

NORBEN TEA & EXPORTS LTD.



Annual Report 2012-2013

BOARD OF DIRECTORS

Mr. M. K. Daga
Chairman & Mg. Director

Mr. S.N.Bardhan
Mr. Gautam Sen
Mr. R.K.Jhalaria

Mr. Pawan Kothari
Company Secretary

AUDITORS

M/s.Goenka Shaw & Co.
Chartered Accountants
Kolkata

BANKER

State Bank of India

REGISTRAR & SHARE TRANSFER AGENT

C.B.Management Services (P) Limited
P-22, Bondel Road, Kolkata-700019
Telephone: 4011 6700 ; Fax : 4011 6739
E-mail: rta@cbmsl.com

NORBEN TEA & EXPORTS LIMITED

REGISTERED OFFICE:

Octavius Centre, 15-B, Hemanta Basu Sarani, Kolkata-700001
Phone: 2210 0553, Fax: 2210 0541
E-mail: enquiry@norbentea.com, Website: www.norbentea.com

PLANTATION & FACTORY:

P.O.Kuripara,
Dist.Jalpaiguri, Pin-735 132, West Bengal



NOTICE

NOTICE is hereby given that the 23rd Annual General Meeting of the Members of the Company will be held at G.D.Birla Sabhagar, 29, Ashutosh Chowdhury Avenue, Kolkata-700019 on Friday, the 26th July, 2013 at 11.00 a.m. to transact the following business:

1. To receive, consider and adopt the Profit & Loss Account of the Company for the year ended 31st March, 2013 and the Balance Sheet as at that date and the Reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Shri S.N.Bardhan who retires by rotation and is eligible for re-appointment.
3. To appoint Auditors and to fix their remuneration.

By Order of the Board
For **NORBEN TEA & EXPORTS LTD.**

Regd.Office:
OCTAVIUS CENTRE
15B, Hemanta Basu Sarani,
Kolkata-700001.

M.K.DAGA
(Chairman & Mg.Director)

Date : 30th May, 2013.

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (MEETING) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY, IN ORDER TO BE VALID AND EFFECTIVE SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. The Register of Members and the Share Transfer Books of the Company will remain closed from 19th July, 2013 to 26th July, 2013, both days inclusive.
3. Members holding shares in physical mode are requested to intimate changes in their address alongwith proof of address/bank mandate to the Registrar and Share Transfer Agents (RTA), M/s. C.B.Management Services (P) Ltd. Members holding shares in electronic mode are requested to send the intimation for change of address / bank mandate to their respective Depository Participant.
4. Members are requested to intimate beforehand to the Company queries, if any, regarding these accounts/ notices at least ten days before the meeting to enable the management to keep the required information readily available at the meeting.
5. Members are requested to bring their copies of Annual Report to the Meeting.
6. Details regarding Directors retiring by rotation and seeking re-appointment -
Mr. S.N.Bardhan had been serving as a Senior Bank Executive, having 37 years long experience. He was entrusted with executive functions relating to all departments of the Bank apart from credit activities. He has received Management Training from CMA and was also deputed to Kathmandu, Nepal to a joint venture Bank for imparting training. Mr. Bardhan is not continuing as a Director in any other Company, nor he is holding any shares in this Company.
7. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to write to the Company's RTA , enclosing their share certificates to enable the Company to consolidate their holdings into a single folio.
8. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in Securities market. Members are, therefore, requested to submit the PAN details to the Company.
9. Members can now get their e-mail address registered with the Company if they want to receive the notices of the Company, for holding general meetings, postal ballot and any other purpose, through electronic mode.
The Government vide Circular No.17/95/2011 CL-V dated 21/04/2011 has taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by the Companies after considering sections 2, 4, 5 and 81 of the Information Technology Act, 2000 for legal validity of compliances under Companies Act through electronic mode.



Shareholders holding shares in physical mode are requested to visit the following webpage to register their e-mail ID and exercise their option accordingly:-

www.cbmsl.com/green.php

Shareholders holding shares in demat mode and intend to receive the Annual Reports in physical form may likewise visit the above mentioned webpage to exercise their option.

Also, for your convenience we attach a separate communication for this purpose at the end of the Annual Report which you may kindly read and act accordingly.

10. Shareholders are also requested to take immediate action to demat your shares to avail easy liquidity since trading of shares of the Company are under compulsory demat mode as per the regulation of SEBI and also to prevent any loss of physical Share Certificate (if already complied with, please ignore this).

11. **ATTENDANCE WILL START AT 10.00 A.M.**

By Order of the Board
For **NORBEN TEA & EXPORTS LTD.**

Regd.Office:
OCTAVIUS CENTRE
15B, Hemanta Basu Sarani,
Kolkata-700001.
Date : 30th May, 2013.

M.K.DAGA
(Chairman & Mg.Director)

USAGE OF ELECTRONIC PAYMENT MODES FOR MAKING CASH PAYMENTS TO THE INVESTORS

We would like to request you to please go through the below mentioned points and take action immediately to safeguard your interest.

In terms of Circular No.CIR/MRD/DP/10/2013 dated 21st March, 2013 issued by SEBI, henceforth, payment of dividend, if any, will be made electronically, through ECS/RTGS/NEFT etc.

For shareholders holding shares in demat form

Please send your correct bank details (including MICR No. and IFSC Code) to your Depository Participant.

For shareholders holding shares in physical form

Please send your correct bank details (including MICR No. and IFSC Code) alongwith a cancelled cheque to the Registrars and Transfer Agent (RTA) of the Company at the undernoted address:

| | | |
|---------|---|---|
| RTA | : | C.B.Management Services (P) Limited |
| Address | : | P-22, Bondel Road, Kolkata-700019 Telephone: 4011 6700 ; Fax : 4011 6739 E-mail: rta@cbmsl.com |

In cases where either the bank details such as MICR (Magnetic Ink Character Recognition), IFSC (Indian Financial System Code) etc. that are required for making electronic payment are not available or the electronic payment instructions have failed or have been rejected by Bank, Companies or their RTI & STA may use physical payment instruments for making cash payments to the investors. Companies shall mandatorily print the bank account details of the investors on such payment instruments.

We shall be thankful if our valued Shareholders take necessary action positively by 18th July, 2013.

By Order of the Board
For **NORBEN TEA & EXPORTS LTD.**

Regd.Office:
OCTAVIUS CENTRE
15B, Hemanta Basu Sarani,
Kolkata-700001.
Date : 30th May, 2013.

M.K.DAGA
(Chairman & Mg.Director)



DIRECTORS' REPORT

TO THE MEMBERS

Your Directors present the Twenty Third Annual Report together with the Audited Accounts for the Financial Year ended 31st March, 2013. The summarised financial performance of your Company is as follows:

FINANCIAL RESULTS

| | (Rupees in thousand) | |
|--|----------------------|---------------|
| | Current Year | Previous Year |
| Profit/ (Loss) before Depreciation, Amortisation and Tax | 10,809 | 10,803 |
| Less : Depreciation | 3,152 | 3,164 |
| Profit/ (Loss) before tax | 7,657 | 7,639 |
| Less/(Add) : Provision of Deferred Tax Charge/(Credit) | 1,071 | 1,388 |
| Profit/ (Loss) after tax | 6,586 | 6,251 |
| Add : Balance brought forward from previous year | 11,137 | 11,400 |
| Surplus available for Appropriation | 17,723 | 17,651 |
| Less : Deferred Tax Charge for the earlier years | — | 6,514 |
| | 17,723 | 11,137 |
| Self Assessment Tax for earlier years | 1,079 | — |
| | 16,644 | 11,137 |
| APPROPRIATIONS | | |
| Transferred to General Reserve | — | — |
| Balance Carried to Balance Sheet | 16,644 | 11,137 |

DIVIDEND

Your Directors do not recommend any dividend for the year, with a view to conserve resources.

OPERATIONS & PROSPECTS

During 2012-13 Norben's tea production and tea prices, both have improved.

This has helped recover the huge increase in cost of manure, fuel and the steep rise in new scale of salaries and wages as per industry wise agreement.

New tea areas are gradually coming into production.

In the current season the market till date is sluggish and production is lower than last year.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr S. N. Bardhan retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the provisions of the Section 217(2AA) of the Companies Act, 1956, your Directors confirm that:

1. Applicable accounting standards have been followed in the preparation of the Annual Accounts for the year ended 31st March, 2013 with proper explanation relating to material departures.
2. Accounting policies have been selected and applied consistently and judgments and estimates have been made which are reasonable and prudent and have been applied so as to give a true and fair view of the state of affairs of the Company in respect of the year ended 31st March, 2013 and of the profit of the company for that period.
3. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. Annual Accounts for the year ended 31st March, 2013 have been prepared on the basis of going concern concept.

CORPORATE GOVERNANCE

Report on Corporate Governance forms part of this report and as marked as Annexure 'A'.

MANAGEMENT DISCUSSION AND ANALYSIS

a) Industry Structure & Developments

The tea Board has revised the Indian Crop figures for the year 2012 at 1126.3 million kgs. The Board also revised the entire crop estimate of 2011, which now stood at 1115.7 million kgs., higher by 127.4 million kgs. from the earlier estimate of 988.3 million kgs.



b) Opportunities, Threats, Risks & Concerns

Because of the very small size of production the Company's teas are readily accepted in niche market for "NORBEN" created over the years.

