions of para 4(xx) of the Companies (Auditors' Report) (Amendment) Order 2004 are not applicable to the company.
- (XXI) During the course of our examination of books of account carried out in accordance with generally accepted practices in India and we have neither come across any incidence of fraud on or by the Company nor have we been informed of any such case by the management.

For AGARWAL KEJRIWAL & CO.

Chartered Accountants

(M. Agarwal)

Partner

Membership No. : 52474

Place : Kolkata

Date : 11th August' 09

BALANCE SHEET AS AT 31ST MARCH, 2009

	SHDL	AS AT 31/03 2009 Rs.	AS AT 31/03/2008 Rs.
SOURCES OF FUNDS			
1 Shareholders' Fund			
Share Capital	"A"	85000000	85000000
Reserves & Surplus	"B"	62009576	56542765
2 Loan Fund			
Secured Loans	"C"	122977495	204920533
		269987071	346463298
APPLICATION OF FUNDS			
1 Fixed Assets	"D"		
(a) Gross Block		8442448	8316528
(b) Less: Depreciation		4034704	3437053
(c) Net Block		4407744	4879475
2 Investments	"E"	74707589	46271629
3 Current Assets, Loans & Advances			
(a) Inventories	"F"	119176158	64919063
(b) Sundry Debtors	"G"	78495828	197599776
(c) Cash & Bank Balances	"H"	6531554	6431071
(d) Loans & Advances	"I"	27107947	70621356
		231311487	339571266
Less: Current Liabilities & Provisions	"J"	41585363	46019300
Net Current Assets		189726124	293551966
4 Miscellaneous Expenditure (to the extent not written off or adjusted)	"K"	320000	540000
5 Deferred Tax (Net)	"L"	825614	1220228
TOTAL (1+2+3+4+5)		269987071	346463298

NOTES ON ACCOUNTS

Schedules 'A' to 'L' & 'S' referred to above form an integral part of the Balance Sheet
In terms of our report of even date

"S"

For & on behalf of the Board

For AGARWAL KEJRIWAL & CO.
Chartered Accountants

H.R.GARG
Chairman cum Managing Director

M. AGARWAL
(Partner)
Membership No.52474

ANAND KR. JHA
Company Secretary

SUNIL GARG
Whole time Director

C.S.SURANA
Director

A.K.SENGUPTA
Director

B.C.GHOSH
Director

LAKSHMAN SRINIVASAN
Director

Place : Kolkata
Dated: 11TH August, 09

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

	SHDL	AS AT 31/03 2009 Rs.	AS AT 31/03/2008 Rs.
INCOME			
Sales	"M"	1003114406	723418274
Other Income	"N"	23597285	5554530
Increase/ (Decrease) in stock	"O"	54257095	22336956
		1080968786	751309760
EXPENDITURE			
Purchases	"P"	946363903	681632593
Expenditure	"Q"	124337700	681632593
Depreciation		597652	674983
		1071299255	745053761
Profit before Taxation		9669531	6255999
Provision for Taxation			
Current Tax		2900000	1920462
Deferred Tax		394614	657578
Fringe Benefit Tax		315100	145000
Earlier Year Tax		614922	3044
Profit after Taxation		5444895	3529915
Income/(Expenses) pertaining to previous year	"R"	21916	543732
NET PROFIT		5466811	4073647
Balance b/f from previous year		31242765	27169118
Balance carried to Balance Sheet		36709576	31242765
Basic and Diluted Earnings per Share		0.64	0.48

NOTES ON ACCOUNTS

Schedules 'M' to 'R' & 'S' referred to above form an integral part of the Profit & Loss Account
In terms of our report of even date For & on behalf of the Board

For AGARWAL KEJRIWAL & CO.
Chartered Accountants

H.R.GARG
Chairman cum Managing Director

M. AGARWAL
(Partner)
Membership No.52474

ANAND KR. JHA
Company Secretary

SUNIL GARG
Whole time Director
C.S.SURANA
Director
A.K.SENGUPTA
Director
B.C.GHOSH
Director