All the plantations of Norben are of high yielding clones producing bright liquoring teas.

The age of the plantations is very young and provides a great advantage in terms of cost due to less disease and low maintenance cost due to vigorous health of the bush.

The Company has in place systems of Internal Control commensurate with the size of the Company and the nature of its business, which ensures that transactions are recorded, authorized and reported correctly apart from safeguarding its assets against loss from wastage, unauthorized use and removal.

The Internal Control System is supplemented by documented policies, guidelines and procedures. An extensive programme of review is carried out by the Company's Management cum Internal Audit team which submits detailed reports periodically to the Management.

Tea continues to enjoy the status of being the most popular beverage in the World.

The Tea Industry is largely dependent on the vagaries of nature. The Industry is highly labour intensive and is subject to stringent labour laws. Comparatively high labour costs, high social cost over most other tea producing countries, high infrastructure costs and the increasing energy and other input costs remain the major problems for the Indian Tea Industry. Shortage of labour during peak season is also a cause for concern.

These problems need to be addressed by improved productivity and energy conservation. The Tea Industry both in Assam and in West Bengal have discussed with the Trade Unions and implemented productivity linked wages for the tea workers with a view to regain the Industry's competitiveness in the global market.

The Special Purpose Tea Fund (SPTF) has been set up by Commerce Ministry to implement uprooting and replanting programme which would help improvement in the productivity and yield thereby reducing cost in the coming years.

The small tea growers and bought leaf factories form a considerable part of the Industry. A recent compilation of figures shows a total production of around 100 million kgs through these bought leaf factories in North India. There is a need to regulate these factories to maintain the quality. The Industry is also subject to taxation from the State Government as well as Central Government and while the level of direct taxes have come down over a period, some of the State levies like cess on green leaf and substantial increase in Land Revenue Charges put the industry at a very disadvantageous position.

c) Cautionary Statement

Statements in the Management Discussions and Analysis Report in regard to projections, estimates and expectations have been made in good faith. Many unforeseen factors may come into play and affect the actual results which could be different from what the Directors envisage in terms of future performance and outlook. Market data and product information contained in this Report have been based on information gathered from various published and unpublished reports, and their accuracy, reliability and completeness cannot be assured.

AUDITORS

Messers Goenka Shaw & Co., Chartered Accountants, the Statutory Auditors of the Company retire at the forthcoming Annual General Meeting and are eligible for re-appointment.

AUDITORS' REPORT

The report of the Auditors in respect of the accounts for the year ended 31st March, 2013 is self explanatory and has been also explained in the Notes on Accounts.

PARTICULARS OF EMPLOYEES

As on March 31, 2013 the Company did not have any employee in the category specified in Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

CONSERVATION OF ENERGY, ABSORPTION OF TECHNOLOGY, FOREIGN EXCHANGE EARNINGS AND OUTGO

The Statement pursuant to Section 217(1)(e) of the Companies Act, 1956 read with companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, is given in the annexure forming part of this report.

APPRECIATION

The Directors wish to place on record their appreciation for the support received from the Local Gram Panchayat, Government Departments, Banks and all others.

Regd. Office:
OCTAVIUS CENTRE
15B, Hemanta Basu Sarani,
Kolkata-700001.
Date : 30th May, 2013.

By Order of the Board
For **NORBEN TEA & EXPORTS LTD.**

M. K. DAGA
(Chairman & Mg. Director)

REPORT ON CORPORATE GOVERNANCE

1. Company's Philosophy

Your Company has always believed in the concept of good corporate governance involving transparency, empowerment, accountability and integrity with a view to enhancing shareholders value. The Company has professionals on its Board of Directors who are actively involved in the deliberations of the board on all important policy matters.

2. Board of Directors

The Company has an Executive Chairman & Managing Director and more than 50% of the total number of Directors are Independent as well as Non-Executive Directors who bring independent views/ opinions in the Board's deliberations and decisions.

During the financial year 2012-2013 the Board met 7 (seven) times on 10-04-2012, 17-05-2012, 30-05-2012, 13-08-2012, 17-08-2012, 10-11-2012, 14-02-2013 and the gap between any two meetings did not exceed four months.

The information as required under Annexure 1C to Clause 49 of the Listing Agreement is as under:

| Name | Relationships of Directors Inter-se | Category | Designation | No. of Board Meetings attended | No. of other Director-ship held | Total No. of Chairman/Membership of Companies Statutory Committee | | Attendance at last AGM |
|----------------------|-------------------------------------|--------------------------------------|-----------------------------------|--------------------------------|---------------------------------|---|--------------|------------------------|
| | | | | | | Membership | Chairmanship | |
| Mr. M. K. Daga * | Not related | Promoter & Executive Director | Chairman & Managing Director(CMD) | 7 | 2 | — | 1 | Yes |
| Mr. S. N. Bardhan | Not related | Independent & Non-executive Director | Director | 7 | — | — | 2 | Yes |
| Mr. D.N.Thakur # | Not related | Independent & Non-executive Director | Director | 3 | — | — | — | Yes |
| Mr. Gautam Sen | Not related | Independent & Non-executive Director | Director | 7 | — | 2 | — | Yes |
| Mr. R. K. Jhalaria S | Not related | Independent & Non-executive Director | Director | 4 | — | 2 | — | — |

* Mr. M. K. Daga is also deemed as the Chief Financial Officer (CFO) of the Company.

Mr. D.N.Thakur resigned w.e.f.6th August, 2012 and

S Mr. R.K.Jhalaria appointed to fill the casual vacancy w.e.f.13th August, 2012.

None of the Non-Executive Directors hold any shares in the Company.

None of the Directors on the Board is a member of more than 10 committees nor Chairman of more than 5 committees [as per Clause 49(I)(C)(ii)] across all the public limited companies in which he is a Director.

Membership/Chairmanship of only the Audit Committee and Shareholders' / Investor's Grievance Committee of all the Public Limited Companies have been considered.

All the Directors have made the requisite disclosures regarding Committee positions occupied by them in other companies. The Company's Board as on 31.03.2013 has 4 Directors comprising one Chairman cum Managing Director and 3 Non-Executive Directors.

3. Audit Committee

The Audit Committee was constituted by the Board of Directors and the composition, powers, terms of reference and the role of the Committee were laid out to comply with the requirements of the Listing Agreement with the Stock Exchanges and with the spirit of Corporate Governance. The Audit Committee also complies with the relevant provisions of the Companies Act 1956 and performs all the roles as specified in the Listing Agreement. However, brief description of the terms of reference of the Audit Committee are :

- Overview of the Company's financial reporting process and the disclosure of its financial information.
- Recommend the appointment/removal of statutory auditors, nature and scope of audit, fixation of audit fee and payment for any other services to statutory auditors.

- c. Review with the management the quarterly and annual financial statements before submission to the Board.
- d. Review with the management, statutory and internal auditors, the internal audit reports and the reports of statutory auditors.
- e. Review of the adequacy and effectiveness of Internal Audit function, the internal control system of the Company, compliance with the Company's policies and applicable laws and regulations.
- f. Approval of appointment of CFO (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate. The Audit Committee may also review such matters as considered appropriate by it or referred to it by the Board.

Composition and other details

The Audit Committee of the Board comprises of 3 (three) Independent and Non Executive Directors viz: Mr. S. N. Bardhan, Mr. Gautam Sen and Mr. R.K. Jhalaria. Mr. S. N. Bardhan, Chairman of the Committee, has expert knowledge of finance and accounting.

Mr. D.N.Thakur has resigned on 8th August, 2012. Mr. R.K.Jhalaria has been appointed to the Committee in the Board Meeting held on 13th August, 2012.

During 2012-2013, the Audit Committee met 4 (four) times. Mr. S. N. Bardhan, Chairman and Mr. Gautam Sen, Director attended all the meetings. Mr. R.K.Jhalaria, Director attended 2 meetings. Mr. D.N.Thakur had attended one meeting.

The Audit Committee meetings are attended by such other Executives as required.

4. Shareholders' / Investors' Grievance Committee

The Company has an independent Shareholders'/Investors' Grievance Committee to redress the investors' complaints and requests like delay in transfer of shares, non receipt of dividend, Annual Report etc.

Composition and other details

The Committee comprises of 3 (three) Independent Directors viz: Mr. S. N. Bardhan, Mr. Gautam Sen and Mr. R.K.Jhalaria. Mr. D.N.Thakur has resigned on 8th August, 2012. Mr. R.K.Jhalaria has been appointed to the Committee in the Board Meeting held on 13th August, 2012.

During 2012-2013 the Committee met 4(four) times. Mr. S. N. Bardhan, Chairman and Mr. Gautam Sen, Director attended all the meetings. Mr. R.K.Jhalaria, Director attended 2 meetings. Mr. D.N.Thakur had attended one meeting.

The Shareholders'/Investors' Grievance Committee meetings are attended by such other Executives as required. With effect from 27th June, 2011 in terms of SEBI Circular No.CIR/OIAE/2/2011, dated 3rd June, 2011, processing and updating of all investor complaints in SEBI Complaints Redress System (SCORES) is being done on behalf of the Company by its RTA, M/s. C.B.Management Services (P) Ltd.

All complaints received during the year from the Shareholders/Investors were resolved to the satisfaction of the Shareholders / Investors.

There were no complaints from shareholders pending unresolved as on 31st March, 2013.

5. Share Transfer Committee

Pursuant to Clause 49(IV)(G) of the Listing Agreement, the Board has unanimously delegated the powers of share transfer, transmission, sub-division, consolidation etc. to Share Transfer Committee in order to expedite the process of share transfer etc. The Committee generally meets once in a fortnight.

Composition and other details

The Committee comprises of 2 (two) Independent Directors: Mr. M. K. Daga, CMD and Mr. S.N.Bardhan, Director.

There were no valid requests pending for share transfer as on 31st March, 2013. All requests for dematerialisation and rematerialisation of shares received in the aforesaid period were confirmed or rejected into the NSDL/CDSL system.

A call centre has been set up to attend to the calls of the investors. The call centre number is (033) 2210-0553.

6. Remuneration Committee

The Remuneration Committee was constituted by the Board of Directors to evaluate compensation and benefits to Executive Director(s). The broad terms of reference are to determine and recommend to the Board, compensation payable to Executive Directors, appraisal of performance of the Managing Director/Wholetime Director(s) and to determine and advise the Board for the payment of annual commission / compensation to the Non Executive Directors.

Composition and other details

The Committee comprises of 3 (three) Directors viz: Mr. S. N. Bardhan, Mr. Gautam Sen and Mr. R.K.Jhalaria.

Mr. D.N.Thakur has resigned on 8th August, 2012. Mr. R.K.Jhalaria has been appointed to the Committee in the Board Meeting held on 13th August, 2012.

During the year, one meeting of the Committee was held. Mr. S. N. Bardhan, Chairman, Mr. Gautam Sen, Director and Mr. D.N.Thakur, Director attended the meeting.

The Remuneration Committee meeting is attended by such other Executives as required.

The terms of reference of the Remuneration Committee is to determine and recommend to the Board, the remuneration package of the Executive Director(s), in compliance with the requirements of the provision of Schedule XIII to the Companies Act, 1956 and Clause 49 of the Listing Agreements with the Stock Exchanges. The remuneration and terms of appointment of the Wholetime / Managing Director are approved by the Board of Directors and the shareholders of the Company subject to Government approval whenever required as per the provisions of the Companies Act 1956. The Company has only one whole time Director, Mr. M. K. Daga who is the Chairman cum Managing Director (CMD) of the Company. He is paid a salary of Rupees six lakhs sixty thousand annually, besides other perquisites.

7. Review Committee

The Review Committee was constituted by the Board of Directors to review the Limited Review Report as prepared by the Statutory Auditor of the Company under clause 41 of Listing Agreement with Stock Exchanges. The broad terms of reference are to review the Limited Review Report before sending the same to the Stock Exchanges.

Composition and other details

The Review Committee of the Board comprises of 3 (three) Directors viz: Mr. M.K.Daga, CMD, Mr. S.N.Bardhan and Mr. Gautam Sen, Independent Directors.

During 2012-2013, the Review Committee met 3 (three) times. Mr. M.K.Daga, Chairman, Mr. S. N. Bardhan, Director and Mr. Gautam Sen, Director attended all the meetings.

The Review Committee meetings are attended by such other Executives as required.

A sitting fee of Rs.2500/- is paid to the Non-Executive Directors for attending each meeting of the Board and Rs.1000/- for each meeting of the Committee.

The details of remuneration to Directors during the Financial Year 2012-2013 are given below:

| Director | Sitting Fee | Salary | Contribution to PF & Others | Perquisite | Commission |
|------------------|-------------|----------|-----------------------------|------------|------------|
| | (Rs.) | (Rs.) | (Rs.) | (Rs.) | (Rs.) |
| Mr. M. K. Daga | - | 6,60,000 | 9,360 | - | - |
| Mr. S.N.Bardhan | 29,500 | - | - | - | - |
| Mr. D.N.Thakur | 10,500 | - | - | - | - |
| Mr. Gautam Sen | 29,500 | - | - | - | - |
| Mr. R.K.Jhalaria | 14,000 | - | - | - | - |

8. General Body Meetings

Details of the last three Annual General Meetings are given:-

| Financial year ended | Date | Time | Venue | No. of Special Resolution | Members presented by | |
|----------------------|----------|------------|--|---------------------------|----------------------|-------|
| | | | | | Person | Proxy |
| 2010 | 16.09.10 | 11.00 a.m. | G. D. Birla Sabhagar 29, Ashutosh Chowdhury Avenue Kolkata-700019. | 1 | 754 | 131 |
| 2011 | 09.09.11 | 11.00 a.m. | G.D.Birla Sabhagar 29,Ashutosh Chowdhury Avenue Koikata-700019 | Nil | 842 | 186 |
| 2012 | 27.07.12 | 11.00 a.m. | G.D.Birla Sabhagar 29,Ashutosh Chowdhury Avenue Kolkata-700019 | Nil | 666 | 302 |

No special resolution was passed during the previous year through postal ballot. No special resolution is proposed to be conducted through postal ballot at this Annual General Meeting.

9. Disclosures

There are no materially significant related party transactions i.e. transactions material in nature, with its Promoters, Directors or the Management, their relatives or subsidiaries etc. having potential conflict with the interests of the company at large.

The Company's shares are listed with Bombay and National Stock Exchange and the listing fees for the year 2013-2014 have been paid to both Stock Exchanges. The Company has completed the paper publications and other formalities for delisting from the other Stock Exchanges but yet to receive their certificates of delisting. No penalty or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.

For revocation of suspension in trading of Equity Shares of the Company at Bombay Stock Exchange, the Exchange has demanded a huge amount as reinstatement fees which is apparently not justified in terms of the Listing Agreement. Therefore, the Company has taken legal opinion and has been advised to move the matter at Securities Appellate Tribunal, Bombay, pending correspondence with Bombay Stock Exchange to resolve the issue.

10. Means of Communication

The quarterly financial results are being sent to the Stock Exchanges and also published in the newspapers as per proforma prescribed under the Listing Agreements.

All material information about the Company is promptly sent through fax to the Stock Exchanges where the company's shares are listed.

Management Discussions and Analysis forms part of the Annual Report.

11. General Shareholders Information

| | | | |
|-------|---|---------------------------------------|------------------------|
| (i) | As indicated in the Notice to our shareholders, the Annual General Meeting of the Company will be held on Friday, the 26th day of July, 2013 at 11.00 a.m. at G.D.Birla Sabhagar, 29, Ashutosh Chowdhury Avenue, Kolkata - 700 019. | | |
| (ii) | Tentative calendar of events for the financial year 2013-2014 (April - March), is given below: | | |
| | First Quarter | July, 2013 | |
| | Second Quarter | October, 2013 | |
| | Third Quarter | January, 2014 | |
| | Fourth Quarter | April, 2014 | |
| (iii) | Book Closure : | | |
| | From | To | Purpose |
| | 19th July, 2013 | 26th July, 2013 (both days inclusive) | Annual General Meeting |
| (iv) | (i) The shares of the Company are listed on | | |
| | (a) National Stock Exchange of India Limited, Exchange Plaza, 5th Floor, Plot no: C/1G Block, Bandra (E), Mumbai - 400 051. | | |
| | (b) Bombay Stock Exchange Ltd, Phiroze Jeejeebhoy Towers, 25 th Floor, Dalal Street, Mumbai - 400 001. | | |
| | (ii) Depositories for Equity shares : | | NSDL & CDSL ; |
| | ISIN for the Company's Equity shares : | | INE 369C01017 |
| (v) | Annual Listing fees : The Company's shares are listed with Bombay and National Stock Exchange and the listing fees for the year 2013-14 have been paid for both Stock Exchanges. | | |
| (vi) | Stock code | | |
| | National Stock Exchange of India Limited : | NORB TEA EXP | |
| | Bombay Stock Exchange Ltd. : | 519528 | |
| (vii) | Dematerialisation of shares and liquidity | | |
| | Demat ISIN No: | INE 369C01017 | |
| | 76.46% of the Company's share capital has been dematerialised as on 31st March, 2013. | | |



(viii) Market Price Data:

The monthly high and low stock quotations during the last financial year at NSE and performance in comparison to BSE Sensex are given below:

| Month & Year | at NSE | | | Sensex (BSE) | |
|--------------|--------|-----------|---------------|--------------|----------|
| | High | Low (Rs.) | Closing (Rs.) | High (Rs.) | Low |
| April '12 | 5.85 | 4.65 | 5.25 | 17664.10 | 17010.16 |
| May '12 | 5.90 | 4.70 | 5.20 | 17432.33 | 15809.71 |
| June '12 | 5.75 | 5.10 | 5.15 | 17448.48 | 15748.98 |
| July '12 | 5.85 | 5.10 | 5.55 | 17631.19 | 16598.48 |
| Aug '12 | 5.55 | 5.10 | 5.10 | 17972.54 | 17026.97 |
| Sept '12 | 5.85 | 5.05 | 5.10 | 18869.94 | 17250.80 |
| Oct '12 | 5.70 | 5.00 | 5.45 | 19137.29 | 18393.42 |
| Nov '12 | 5.60 | 5.10 | 5.50 | 19372.70 | 18255.69 |
| Dec '12 | 5.60 | 5.00 | 5.10 | 19612.18 | 19149.03 |
| Jan '13 | 5.65 | 5.10 | 5.10 | 20203.66 | 19508.93 |
| Feb '13 | 5.60 | 5.10 | 5.55 | 19966.69 | 18793.97 |
| Mar '13 | 5.55 | 4.40 | 5.10 | 19754.66 | 18568.43 |

(ix) Registrar and Share Transfer Agents:

M/s. C B Management Services Pvt Ltd
P-22, Bondel Road, Kolkata – 700019.
Telephone - 4011-6700 / 6711 / 6718 / 6723
Fax: 4011 6739. E-mail: rta@cbmsl.com

(x) The Company's shares are covered under the compulsory dematerialization list and are transferable through the depository system. The Company's shares are compulsorily traded in the dematerialized form through depository systems of both NSDL & CDSL.