LAKSHMAN SRINIVASAN
Director

Place : Kolkata
Dated: 11th August, 09

SCHEDULES FORMING PART OF THE BALANCE SHEET

	AS AT 31/03/2009 RS.	AS AT 31/03/2008 RS.
SCHEDULE - "A"		
SHARE CAPITAL		
Authorised		
3,00,00,000 Equity Shares of Rs. 10/- each	300000000	300000000
(Previous year 3,00,00,000 Equity Shares of Rs. 10/- each)	300000000	300000000
Issued, Subscribed and Paid-up		
85,00,000 Equity Shares of Rs. 10/- each	85000000	85000000
(Previous year 85,00,000 Equity Shares of Rs. 10/- each)	85000000	85000000
SCHEDULE - "B"		
RESERVES AND SURPLUS		
(a) Securities Premium Accounts		
Balance as per last Account	24000000	24000000
Additions:	0	0
Deductions:	0	0
Sub-Total (a)	24000000	24000000
(b) General Reserve		
Balance as per last account	1300000	0
Add: Balance written up amount on forfeiture of zero coupon convertible warrants	0	1300000
sub-Total (b)	1300000	1300000
(c) Profit & Loss Account		
Balance as per annexed Account	36709576	31242765
sub-Total (c)	36709576	31242765
	62009576	56542765
SCHEDULE - "C"		
SECURED LOANS		
ICICI BANK (Car Loan)		
(Secured against vehicle on deferred credit)		102791
<u>State Bank of India</u>		
Export bill discounting account	60806248	168358266
Packing credit account (EPC/PCFC)	62171247	36459476
(Secured by hypothecation charge on all current assets covering raw material/finished goods at company's godown, procurement centres, goods in transit, goods with company's agent/representative etc. domestic and export receivable and other current assets present and future and collateral security in the form of equitable mortgage of properties lying in the name of associate concerns)		
	122977495	204920533

SCHEDULES FORMING PART OF THE BALANCE SHEET
SCHEDULE - D (FIXED ASSETS)

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As at.	Additions	Total Cost as	upto	During the	Total as at	As at	As at
	1/4/2008	during the	at	31.03.2009	31.03.08	31.03.09	31.03.09	31.03.08
	(Rs.)	Yr.	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Residential Flat	2796029	0	2796029	167091	131447	298538	2497491	2628938
Plant & Machinery	790694	73000	863694	411197	58283	469480	394214	379497
Office Equipments	1353236	12360	1365596	694822	91807	786629	578967	658414
Furniture & Fixtures	795976	0	795976	489814	55415	545229.	250747	306162
Vehicles	1979450	0	1979450	1200279	201727	1402006	577444	779171
Computers	601143	40560	641703	473849	58972	532821	108882	127294
TOTAL	8316528	125920	8442448	3437052	597652	4034704	4407744	4879476
Previous Year	8136464	180064	8316528	2726860	710193	3437053	4879475	

SCHEDULES FORMING PART OF THE BALANCE SHEET

	AS AT 31/03/2009			AS AT 31/03/2008		
	Face Value	No. of Eq. sh.	Amount(Rs)	Face Value	No. of Eq. sh.	Amount(Rs)
SCHEDULE - "E"						
INVESTMENTS (Other than Trade)						
<u>Long term (at cost) Unquoted</u>						
Hurdeodass Co. (P) Ltd.	10	80000	9182500	10	80000	9182500
Azambad Tea Co. (P) Ltd.	10	3800	606625	10	3800	606625
Asian Housing & Construction (P) Ltd.	10	1366000	36410000	10	1366000	36410000
Shivangini Builders (P) Ltd.		-	-	10	500	50000
Kesavatsapur Tea Company (P) Ltd.	10	2850000	28500000		-	-
<u>Long Term - Quoted</u>						
Punjab National Bank Ltd.		-	-	10	36	14040
<u>Other Investment</u>						
Gold Coin (8 Gram)		1	8464		1	8464
			74707589			46271629
Market Value of Quoted Investment			Nil			18369
SCHEDULE - "F"						
INVENTORIES (as taken, valued & certified by the management at cost)						
Stock of Tea						
Stores & Packing materials						
				31/03/2009	31/03/2008	
				Rs.	Rs.	
				118526158	64669455	
				650000	249608	
				119176155	64919063	
SCHEDULE - "G"						
SUNDRY DEBTORS						
(unsecured but considered good)						
a) Debts outstanding for a period exceeding six months)				549498	9746491	
b) Other Debts				77946330	187853285	
				78495828	197599776	
SCHEDULE - "H"						
CASH & BANK BALANCES						
A. Cash in hand (as certified by management)				767262	365051	
B. Balances with scheduled bank in Current Account				3394436	3134035	
Fixed Deposit Account				2369856	2931985	
				6531554	6431071	
SCHEDULE - "I"						
LOANS & ADVANCES						
(Unsecured and considered good)						
A: Loans						
to Body corporates (including interest Rs.8,90,597/-P.Y Rs.20,02,222/-)				6603860	13306753	
B: Advances						
Advances recoverable in cash or in kind or value to be received)				3746039	37108495	
Export Incentive receivable				639510	639510	
Income Tax (including TDS of Rs.12,35,063/-)				8435063	10353019	
Fringe Benefit Tax				525974	125000	
ICICI Bank receivable				-	679271	
HDFC FOREX receivable				-	143045	
Prepaid Expenses				1132979	95980	
Input Tax Credit A/c				-	69380	
DEPB Licence in hand				67509	2552613	
Group Gratuity Fund				385789	-	
Rent Receivable				22934	-	
C: Deposits						
Security Deposit				5548290	5548290	
				27107947	70621356	

SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

	AS AT 31/03 /2009 RS.	AS AT 31/03 /2008 RS.
SCHEDULE - "J"		
A) Current Liabilities		
<u>Sundry Creditors</u>		
for Goods	1264672	9917045
for expenses	21369779	11030148
Bank overdraft	-	6006815
Advances from customers	9760141	10618030
B) Provisions		
for Income Tax	8048155	7994155
for fringe benefit tax	652232	337132
for Gratuity	490384	115975
	41585363	46019300
SCHEDULE - "K"		
MISCELLANEOUS EXPENDITURE to the extent not written off or adjusted	540000	760000
Less: Written off during the year	220000	220000
	320000	540000
SCHEDULE - "L"		
DEFERRED TAX (NET)		
Deferred tax b/f	1220228	1877806
Add/Less: During the year	(394614)	(657578)
	825614	1220228
SCHEDULE - "M"		
SALES		
A. EXPORTS:		
Tea	939777712	612591787
Misc. Items	49519	24110791
B. High Sea Sales		
Logs	26895225	37929326
C. Domestic		
Tea	17198855	16167557
Iron & Steel	15963545	32618813
Misc. Items	3229550	-
	1003114406	723418274
SCHEDULE - "N"		
OTHER INCOME		
Interest on Loan (Tds Rs.1,83,463/-P.Y. Rs.4,24,870/-)	890597	2002222
Interest on bank deposit (Tds Rs.88,085/- P.Y. Rs.65,041/-)	444858	276324
Export Incentive	17492717	3006326
Gain/Loss on Commodities forward/options	4503842	-
Dividend	468	216
Miscellaneous Receipts	-	166334
Profit on sale of Investment	108	-
Rent Received (TDS Rs. 30,814/- P.Y -Nil)	217200	-
Sundry Balances written back	47495	103108
	23597285	5554530

SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT

	AS AT 31/03/2009 RS.	AS AT 31/03/2008 RS.
SCHEDULE - "O"		
INCREASE/(DECREASE) IN STOCK		
Opening Stock	64919063	42582107
Less: Closing Stock	119176158	64919063
Increase/(Decrease)	54257095	22336956
SCHEDULE - "P"		
PURCHASES		
Tea	893018706	580724877
Iron & Steel	15755665	32380717
Logs	26367867	37128492
Packing Materials	8329082	8997319
Misc. Items	2892583	22401188
	946363903	681632593
SCHEDULE - "Q"		
Advertisement & Sponsorship	77823	61242
Audit Fees (includes tax audit fees)	74139	56180
Bank Charges	6155114	3392054
Blending Charges	3982909	2789945
Business Promotion Expenses	405041	320425
Clearing & Forwarding Charges	2579370	1991352
Commission & Brokerage	31658020	10041810
Consultancy Charges	575143	247663
Directors Sitting Fees	11250	9750
Discount Allowed	738605	218345
Electricity Charges	227626	230559
Filing Fees	9715	9000
Freight Outward (Export)	18437634	8953177
FD Written off	45717	-
Gain/Loss on Forex fluctuation, Derivatives & forward contract	27801990	4962596
Inspection & testing	192755	142327
Insurance	4002757	3336683
Interest on Bill Discounting/Packing credit & overdraft	18343893	17039536
Legal & Listing Expenses	249351	248370
Local Transportation Charges	1113019	1183723
Managerial Remuneration	1080000	744000
Medical Expenses of Director	54372	66992
Misc. Expenses	72266	163775
Office Expenses	838547	740174
Postage & Telegram	413055	335557
Preliminary Expenses written off	220000	220000
Printing & stationery	188031	193966
Rent, Rates & Taxes	335334	416103
Repairs & Maintenance	128178	198660
Salary, Wages & Other Employees* Benefits	1693502	2006112
Subscription & Donation	266730	522583
Telephone Expense	272062	304345
Travelling & conveyance	1104191	677651
Vehicle Maintenance Charges	169186	286002
Warehousing Charges	820375	600318
	124337700	62710975
SCHEDULE - "R"		
INCOME/EXPENSES PERTAINING TO PREVIOUS YEAR		
Income	58416	558385
Expenses	36500	14653
Net	21916	543732

SCHEDULE –“S”**NOTES ON ACCOUNTS ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED ON 31ST MARCH, 2009****Summary of Significant Accounting Policies:**

1. **Basis of Preparation:** The financial statements are prepared under historical cost convention and following fundamental accounting assumptions namely going concern, consistency and accrual so as to comply with the mandatory accounting standards issued by The Institute of Chartered Accountants of India. The accounting policies have been consistently applied by the company and are consistent with those used in the previous year.
2. **Revenue Recognition :** In compliance with the requirement of accrual system of accounting following standards have been set out and are being followed over years :
 - a) Sale is recognized when the ownership and control has been transferred to the prospective buyer provided there is no significant uncertainty in collection of the amount of consideration.
 - b) In case of benefit of DEPB, income is recognized after obtaining the license from the concerned authorities.Having regard to the size of operations and nature and complexities of company's business, in management's opinion the above are the reasonable standards of applying the accrual system of accounting required by the law.
3. **Inventories/Work-in-Progress :** Inventories are stated at lower of cost or net realizable value. Cost is determined using FIFO method and comprises of the purchase price including duties and taxes and other expenditure directly attributable to the acquisition, but excluding the trade discount and other rebates.
Work-in-progress as and when arise are stated at estimated/actual cost.
4. **Fixed Assets And Depreciation:**
 - a) Fixed assets are stated at cost or revalued amounts, as the case may be, less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.
 - b) Depreciation has been provided on historical cost and where revaluation of assets has been made on written up cost in the manner and as per Written Down Value Method at the rate prescribed in the Schedule XIV of the Companies Act, 1956. Proportionate depreciation is charged for additions/ deletions during the year.
5. **Foreign Currency Transactions:**
 - a) **Initial Recognition:** Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency on the date of transaction.
 - b) **Conversion:** Foreign currency assets (debtors) are translated at the rates of exchange prevailing on the date of the transaction.
 - c) **Exchange Differences:** Exchange difference arising on the settlement of monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expense in the year in which they arise.
 - d) The Company uses derivative financial instruments such as Forward exchange contracts, currency swaps etc. to hedge its risks associated with foreign currency fluctuations relating to the underlying transactions, highly probable forecast transactions and firm commit-

ments. Derivative contracts outstanding at the Balance Sheet date are marked to market and resulting loss, if any is provided for in the financial statements. Any profit or losses arising on cancellation of derivative instruments are recognized as income or expenses for the period.

6. **Investment** : Investments intended to be held for more than a year are classified as long term investments and carried at cost. However, provision for diminution in value, other than temporary, has been recognized wherever necessary.
7. **Retirement Benefit** : Provident fund and Pension fund are defined contribution schemes and the contributions thereto are charged to Profit & Loss Account for the year when the contributions to the respective funds are paid/due.

Group Gratuity Fund is defined contribution scheme. In case of Defined Benefit Plans, the cost of providing the benefit is determined using the Projected Unit Credit Method with actuarial valuation being carried out at each Balance Sheet date.