Shares in physical mode which are lodged for transfer are processed and returned to the shareholder within the stipulated time.

(xi) As on 31.03.2013, the distribution of Company's shareholding is as follows:

| Category (No. of shares) | | No. of Shareholders | | No. of Shares held | | % of Equity | |
|--------------------------|-------|---------------------|------------|--------------------|------------|---------------|------------|
| Form | To | Physical Form | Demat Form | Physical Form | Demat Form | Physical Form | Demat Form |
| 1 | 500 | 16172 | 9374 | 2351806 | 1439021 | 20.02 | 12.25 |
| 501 | 1000 | 139 | 508 | 118900 | 425451 | 1.01 | 3.62 |
| 1001 | 2000 | 54 | 226 | 80500 | 343238 | 0.68 | 2.92 |
| 2001 | 3000 | 9 | 67 | 23300 | 168725 | 0.20 | 1.44 |
| 3001 | 4000 | 4 | 32 | 14100 | 114871 | 0.12 | 0.98 |
| 4001 | 5000 | 6 | 34 | 27800 | 160867 | 0.24 | 1.37 |
| 5001 | 10000 | 19 | 28 | 109600 | 203624 | 0.93 | 1.73 |
| 10001 and above | | 1 | 22 | 40000 | 6128197 | 0.34 | 52.15 |
| Total | | 16404 | 10291 | 2766006 | 8983994 | 23.54 | 76.46 |
| Grand Total | | 26695 | | 11750000 | | 100.00 | |

Shareholding Pattern as on 31st March 2013

| Category | No. of shares held | % of shares held |
|---|--------------------|------------------|
| Promoters, Directors & Relatives | 5233982 | 44.54 |
| Foreign Institutional Investors/Foreign Company/Non Resident Individual | 50213 | 0.43 |
| Indian Financial Institute | 0 | 0.00 |
| Nationalised Banks and Mutual Funds | 14700 | 0.13 |
| Other Bodies Corporate | 770309 | 6.56 |
| Public | 5661533 | 48.18 |
| Any other (clearing member) | 19263 | 0.16 |
| Total | 11750000 | 100.00 |



xii) Shares received for dematerialisation are generally confirmed within a period of seven days from the date of receipt, if the documents are clear in all respects.

(xiii) Location of Plant: P.O.Kuripara, Dist: Jaipauri, Pin-735132, West Bengal.
(xiv) Address for correspondence: Norben Tea & Exports Limited, Octavius Centre,
3rd Floor, 15B Hemanta Basu Sarani,
Kolkata-700 001.
Telephone No: 2210-0553, Fax : 2210 0541.

CEO/CFO Certification

The Company is duly placing a certificate to the Board from the Chairman & Managing Director (CEO/CFO) in accordance with the provisions of Clause 49(V) of the Listing Agreement. The aforesaid certificate duly signed by the Chairman & Managing Director (CEO/CFO) in respect of the financial year ended 31st March, 2013 has been placed before the Board at the Meeting held on 30th May, 2013.

DECLARATION ON COMPLIANCE OF THE COMPANY'S CODE OF CONDUCT

The Company has framed a specific Code of Conduct for the members of the Board of Directors and the Senior Management Personnel of the Company pursuant to Clause 49 of the Listing Agreement with Stock Exchanges to further strengthen corporate governance practices in the Company.

All the members of the Board and Senior Management Personnel of the Company have affirmed due observance of the said Code of Conduct in so far as it is applicable to them and there is no non compliance thereof during the year ended 31st March, 2013.

M. K. DAGA

Date: 30th May, 2013

Chairman cum Managing Director

AUDITORS' CERTIFICATE

To the Members of Norben Tea & Exports Limited

Kolkata.

We have examined the compliance of conditions of corporate governance by Norben Tea & Exports Limited for the year ended 31st March, 2013 as stipulated in clause 49 of the Listing Agreement of the Company with stock exchanges.

The compliance 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, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreements.

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.

For **GOENKA SHAW & CO.**

Chartered Accountants

FRNo.319075E

CA. S. K. SWAIN

Partner

Membership No: 061912

Place: Kolkata

Date : 30th May, 2013.



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

A. CONSERVATION OF ENERGY

FORM 'A'

| | For the year ended 31-03- 2013 | For the year ended 31-03- 2012 |
|---|--------------------------------------|--------------------------------------|
| I. POWER AND FUEL CONSUMPTION | | |
| 1. Electricity | | |
| (a) Purchased Units (KWH) | 192861 | 190389 |
| Total Amount (Rs.) | 2304819 | 1715349 |
| Rate/Unit (Rs.) | 11.95 | 9.00 |
| (b) Own Generation | | |
| Through Diesel Generator Units(KWH) | 23595 | 26232 |
| Unit per litre of Diesel | 2.28 | 3.44 |
| Cost/Unit (Rs.) | 20.51 | 12.70 |
| 2. Coal | | |
| Quantity (Tonnes) | 6200 | NIL |
| Total Cost (Rs.) | 66997 | NIL |
| Average Rate (Rs./Tonne) | 10.81 | NIL |
| 3. Furnace Oil | | |
| FO/LDO/HSD for Dryer | | |
| Quantity (Ltrs.) | 91303 | 90632 |
| Total Cost (Rs.) | 3645729 | 3231950 |
| Average Rate (Rs./Ltr.) | 39.93 | 36.00 |
| 4. Other/Internal Generation | NIL | NIL |
| II. CONSUMPTION PER UNIT OF PRODUCTION | | |
| Production – Tea (Kgs.) | 292185 | 279624 |
| Electricity (KWH) | 0.66 | 0.77 |
| Coal (Kg.) | 0.02 | NIL |
| FO/LDO/HSD for Dryer (Litres) | 0.31 | 0.32 |

B. TECHNOLOGY ABSORPTION

FORM 'B'

I. Research & Development:

The Company has no R&D Unit.

The Company subscribes to the Tea Research Association which is registered under Section 35(1)(ii) of the Income Tax Act, 1961.

II. Technology absorption, adaptation and innovation:

1. Constant efforts are made towards absorption of technology by maintaining close contact with the Tea Research Association. We adopt their recommendations and also carry out required modifications/innovations where required.

The Department of Biotechnology, Government of West Bengal has sanctioned Project for Biotechnological Studies in tea for Demonstration of New Tea Plants Genotypes in our site at Jalpaiguri District.

2. Imported Technology : Nil

C. FOREIGN EXCHANGE EARNING AND OUTGO:

- a) Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans : Export potentialities are being explored
- b) Total Foreign Exchange used : NIL
- c) Total Foreign Exchange earned : NIL



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF NORBEN TEA & EXPORTS LIMITED

1. Report on the Financial Statements

We have audited the accompanying financial statements of M/S. NORBEN TEA & EXPORTS LTD. which comprise the Balance Sheet as at 31 March, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

2. Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

4. Further attention is invited to the following notes:

- a) *Note No.20.1 regarding non-provision of actuarial gratuity liability(amount not ascertained) and it's impact on the profit for the year, reserve & surplus and current liabilities at the year end, if any is currently not ascertainable and commented upon by us.*
- b) *Note No. 9 (b) regarding capitalization of expenses relating to maintenance & plantation of young tea amounting to Rs.4545 thousands and as a result the profit for the year, fixed assets and reserve & surplus at the year end have been overstated to that extent.*

5. The overall impact of the adjustments to be carried out as per remarks as given above or otherwise has not been ascertained and therefore can not be commented upon by us.

6. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements read in conjunction with Significant Accounting Policies and Notes on Financial Statement as referred to in Note No. 1 to 33 *subject to the attention drawn to Para 4 above and our inability to ascertain and comment on the overall impact with respect to these as state in Para 5 above*, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :



- i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March, 2013;
- ii) in the case of the Statement of Profit and 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 flows for the year ended on that date.

7. Report on Other Legal and Regulatory Requirements

- i) As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- ii) As required by section 227(3) of the Act, we report that:
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books and proper returns/statements adequate for the purposes of our audit have been received from garden not visited by us;
 - c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account and the returns/statements received from garden not visited by us;
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards except, AS-15 "Accounting For Employee Benefits" in respect of provision for employee benefits referred to in sub-section (3C) of section 211 of the Companies Act, 1956; and
 - e) on the basis of written representations received from the directors as on 31 March, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

Place : Kolkata.
Dated : The 30th Day of May, 2013

For **GOENKA SHAW & CO.**
Chartered Accountants
FRNo.319075E
CA. Saroj K. Swain
Partner.
Membership No. 061912

ANNEXURE TO THE AUDITOR'S REPORT

The Annexure referred to in our report to the members of M/s. NORBEN TEA & EXPORTS LTD. for the year ended 31 March, 2013, We report that :

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- (b) As informed, the fixed assets have been physically verified by the management at the year end and no material discrepancies are reported to have been noticed on such verification.
- (c) During the year the company has not disposed off a substantial part of it's fixed assets, which effects the going concern concept.
- (ii) (a) The inventory has been physically verified by the management during the year. In our opinion the frequency of verification is reasonable.
- (b) In our opinion and according to the information & explanations given to us, the procedures of physical verification of inventories followed by the Management are reasonable and adequate in relation to the size of the Company and nature of its business.
- (c) On the basis of our examination of records of inventory and in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material in relation to the operation of the Company.
- (iii) (a) On the basis of our examination of the books of account and according to the information and explanations given to us, the Company has not granted any loans secured or unsecured to Companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act' 1956.
- (b) In view of our comment in paragraph iii(a) above clauses iii(b), iii(c) & iii(d) of paragraph 4 of the aforesaid Order are not applicable to the Company.
- (c) On the basis of our examination of the books of account and according to the information and explanations given to us, the company has taken unsecured loan from a director during the year. The total amount involved in the transaction was Rs.1405 thousands and the year end balance was Rs.Nil.
- (d) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions of the loans taken by the company are not prima facie prejudicial to the interest of the company.
- (e) In our opinion and according to the information and explanations given to us, the payment of the principal amount and interest are also regular.
- (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 purchase of inventory and fixed assets and for the sale of goods and services. Further during the course of our audit, we have neither come across, nor have we been informed of any continuing failure to correct major weaknesses in internal control system.
- (v) (a) On the basis of our examination of the books of account and according to the information and explanations given to us, the Company has during the year entered into transaction that needs to be entered into the Register maintained under Section 301 of the Companies Act 1956.
- (b) According to the information and explanations given to us, the transaction made in pursuance of such contract or arrangement have been made at prices, which are reasonable having regard to the prevailing market prices as on the date of such transaction.
- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public within the meaning of section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rule 1975. To the best of our knowledge and according to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any other Tribunal against the company.
- (vii) According to the information & explanations given to us, the Company has an internal audit system commensurate with the size and nature of its business during the year.
- (viii) On the basis of report produced, we are of the opinion that, prima facie, the Cost records as prescribed by the central government under clause (d) of subsection (1) of section 209 of the Act have been made and maintained.

- (ix) (a) *On the basis of examination of the books of account and according to the information & explanations given to us, the Company is regular in depositing with appropriate authorities undisputed statutory dues ,except West Bengal Rural Employment and Production / Primary Education(W.B.R.E.PPE) Cess and Professional Tax. According to the information and explanations given to us, the undisputed amounts payable are W.B.R.E.PPE. Cess of Rs.278 thousands and Professional Tax of Rs.126 thousands, which were outstanding as at 31st March 2013 for a period of more than six months from the date they became payable. In respect of W.B.R.E.PPE. Cess, the different association in tea industry has disputed the cess liabilities in different forums. Pending the out come of the disputes, the management is of the opinion that the cess is not payable.*
- (b) According to the information and explanations given to us there are no statutory dues, which have not been deposited on account of any dispute.
- (x) The Company has no accumulated losses and it has incurred no cash loss during the financial year covered by our report and also in the immediately preceding financial year.
- (xi) Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institution, banks or debenture holders during the year.
- (xii) The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other similar securities.
- (xiii) In our opinion the Company is not a chit fund or a nidhi / mutual benefit fund / society, therefore the provision of clause (xiii) of paragraph 4 of the aforesaid Order is not applicable to the Company.
- (xiv) As per records of the Company and the information & explanations given to us by the management, the Company is dealing in or trading in shares, securities, debenture and other investments and in our opinion, proper records have been maintained of the transactions and contracts, and timely entries have been made therein, also the shares, securities, debentures and the other investments have been held by the Company in its own name.
- (xv) According to the information & explanations given to us, the Company has not given any guarantee for loans taken by others, from banks or financial institutions, the terms & conditions whereof are prejudicial to the interest of the Company.
- (xvi) On the basis of our examinations and according to the information and explanations given to us, no term loan has been raised during the year.
- (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 no funds raised during the year on short-term basis have been used for long-term investment.
- (xviii) The Company has not raised any money by issue of shares during the year. Therefore the provisions of clause (xviii) of paragraph 4 of the aforesaid Order are not applicable to the Company.
- (xix) The Company has not issued any debentures during the year under audit. Accordingly, the provision of clause (xix) of paragraph 4 of the aforesaid Order is not applicable to the Company.
- (xx) The Company has not raised any money by way of public issue during the year. Therefore the provisions of clause (xx) of the paragraph 4 of the aforesaid Order are not applicable to the Company.
- (xxi) During the course of our examination of the books of accounts carried out in accordance with Generally Accepted Auditing Practices, we have neither come across any instance of fraud on or by the Company, nor have we been informed of any such case by the Management.

Place : Kolkata.
Dated : The 30th Day of May'2013

For **GOENKA SHAW & CO.**
Chartered Accountants
FRNo. 319075E
CA.Saroj K. Swain
Partner.
Membership No. 061912



BALANCE SHEET AS AT 31ST MARCH, 2013

| Particulars | Note No. | As at 31-03-2013 Rs. in thousand | As at 31-03-2012 Rs. in thousand |
|-----------------------------------|----------|--|--|
| EQUITY & LIABILITIES | | | |
| Shareholders' Fund | | | |
| Share Capital | 2 | 117,500 | 117,500 |
| Reserves and Surplus | 3 | <u>36,147</u> | <u>30,640</u> |
| | | 153,647 | 148,140 |
| Deferred Government Grants | | 12 | 12 |
| Non-Current Liabilities | | | |
| Long Term Borrowings | 4 | 4,016 | 9,715 |
| Long Term Trade Payables | 5 | 1,010 | 1,010 |
| Current Liabilities | | | |
| Short Term Borrowings | 6 | 14,952 | 12,478 |
| Trade Payables | 7 | 3,397 | 3,163 |
| Other current Liabilities | 8 | <u>926</u> | <u>1,143</u> |
| | | 19,275 | 16,784 |
| TOTAL | | <u>177,960</u> | <u>175,661</u> |
| ASSETS | | | |
| Non-Current Assets | | | |
| Fixed Assets | | | |
| Tangible Assets | 9 | 146,049 | 140,573 |
| Deferred Tax Assets | 10 | 11,738 | 12,809 |
| Long Term Loans & Advances | 11 | <u>150</u> | <u>514</u> |
| | | 157,937 | 153,896 |
| Current Assets | | | |
| Current investments | 12 | 24 | 24 |
| Inventories | 13 | 5,455 | 5,452 |
| Trade Receivables | 14 | 1,301 | 1,566 |
| Cash & Bank Balances | 15 | 3,434 | 3,584 |
| Short Term Loan & Advances | 16 | <u>9,809</u> | <u>11,139</u> |
| | | 20,023 | 21,765 |
| TOTAL | | <u>177,960</u> | <u>175,661</u> |
| Notes on Financial Statements | 1 to 33 | | |
| As per our Report of even date | | | |

For **GOENKA SHAW & CO.**
Chartered Accountants
FR No. 319075E

CA. S.K.SWAIN
Partner
Membership No.:061912

Place : Kolkata
Date : 30th May, 2013

PAWAN KOTHARI
Company Secretary

M.K.DAGA
Chairman & Mg. Director

S.N.BARDHAN
Director

R.K.JHALARIA
Director



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

| | Note No. | For the Year ended on 31-03-2013 Rs. in thousand | For the Year ended on 31-03-2012 Rs. in thousand |
|---|-----------------|---|---|
| INCOME | | | |
| Revenue from Operations | 17 | 46,098 | 35,136 |
| Less : Cess on Tea | | 145 | 135 |
| | | 45,953 | 35,001 |
| Other Income | 18 | 2,001 | 1,070 |
| Total Revenue | | 47,954 | 36,071 |
| EXPENDITURE | | | |
| Cost of Material Consumed | 19 | -- | -- |
| Changes in Inventory of finished goods | | 552 | (1,571) |
| Employee Benefit Expense | 20 | 18,191 | 13,251 |
| Finance Costs | 21 | 4,562 | 2,511 |
| Depreciation & Amortization Expense | 22 | 3,152 | 3,164 |
| Other Expenses | 23 | 13,840 | 11,077 |
| Total Expenses | | 40,297 | 28,432 |
| PROFIT BEFORE TAX | | 7,657 | 7,639 |
| Tax Expenses | | | |
| Current Tax | | -- | -- |
| Deferred Tax (charge) credit | | (1,071) | (1,388) |
| Income Tax for earlier years | | (1,079) | -- |
| PROFIT/(LOSS) FOR THE YEAR AFTER TAX | | 5,507 | 6,251 |
| Earnings per equity share(Basic/Diluted) | 24 | 0.47 | 0.53 |
| Notes on Financial Statements | 1 to 33 | | |
| As per our Report of even date | | | |