- (i) Reconciliation of Opening and Closing balances of Defined benefit obligation.

Present Value of Obligation at Beginning of year	78647
Acquisition Adjustment	0
Interest Cost	5898
Past Service Cost	0
Current Service Cost	54912
Curtailment cost	0
Settlement Cost	0
Benefits Paid	0
Actuarial gain/(loss) on Obligations	350926
Present Value of Obligation at end of Year	490384

- (ii) Reconciliation of Opening and Closing balances of fair value of Plan Asset :

Fair Value of Plan Asset at Beginning of year	0
Acquisition Adjustment	0
Expected Return on Plan Asset	0
Contributions	361374
Benefits Paid	0
Actuarial gain/(loss) on Plan Asset	24415
Fair Value of Plan Asset at end of Year	385789

- (iii) Reconciliation of present value of Obligation and Fair value of Assets:

Present Value of obligation at end of year	490384
Fair Value of Plan Asset at end of Year	385789
Funded Status	(104595)
Unrecognized actuarial gain/loss at end of year	0
Net Asset (Liability)	
Recognized in Balance Sheet	(104595)

- (iv) Total expense recognized in Statement of Profit/Loss during the Year :

Current Service Cost	54912
Past Service Cost	0
Interest Cost	5898
Expected Return on Plan Asset	0
Curtailment cost	0
Settlement Cost	0
Actuarial gain/(loss) recognized in the year	326511
Expense recognized in statement of Profit & Loss	387322

(v) The financial assumptions employed for the calculations as at 31st March, 2009 as per actuarial valuation are as follows:

Mortality Table	LICI 1994-1996
Superannuation Age	60 Yrs
Early Retirement & Disablement	10 PER THOUSAND P.A
	6 above age 45
	3 between age 29 and 45
	1 below age 29
Discount Rate	7.50 %
Inflation Rate	5.00 %
Return on Asset	8.00
Remaining Working Life	15 Yrs
FORMULA USED	PROJECTED UNIT CREDIT METHOD

(vi) Movements in the Liability Recognized in Balance Sheet as at 31st March, 09

Opening Net Liability	78647
Expenses as above	387322
Contributions	361374
Closing Net Liability	104595
Closing Fund/ Provision at end of Year	490384

8. **Earnings per share:** Basic and diluted earning per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the number of equity shares outstanding, there being no potential equity shares in the capital structure of the company.
9. **Taxation :** Tax expense comprises both current and deferred taxes. Current tax is measured at the amount expected to be paid to the taxation authorities, using the applicable tax rates and tax laws. Deferred tax is recognized for all the timing differences subject to the consideration of prudence in respect of deferred tax assets and measured using the tax rates and tax laws enacted by the balance sheet date. Unrecognized deferred tax assets of earlier years are reassessed and recognized to the extent that it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realized.
10. **Impairment of Assets (AS-28) :** The management has carried out an impairment test as per AS-28, Impairment of Assets, issued by the Institute of Chartered Accounts of India on all its fixed assets. As there was no impairment, no provision has been made.
11. **Provisions :** Provisions are recognized for present obligation as a result of past events where it is probable that outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Notes on accounts:

1. **Auditor's Remuneration includes :**

		31-03-2009	31-03-2008
a)	Statutory Audit Fees	38605	39326
b)	Tax Audit Fees	16545	16854
c)	Others	18989	12459

2. **Managerial Remuneration :**

	31-3-2009	31-3-2008
Salaries	1080000	744000
Medical Exp.	10654	43841
Perquisites and other benefits	423936	409016
Total:	1514590	1196857

Note (i) As the future liability for gratuity and is provided on an actuarial basis for the company as a whole, the amount pertaining to the directors is not ascertainable and therefore not included above.