For **GOENKA SHAW & CO.**
Chartered Accountants
FR No. 319075E

CA. S.K.SWAIN
Partner
Membership No.:061912

Place : Kolkata
Date : 30th May, 2013

PAWAN KOTHARI
Company Secretary

M.K.DAGA
Chairman & Mg. Director

S.N.BARDHAN
Director

R.K.JHALARIA
Director



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

| | For the Year ended 31-03-2013 Rs.in thousand | For the Year ended 31-03-2012 Rs.in thousand |
|--|--|--|
| A. CASH FLOW FROM OPERATING ACTIVITIES : | | |
| Net Profit/(Loss) before tax and extraordinary items | 7,657 | 7,639 |
| Adjustments for : | | |
| Depreciation | 3,152 | 3,164 |
| Loss / (Profit) on sale of Fixed Assets | (440) | 264 |
| Interest paid | 4,327 | 2,341 |
| Interest Received | (1,404) | (434) |
| Dividend Received | (23) | (38) |
| Government Grant | - | - |
| Miscellaneous Expenditure Written off | - | - |
| Operating Profit before working capital changes | <u>13,269</u> | <u>12,936</u> |
| Adjustments for : | | |
| Trade and other receivables | 1,845 | (688) |
| Inventories | (3) | (2,162) |
| Trade payables | <u>228</u> | <u>(2,388)</u> |
| Cash generated from operations | 15,339 | 7,698 |
| Direct Tax (paid) / Refund (Net) | <u>841</u> | <u>95</u> |
| Cash Flow Before Extraordinary Items | <u>16,180</u> | <u>7,793</u> |
| Extraordinary Items | | |
| Government Grant | - | - |
| Net Cash from operating activities | (A) <u>16,180</u> | <u>7,793</u> |
| B. CASH FLOW FROM INVESTING ACTIVITIES : | | |
| Purchase of Fixed Assets including Capital WIP | (9,225) | (6,799) |
| Proceeds from Sale of Fixed Assets | 1,400 | 200 |
| Interest Received | 1,335 | 784 |
| Dividend Received | 23 | 38 |
| Short Term Loans & Advances | <u>(2,100)</u> | <u>2,900</u> |
| Net Cash used in investing activities | (B) <u>(8,567)</u> | <u>(2,877)</u> |
| C. CASH FLOW FROM FINANCING ACTIVITIES : | | |
| Proceeds/(Repayment) of Borrowings | | |
| Cash Credit from Bank | 2,474 | 69 |
| Term Loans from Bank (including interest) | (910) | (436) |
| Unsecured Loans | (5000) | (500) |
| Other Short Term Loan | - | (193) |
| Interest Paid | <u>(4,327)</u> | <u>(2,343)</u> |
| Net Cash used in Financing Activities | (C) <u>(7,763)</u> | <u>(3,403)</u> |
| Net increase/(Decrease) in cash and cash equivalents (A+B+C) | (150) | 1,513 |
| Cash and cash equivalents at the beginning of the year | 3,584 | 2,071 |
| Cash and cash equivalents at the end of the year | 3,434 | 3,584 |

Note : 1. Cash & Cash Equivalents represents Cash and Bank Balances.
2. Figures shown in bracket shows cash outflow.
3. Previous year's Figures have been regrouped/rearranged wherever necessary.
This is the Cash Flow Statement referred to in our report of even date.

For **GOENKA SHAW & CO.**
Chartered Accountants
FR No. 319075E

M.K.DAGA
Chairman & Mg. Director

CA. S.K.SWAIN
Partner
Membership No.:061912

PAWAN KOTHARI
Company Secretary

S.N.BARDHAN
Director

Place : Kolkata
Date : 30th May, 2013

R.K.JHALARIA
Director



NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2013

Note No.

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of Presentation

The accounts have been prepared using historical cost convention and on the basis of going concern concept. Accounting policies not referred to otherwise are consistent with generally accepted accounting policies.

1.2 Fixed Assets

Fixed Assets are stated at cost less accumulated depreciation. Cost includes cost of acquisition and all direct expenses relating thereto.

1.3 Depreciation

Depreciation on Fixed Assets are provided on the basis of Straight Line Method and at the rates specified in Schedule XIV to the Companies Act, 1956.

1.4 Investments

Current investments are carried at lower of cost and fair value. Long Term Investments are stated at cost. Provision for diminution in the value of investments is made only if such a decline is other than temporary.

1.5 Inventories

Inventories are valued at lower of cost or net value since realized/estimated net realizable value.

1.6 Recognition of Revenue

- i) Sales represent invoice value of goods sold and are exclusive of Sales Tax but inclusive of discount, rebate and all incidental expenses relating thereto.
- ii) Income & Expenditure are recognized on accrual basis, except rates and taxes and certain petty items which can not be estimated with reasonable certainty.

1.7 Borrowing Cost

Interest and other costs on borrowed funds used to finance the acquisition of fixed assets, upto the date the assets are ready for use are capitalised under respective fixed assets on a rational basis.

Other interest and costs incurred on borrowed funds are recognized as expenses in the year in which they are incurred.

1.8 Excise Duty and Cess

Excise Duty payable on Black Tea has been accounted for on the basis of both, payments made in respect of tea cleared from factory and also provision made for tea made lying at factory.

1.9 Accounting for Taxes on Income

Current tax is recognized as per Income Tax Act, 1961 based on applicable tax rates & laws. Deferred Tax is recognized subject to consideration of prudence on timing differences being differences between

taxable and accounting income/expenditure that originate in one period and are capable of reversal in one or more subsequent period(s) and is measured using tax rates and laws that have been enacted or substantially enacted as at the balance sheet date. Deferred Tax assets are recognized unless there is virtual certainty that sufficient future taxable income will be available against which such Deferred Tax assets will be realized.

1.10 Employee Benefits

i) Short-term Employee Benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognized during the period when the employee renders the service except leave encashment.

Leave Encashment: For Internal control, leave as per management's policy is not to be accumulated but availed of and the employees have been advised to plan their leave in advance while in service and immediately before superannuation. Leave not availed is not encashable.

ii) Post employment benefits plans

Contribution under defined contribution plans payable in keeping with the related schemes are recognized as expenses for the year.

For defined benefit plans, the cost of providing benefit is recognized as and when paid.

ii) Other long-term employment benefits (Unfunded)

The cost of providing long-term employee benefits is generally recognized on cash basis.

1.11 Government Grants

Remission of Sales Tax Under State Incentive Scheme, had been credited to reserves.

Government grants related to revenue are recognized on a systematic basis in the profit & loss account over the periods necessary to match them with their related cost.

The Department of Biotechnology, Government of West Bengal has sanctioned Project for Biotechnological Studies in tea for Demonstration of New Tea Plants Genotypes in our site at Jalpaiguri District.

1.12 Impairments An Asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss is recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

1.13 Contingent liabilities

Provision of contingent liabilities are not made, unless & until the demand raised by statutory authorities, against which the company has preferred an appeal which is pending with the different forum of the said authorities are ascertained.



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

NOTE NO.

2.0 SHARE CAPITAL

As at
31-03-2013

As at
31-03-2012

| | No.of Shares | Rs.in thousand | No.of Shares | Rs.in thousand |
|--|--|-----------------------|----------------------|-----------------------|
| Authorised | | | | |
| Equity shares of Rs.10 each | 1,20,00,000 | 120,000 | 1,20,00,000 | 120,000 |
| | | <u>120,000</u> | | <u>120,000</u> |
| Issued,Subscribed and Paid up | | | | |
| Equity shares of Rs.10 each | 11,750,000 | 117,500 | 11,750,000 | 117,500 |
| | | <u>117,500</u> | | <u>117,500</u> |
| 2.1 The reconciliation of the number of share outstanding: | | | | |
| PARTICULARS | No.of Shares | Rs.in thousand | No.of Shares | Rs.in thousand |
| Equity shares at the beginning of the year | 11,750,000 | 117,500 | 11,750,000 | 117,500 |
| Add : Shares issued during the year | 0 | - | - | - |
| Less : Shares bought back during the year | 0 | - | - | - |
| Shares outstanding at the end of the year | <u>11,750,000</u> | <u>117,500</u> | <u>11,750,000</u> | <u>117,500</u> |
| 2.2 The details of Shareholders holding more than 5% shares : | | | | |
| Name of the shareholder | No.of shares | % held | No. of shares | % held |
| Mangalam Products Pvt. Limited | 1,205,950 | 10.26 | 1,205,950 | 10.26 |
| Tongani Tea Company Limited | 2,260,650 | 19.24 | 2,260,650 | 19.24 |
| 2.3 | The Company has only one class of equity share having a par value of Rs.10 per share. Each holder of equity share will be entitled to one vote per share. In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amount. The distribution will be in proportion to the no. of equity shares held by the shareholders. | | | |
| 3.0 RESERVES AND SURPLUS | | | | |
| State Capital Investment Subsidy | | 3,431 | | 3,431 |
| Sales Tax Remission Reserve | | 1,072 | | 1,072 |
| General Reserve: | | | | |
| As per last Balance Sheet | 15,000 | | 15,000 | |
| Add:Transferred from Profit & Loss A/c | - | 15,000 | - | 15,000 |
| Profit & Loss Account | | | | |
| As per Last Balance Sheet | 11,137 | | 11,400 | |
| Less: Deferred tax charges for earlier years | - | | 6,514 | |
| | 11,137 | | 4,886 | |
| Add Profit for the year | 5,507 | | 6,251 | |
| | 16,644 | | 11,137 | |
| Less: Appropriations | | | | |
| Transferred to General Reserve | - | | - | |
| Balance Carried forward | | 16,644 | | 11,137 |
| | | <u>36,147</u> | | <u>30,640</u> |
| 3.1 | Remission of Sales Tax was granted to the Company upto 30th October, 2004 in view of eligible certificate issued under West Bengal State Incentives Schemes. Remission of sales tax amounting to Rs.1109 thousands (previous year Rs.1109 thousands) on tea sold in Auction by the Auctioneer Agents has not yet been received and has not been accounted for as it is under appeal. | | | |