3. **Value of Import C.I.F. basis :**

Particulars	31.03.2009	31.03.2008
Tea- Merchanting Trade	535350438	388586443
Logs (Highseas)	26367867	37128492
Miscellaneous Items-Merchanting Trade	2892583	22401188
Total	564610888	448116123

4. **Expenditure in foreign currency :**

Particulars	31.03.2009	31.03.2008
Traveling Expenses	397685	293630
Sales Commission	30414158	9464852

5. **Earning in foreign currency :**

Particulars	31.03.2009	31.03.2008
Export of goods on F.O.B Basis	922003882	627903713

6. **Interest paid includes :**

Particulars	31.03.2009	31.03.2008
Bank - on working capital loan	18203514	17024240
Bank- for finance of asset	--	15296
Others	142120	1103

7. a) As per the policy of management each year actual bad debts are ascertained after the consideration and they are written off.
 (b) Balance of Deposits and Advances are subject to confirmation from the respective parties.
8. Rs.6,61,800/- paid to Tollygunge Club Ltd. and Rs.5,61,800/- paid to Calcutta Club Ltd. for corporate Membership for 5 & 7 years respectively is proportionately amortized over the life span of the membership.

9. **Related Party Disclosure:**

Sl.No.	Name of the Party	Relationship	Nature of Transaction	Amount (Rs. In Lacs)
1	Greenol Laboratories (P) Ltd.	Associates	Collateral Securities of Office Premises	363.00 (363.00)
2	Wisdom Dealers (P) Ltd	Associates	Collateral Securities of Office Premises	158.00 (NIL)
3	Asian Housing & Construction (P) Ltd	Associates	Sale	54.74 (NIL)
4	Hurdeodas Co (P) Ltd	Associates	Purchase	54.86 (79.36)
5	Rajesh Garg	Relative	Salary	1.14 (1.01)
6	Payments to Key Management Personnel	Directors	Remuneration/Sitting Fees	15.15 (11.97)

10. **Deferred Tax Asset/Liability :**

Details of deferred tax account as on 31.03.2009			
Particular	Upto 31.03.2008 (Rs.)	Charge/(Credit) for the Year	Total as on 31.03.2009 (Rs.)
Deferred Tax Assets/Liability			
Long Term Capital Loss	1065200	349613	715587
Short Term Capital Loss	156590	37389	119201
Depreciation on Fixed Assets	(1562)	7612	(9174)
Net Deferred Tax Assets	1220228	394614	825614

11. **Earnings per share:**

Particulars	31.03.2009	31.03.2008
Net Profit after tax available for Equity Shareholders (Rs)	5466811	4073647
Basic/Weighted Average		
Number of equity shares (Nos)	8500000	8500000
Nominal value of equity Shares(Rs.)	10	10
Basic & Diluted Earning per Share(Rs.)	0.64	0.48

12. Segment Reporting as per AS-17 issued by ICAI:

Particulars	Domestic	International	Unallocated	Total
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Segment Revenue				
Sales	36391950	966722456	0	1003114406
Other Income	47495	18156016	59650869	77854380
Total	36439445	984878472	59650869	1080968786
Segment Expenses	34406520	977231122	59661613	1071299255
Segment Results	2032925	7647350	(10744)	9669531
Segment Assets	3372562	198561144	109638728	311572434
Segment Liability	2702867	149058610	159810957	311572434
Cost to Acquire Tangible Fixed Assets	--	--	125920	125920
Depreciation & Amortisation expenses	--	--	597652	597652

Note:

- (a) The company is engaged in the business of sale of made tea. The Products and their applications are homogeneous in nature. The business segments are organized as domestic and international on the basis of geographical segment.
- (b) Segment assets & liabilities, as well as revenue and expenses are directly attributable to the segment.
- (c) All unallocated assets and liabilities and revenue and expenses are treated separately.
- (d) There are no separate reportable secondary segments.
- (e) Accounting policies of the segment are the same as those described in Summary of significant accounting policies as set out in Note No. 1 of Schedule.
13. The Company provides for profit/losses on forex forward contracts as and when they are settled during the year and mark to market losses on all outstanding derivative contracts as at the year end are recognized in the accounts as per AS-11 issued by The Institute of Chartered Accountants of India on "The effects of changes on Foreign Exchange Rates".

14. Particulars regarding Production, Purchases, Sales and Stock :-

Particulars	MADE TEA		WAX PRODUCT		IRON & STEEL	
	Qty. (Kg.)	Amount (Rs.)	Qty. (M. Ton)	Amount (Rs.)	Qty. (M.T)	Amount (Rs.)
Opening Stock	721130.70 (626028.28)	64919063 (42501674)	—	—	—	—
Purchases	6494531.17 (5256786.79)	893018706 (580724877)	861.468 (1779.238)	26367867 (37128492)	390.25 (1038.35)	15755665 (32380717)
Production	—	—	—	—	—	—
Sales	6336076.22 (5161684.37)	956976567 (628759344)	861.468 (1779.238)	26895225 (37929326)	390.25 (1038.35)	15963545 (32618813)
Shortage/ Excess	—	—	—	—	—	—
Closing Stock	879585.65 (721130.70)	119176158 (64919063)	—	—	—	—

(Note: Figures given in the bracket relates to previous year)

15. There are no outstanding dues against entities falling under the provisions of Micro Small and Medium Enterprises Development Act, 2006.
16. Earning in foreign exchange during the year amounted to Rs.93,98,27,231/-
17. Previous year's figures have been re-grouped/re-arranged wherever found necessary to all nearest rupees.

Signature to Schedule "A" to "S"
In terms of our report of even date

For & on behalf of the Board

For AGARWAL KEJRIWAL & CO.
Chartered Accountants

H.R.GARG
Chairman cum Managing Director

M. AGARWAL
(Partner)
Membership No.52474

ANAND KR. JHA
Company Secretary

SUNIL GARG
Whole time Director
C.S.SURANA
Director
A.K.SENGUPTA
Director
B.C.GHOSH
Director
LAKSHMAN SRINIVASAN
Director

Place : Kolkata
Dated: 11th August, 09

**ADDITIONAL INFORMATION UNDER PART IV OF SCHEDULE VI
OF THE COMPANIES ACT, 1956
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS
PROFILE FOR THE YEAR ENDED 31ST MARCH, 2009**

I. REGISTRATION DETAILS

Registration No.	41876	State Code	21
Balance Sheet Date	31.03.2009		

II. CAPITAL RAISED DURING THE YEAR**(Amount in Rs. Thousands)**

Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

III. POSITION OF MOBILISATION & DEPLOYMENT OF FUNDS**(Amount in Rs. Thousands)**

Total Liabilities	311572	Total Assets	311572
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Sources of Funds

Paid-up Capital	85000	Reserves & Surplus	62010
Secured Loans	122977	Unsecured Loans	NIL

Application of Funds

Net Fixed Assets	4408	Investment	74708
Net Current Assets	189726	Misc. Expenditure	320
Deferred Tax Assets	826	Accumulated Loss	NIL

IV. PERFORMANCE OF COMPANY**(Amount in Rs. Thousands)**

Turnover	1003114	Total Expenditure	1071299
Profit before Tax	9670	Profit after Tax	5467
Earning per Share	0.64	Dividend Rate %	NIL

V. GENERIC NAME OF THE PRODUCTS/SERVICES OF THE COMPANY**(As per monetary terms)**

Item Code No.	TEA 92240.52
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(ANAND KR. JHA)

COMPANY SECRETARY

Place : Kolkata.

Date : 11th August, 2009

(H. R. GARG)

CHAIRMAN CUM MANAGING DIRECTOR

(A. K. SENGUPTA)

DIRECTOR

CASH FLOW STATEMENT AS PER CLAUSE 32 OF THE LISTING AGREEMENT

	As at 31.03.2009		As at 31.03.2008	
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
(A) Cash Flow From Operating Activities				
Net Profit before Tax and Extra-ordinary Items		9669531		6255999
<u>Adjustments for</u>				
Depreciation		597652		710193
Preliminary Expenses Written Off		220000		220000
Interest Received on Loan		(890597)		(2002222)
Dividend		(468)		(216)
Provision for Gratuity		374409		50750
Profit on sale of Investment		(108)	300888	- (1021495)
Operating Profit before				
Working Capital Changes		9970419		5234504
<u>Adjustments for</u>				
Trade and Other Receivables	(160115357)		(41768418)	
Inventories	(54257095)		(22336956)	
Trade and Other Payables	2372554	108230816	321693	(63783681)
Cash Generated from Operations		118201235		(58549177)
Fringe Benefit Tax Paid		(202000)	(125000)	
Income Tax Paid		(2300000)	(2100000)	(2225000)
Cash Flow before Extra Ordinary Items		115699235		(60774177)
Income/(Expenses) pertaining to previous year		21916		543732
Net Cash from Operating Activities		115721151		(60230445)
(B) Cash Flow From Investing Activities				
Purchase of Fixed Assets		(125920)		(180064)
Purchase of Investments		(28500000)		(8608464)
Interest Received on Loan		890597		2002222
Dividend		468		216
Sale of Investments		64040		-
Net Cash Used In Investing Activities		(27670815)		(6786090)