| | As at 31-03-2013 Rs.in thousand | As at 31-03-2012 Rs.in thousand |
|---|---|---------------------------------------|
| NOTE NO. | | |
| 4.0 LONG TERM BORROWINGS | | |
| Term Loans - | | |
| From State Bank of India | 2,000 | 2,600 |
| From Body Corporate (Unsecured) | 2,000 | 7,000 |
| Deferred payment Credit from HDFC Bank Ltd. | <u>16</u> | <u>115</u> |
| TOTAL | <u>4,016</u> | <u>9,715</u> |
| 4.1 | Term Loan from State Bank of India is secured by way of Equitable Mortgage on Plant & Machinery, Building created out of Bank's Finance and it's extension on Company's Tea Estate and Land at Nagar Berubari, Jalpaiguri, West Bengal, extension of charge on SBI Life/SBI MF of Rs.500 thousands and personal guarantee of Promoter Director. | |
| 4.2 | The aggregate amount of loan guaranteed by Director is Rs.2,824 thousands (Previous Year Rs.3,654 thousands) | |
| 4.3 | Hire Purchase loan from HDFC Bank is secured against hypothecation of vehicles. | |
| 4.4 | Term Loan from State Bank of India is repayable within 5 years starting from 30th Sept,2011 and the present applicable rate of interest is 10.25% p.a. | |
| 5.0 LONG TERM TRADE PAYABLES | <u>1,010</u> | <u>1,010</u> |
| 5.1 | The Trade Payable with maturity period of more than 12 months from the end of the current financial year are classified as non current liabilities. | |
| 6.0 SHORT TERM BORROWINGS | | |
| Loans repayable on demand from banks | | |
| Cash Credit - From State Bank of India | <u>14,952</u> | <u>12,478</u> |
| 6.1 | The loan is secured by way of hypothecation of stocks of tea crops, green leaves, stores & spares, book debts and other current assets, EQM on Company's Tea Estate at Nagar Berubari Jalpaiguri, West Bengal extension of charge on hypothecation of Plant and Machinery, other Fixed Assets & SBI Life/SBI MF for Rs.500 thousands and personal guarantee of Promoter Director. | |
| 6.2 | The aggregate amount of loan guaranteed by Director is Rs.14,952 thousands (Previous Year Rs.12,478 thousands) | |
| 6.3 | The present applicable rate of interest for cash credit loan is 10.25% p.a. | |
| 7.0 TRADE PAYABLES | <u>3,397</u> | <u>3,163</u> |
| 7.1 | Sundry Creditors both under long term and short term trade payables do not include any dues to micro, small and medium enterprise on account of principal amount together with interest and accordingly no additional disclosures have been made. The above information regarding micro, small and medium enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. | |
| 8.0 OTHER CURRENT LIABILITIES | | |
| Current Maturity of long term debt | | |
| Term Loan from SBI payable within 31-03-14 | 824 | 1,054 |
| Hire Purchase loan payable within 31-03-14 | <u>99</u> | <u>80</u> |
| Cess on Closing stock of tea | 3 | 9 |
| TOTAL | <u>926</u> | <u>1,143</u> |
| 8.1 | The aggregate amount of term loan guaranteed by Director is Rs.2,824 thousands (Previous Year Rs.3,654 thousands) | |



NOTE NO. 9

FIXED ASSETS

Rs. in Thousand

| PARTICULARS | GROSS BLOCK | | | | DEPRECIATION | | | | NET BLOCK | |
|------------------------|---------------------|---------------------------------|----------------------------------|---------------------|---------------------|---------------------------------|--|---------------------|---------------------|---------------------|
| | As at 01-04-2012 | Additions During the Year | Deductions During the Year | As at 31-03-2013 | As at 01-04-2012 | Depreciation for the Year | Deducting/ Adjustment During the | As at 31-03-2013 | As at 31-03-2013 | As at 31-03-2012 |
| Land | 6,796 | - | - | 6,796 | - | - | - | - | 6,796 | 6,796 |
| Plantations | 82,723 | 4,545 | - | 87,268 | - | - | - | - | 87,268 | 82,723 |
| Buildings | 43,779 | - | - | 43,779 | 17,282 | 1,157 | - | 18,439 | 25,340 | 26,497 |
| Computer | 93 | - | - | 93 | 57 | 15 | - | 72 | 21 | 36 |
| Plant & Machinery | 19,658 | 4,122 | 2,930 | 20,850 | 11,556 | 944 | 1,969 | 10,531 | 10,319 | 8,102 |
| Electric Installation | 10,678 | - | - | 10,678 | 8,185 | 507 | - | 8,692 | 1,986 | 2,493 |
| Irrigation Equipments | 1,691 | 8 | - | 1,699 | 1,156 | 86 | - | 1,242 | 457 | 535 |
| Ring & Tubewells/Wells | 5,553 | 914 | - | 6,467 | 75 | 91 | - | 166 | 6,301 | 5,478 |
| Road & Bridges | 7,978 | - | - | 7,978 | 1,820 | 130 | - | 1,950 | 6,028 | 6,158 |
| Furniture & Fixtures | 176 | - | - | 176 | 157 | 5 | - | 162 | 14 | 19 |
| Office Equipments | 25 | - | - | 25 | 18 | 1 | - | 19 | 6 | 7 |
| Tractors | 679 | - | - | 679 | 625 | 20 | - | 645 | 34 | 54 |
| Vehicles | 836 | - | - | 836 | 403 | 53 | - | 456 | 380 | 433 |
| Water Installation | 3,010 | - | - | 3,010 | 1,768 | 143 | - | 1,911 | 1,099 | 1,242 |
| Total | 183,675 | 9,589 | 2,930 | 190,334 | 43,102 | 3,152 | 1,969 | 44,285 | 146,049 | 140,573 |
| Previous Year | 177,722 | 6,799 | 846 | 183,675 | 40,320 | 3,164 | 382 | 43,102 | 140,573 | |

Notes :

- a) Land includes Rs.5,559 thousands (previous year Rs.5,559 thousands) in respect of which Conveyance Deed has not been executed in the name of the Company.
- b) During the year expenses relating to maintenance & plantation of young tea amounting to Rs.4,545 thousands (previous year Rs.4,060 thousands) which are of revenue in nature, has been capitalised. Tea Plantations and their maintenance costs till commencement of commercial production have been capitalised on prudent consideration of accepted accounting principles, simultaneously availing the permissible tax incentives and reliefs.

| | |
|-----------------------|-----------------------|
| As at | As at |
| 31-03-2013 | 31-03-2012 |
| Rs.in thousand | Rs.in thousand |

10.0 Deferred Tax Assets

The major components of Deferred Tax Assets (Liabilities) as at 31-03-2013 are as follows :

| | As at 31-03-2013 | (Charge)/Credit during the year | As at 31-03-2012 |
|--|-----------------------------|--|-----------------------------|
| Brought Forward Loss & unabsorbed Depreciation | | | |
| Central | 2,053 | (451) | 2,504 |
| Agriculture | 17,812 | (606) | 18,418 |
| Depreciation | (9,351) | (18) | (9,333) |
| Disallowance u/s 43B | | | |
| Central | 152 | 2 | 150 |
| Agriculture | 765 | 2 | 763 |
| Disallowance u/s 40A | | | |
| Central | 125 | - | 125 |
| Agriculture | 182 | - | 182 |
| | 11,738 | (1,071) | 12,809 |
| Previous Year | 12,809 | (7,902) | (20,711) |
| *Reconciliation of Deferred Tax Charged | | | |
| Relating to change of rate in agriculture income tax effecting the prior year deferred tax | Nil | | (6,514) |
| Relating to current year reversal | (1,071) | | (1,388) |
| | (1,071) | | (7,902) |