(C) Cash Flow From Financial Activities

Borrowings (Repaid) / Taken	(81943038)	52268134
Net Cash from Financing Activities	(81943038)	52268134
Net Increase/(Decrease) in Cash and Cash Equivalent (A+B+C)	(6107298)	(14748401)
Opening Cash & Cash Equivalents	424256	15172657
Closing Cash & Cash Equivalents	6531554	424256
Summary of Closing Cash Balance		
Cash & Cash Equivalent	6531554	6431071
Less : Bank Overdrafts	0	6006815
Net Closing Cash & Cash Equivalent	6531554	424256

Notes :

- (i) The above cash flow statement has been prepared under the Indirect Method as set out in the Accounting Standard - 3 on Cash Flow Statements issued by The Chartered Accountants of India
- (ii) Previous years figures have been re-arranged/re-grouped wherever necessary

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

For AGARWAL KEJRIWAL & CO.

Chartered Accountants

M. AGARWAL

(Partner)

Membership No.52474

ANAND KR. JHA
Company Secretary

For & on behalf of the Board

H.R.GARG

Chairman cum Managing Director

SUNIL GARG

Whole time Director

C.S.SURANA

Director

A.K.SENGUPTA

Director

B.C.GHOSH

Director

LAKSHMAN SRINIVASAN

Director

Place : Kolkata

Dated: 11TH August, 09

ASIAN TEA & EXPORTS LTD.

Regd. Office : Sikkim Commerce House, 4/1, Middleton Street, Kolkata - 700 071.

ATTENDANCE SLIP

I hereby record my presence at the **Twenty Third Annual General Meeting** of the Company to be held at **Calcutta Rowing Club** 15, Rabindra Sarabar, Kolkata - 700 029 on Tuesday the 15th September, 2009 at 10.00 A.M.

Signature of Attending Member/Proxy	Folio No./Client ID	DPID
-------------------------------------	---------------------	------

- NOTE:**
1. Shareholder/Proxyholder wishing to attend the meeting must bring the Attendance Slip to the meeting and hand over at the entrance duly signed.
 2. Shareholder/Proxyholder desiring to attend the meeting should bring his copy of the Annual Report for reference at the meeting.

ASIAN TEA & EXPORTS LTD.

Regd. Office : Sikkim Commerce Hosue, 4/1, Middleton Street, Kolkata - 700 071.

PROXY FROM

I/We _____
of _____ in the District of _____ being a
member/members of ASIAN TEA & EXPORTS LTD. Hereby appoint _____
_____ of _____ in the district of _____ or
Failing him _____ of _____ in the
district of _____ as my / our proxy to attend and vote for me/us on my/our
behalf at the Twenty Third Annual General Meeting of the Company, to be held on Tuesday the 15th
September 2009 at **Calcutta Rowing Club**, 15, Rabindra Sarobar, Kolkata - 700 029.

Signed this _____ day of _____ 2009

Reference Folio/Client ID _____

DPID _____

No. of Shares _____

Signature _____

Affix
30 paise
Revenue
Stamp

This form is to be used _____ * in favour of _____ the resolution. Unless otherwise instructed, the proxy
will act as he thinks fit. _____ * aganst _____

* Strike out whichever is not desired.

Note : The proxy must be returned so as to reach the Registered Office of the Company at 5th floor, of Sikkim
Commerce House, 4/1, Middleton Street, Kolkata - 700 071 not less than 48 hours before the time for holding
the aforesaid meeting.



4/1, Middleton Street, Kolkata - 700 071, India
"Sikkim Commerce House"
Phone : (91-33) 2287-7334/9320/9732/30523047
Fax : (91-33) 2280 3101
E-mail : info@asianteaexports.com
website : www.asianteaexports.com

ASIAN TEA & EXPORTS LTD.