| | As at 31-03-2013 Rs.in thousand | | As at 31-03-2012 Rs.in thousand | |
|--|---------------------------------------|---------------|---------------------------------------|---------------|
| NOTE NO. | | | | |
| 11.0 LONG TERM LOANS & ADVANCES : | | | | |
| (Unsecured and Considered Good) | | | | |
| Capital Advances | | - | | 364 |
| Security Deposit with WBSEB | | 20 | | 20 |
| Income Tax Adhoc Payment | | 130 | | 130 |
| TOTAL | | <u>150</u> | | <u>514</u> |
| 12.0 CURRENT INVESTMENT | | | | |
| | No.of units | Amount | No.of units | Amount |
| (Non-Trade, Quoted, Fully paid-up) | | | | |
| Equity Shares of Bansisons Tea Industries Ltd | | | | |
| Formerly EsselsTea & Exports Ltd of Rs.10/- each | 100 | 1 | 100 | 1 |
| Equity Shares of Longview Tea Company Ltd. of Rs.10/- each | 200 | 7 | 200 | 7 |
| Equity Shares of T & I Global Ltd.of Rs.10/- each | 100 | 2 | 100 | 2 |
| Equity Shares of Dhunseri Petrochem & Tea Ltd. of Rs.10/- each formerly Tezpore Tea Co. Ltd. of Rs.10/ each) | 100 | 14 | 100 | 14 |
| Aggregate amount of Quoted Investments | <u>500</u> | <u>24</u> | <u>500</u> | <u>24</u> |
| Market Value of Quoted Investments | | 15 | | 14 |
| 13.0 INVENTORIES | | | | |
| (as taken, valued and certified by the management) | | | | |
| Finished Goods | 2,582 | | 3,134 | |
| Store & Spares | <u>2,873</u> | | <u>2,318</u> | |
| TOTAL | | <u>5,455</u> | | <u>5,452</u> |
| 13.1 Inventories are valued at lower of cost or net value since realised/estimated net realisable value. | | | | |
| 13.2 Closing Stock of Tea includes stock with third parties Rs.1,864 thousands. | | | | |
| 14.0 TRADE RECEIVABLE | | | | |
| (Unsecured & considered good) | | | | |
| Debts Outstanding for a period exceedng 6 months | 324 | | 228 | |
| Other Debts | <u>977</u> | | <u>1,338</u> | |
| TOTAL | | <u>1,301</u> | | <u>1,566</u> |
| 14.1 Trade Receivable includes Rs.324 thousands (Previous year Rs.228 thousands) due since long. Pending the persuasive and other steps taken by the Company, these are considered good and recoverable. | | | | |
| 15.0 CASH & BANK BALANCES | | | | |
| 15.1 CASH & CASH EQUIVALENTS | | | | |
| Balances with Bank - Current Account | 1,335 | | 868 | |
| Cash on Hand | <u>958</u> | 2,293 | <u>1,612</u> | 2,480 |
| 15.2 OTHER BANK BALANCES | | | | |
| Fixed Deposit pledged with bank against Bank Guarantee * | 641 | | 604 | |
| SBI Mutual Fund pledged with bank as collateral security against Cash Credit Loans | <u>500</u> | 1,141 | <u>500</u> | 1,104 |
| | | <u>3,434</u> | | <u>3,584</u> |
| *Fixed Deposit with bank with maturity period of more than 12 months. | | | | |

| NOTE NO. | As at 31-03-2013 Rs.in thousand | As at 31-03-2012 Rs.in thousand |
|--|--|--|
| 16.0 SHORT TERM LOAN & ADVANCES | | |
| (Unsecured & considered good) | | |
| Loan given to others | 3,300 | 1,200 |
| Accrued interest on such loan | 2,505 | 2,436 |
| Advances recoverable in cash or in kind or for value to be received | 651 | 2,255 |
| Tax Deducted at Source | 3,299 | 5,218 |
| Prepaid Expenses | 54 | 30 |
| TOTAL | 9,809 | 11,139 |
| | For the year ended on 31-03-2013 Rs.in thousand | For the year ended on 31-03-2012 Rs.in thousand |
| 17.0 REVENUE FROM OPERATIONS | | |
| Sale of Products : | 42,000 | 31,696 |
| Sale of services: (TDS Rs.10 thousands,previous year Rs.5 thousands) | 4,098 | 3,440 |
| TOTAL | 46,098 | 35,136 |
| 18.0 OTHER INCOME | | |
| Interest Income (TDS Rs.39 thousands,previous year Rs.16 thousands) | 1,404 | 434 |
| Dividend Income | 23 | 38 |
| Other Non Operating Income | 574 | 598 |
| TOTAL | 2,001 | 1,070 |
| 19.0 COST OF MATERIAL CONSUMED | | |
| Green Leaf Purchased | - | - |
| 19.1 Value of consumption of raw materials represents only green leaf purchaesd from third parties. | | |
| 20.0 EMPLOYEE BENEFIT EXPENSES | | |
| Salary, Wages, Bonus | 14,811 | 10,360 |
| Contribution to Provident & Allied Funds | 1,575 | 1,201 |
| Staff Welfare | 1,729 | 1,415 |
| Gratuity (Cash basis) | 76 | 275 |
| TOTAL | 18,191 | 13,251 |
| 20.1 No provision has been made in the accounts for the present liability for future payment of gratuity to the employees of the Company in terms of the payment of Gretuity Act 1972 - amount unascertained, as the Company follows the practice of accounting for gratuity as and when paid. | | |
| 21.0 FINANCE COST | | |
| Interest Expenses | 4,327 | 2,341 |
| Bank Charges | 235 | 170 |
| TOTAL | 4,562 | 2,511 |
| 22.0 DEPRECIATION AND AMORTISATION | | |
| Depreciation | 3,152 | 3,164 |

| NOTE NO. | For the year ended on 31-03-2013 | | For the year ended on 31-03-2012 | |
|----------|--|------------|-------------------------------------|---------------|
| | Rs.in thousand | | Rs.in thousand | |
| 23 | OTHER EXPENSES | | | |
| | OTHER EXPENSES | | | |
| | Manufacturing Expenses | | | |
| | Power & Fuel consumed | 7,579 | | 5,696 |
| | Stores,spares.packing material etc.consumed | 1,478 | | 950 |
| | Cess on Closing Stock of Tea | 3 | | 9 |
| | Repair to Buildings | 201 | | 252 |
| | Repair Plant & Machinery | 277 | | 119 |
| | Repair Others | 126 | | 349 |
| | Rent, Rates & Taxes | 720 | 10,384 | 249 |
| | | | | 7,624 |
| | Selling and Distribution Expenses | | | |
| | Transportation | 679 | | 467 |
| | Brokerages | 391 | | 343 |
| | Tea Sales Expenses | 355 | 1,425 | 822 |
| | | | | 1,632 |
| | Establishment Expenses | | | |
| | General Charges | 563 | | 277 |
| | Director Fees | 84 | | 75 |
| | Auditor's Remuneration: | | | |
| | For Statutory Audit | 32 | | 32 |
| | For Tax Audit | 10 | | 10 |
| | For Certification and others | 16 | | 17 |
| | Registrars & Share Transfer Agent Fees | 121 | | 108 |
| | Demat Registrar's & other charges | 90 | | 90 |
| | Postage - Telegram | 125 | | 122 |
| | Professional & Consultancy | 45 | | 69 |
| | Insurance | 84 | | 81 |
| | Travelling - Conveyance | 34 | | 3 |
| | Misc.Expenses | 803 | | 644 |
| | Prior Period Items | 24 | | 29 |
| | Loss on sale of Fixed Assets | - | 2,031 | 264 |
| | | | | 1,821 |
| | TOTAL | | 13,840 | 11,077 |
| 23.1 | The Department of Biotechnology, Government of West Bengal has sanctioned project for Biotechnological Studies in tea for Demonstration of New Tea Plants Genotypes in Company's site at Jalpaiguri District. During the year Company has spent Rs.Nil (Previous year Rs.NIL) on this project. | | | |
| 24 | EARNING PER SHARE (BASIC/DILUTED) | | | |
| | Net Profit after Tax as per Statement of Profit and Loss | | | |
| | Account attributable to Equity Shareholders (in thousand) | 5,507 | | 6,251 |
| | Weighted average Number of Equity shares used as denominator for calculating EPS | | | |
| | | 11,750,000 | | 11,750,000 |
| | Basic and Diluted Earnings per share | 0.47 | | 0.53 |
| | Face value per equity share | Rs.10 | | Rs.10 |
| 25. | Contingent Liabilities not provided for (a) Disputed Income Tax liabilities for the Assessment Years 1995-96 Rs.2,465 thousands (Previous year Rs.4,625 thousands). The Company filed rectification petition u/s.154 for the demand and the same is pending with ACIT., (b) Bank Guarantee Rs.920 thousands (Previous year Rs.920 thousands) (Fixed Deposit of Rs. 641 thousands pledged as margin). | | | |
| 26. | In view of brought forward losses, no provision for Tax has been made both under normal provision of I.T. Act and Minimum Alternate Tax (MAT) under section 115JB. | | | |
| 27. | Balance confirmation from some Sundry Creditors and Sundry Debtors are still awaited. | | | |

For the year ended on 31-03-2013
Rs.in thousand

For the year ended on 31-03-2012
Rs.in thousand

NOTE NO.

28. In respect of W.B.R.E. & P.E. Cess payable the tea industry has disputed the cess liability; pending the outcome of the dispute the management is of the opinion that it is not payable.
29. Prior period item consist of following expenses/(income) :

| Items | 2012-2013 Rs. in thousand | 2011-2012 Rs. in thousand |
|-------------------------------|------------------------------|------------------------------|
| VAT excess provided | 6 | Nil |
| Warehousing charges | 9 | Nil |
| Service charges for March '12 | Nil | 29 |
| Discount Allowed | 9 | Nil |
| Total | 24 | 29 |

30. Related Party Transactions -

Names of related parties and description of relationship:-

| Relationship | Name |
|--|--------------------------|
| Enterprises over which Key Management Personnel have significant influence | Tongani Tea Company Ltd. |
| Key Management Personnel | Mr. M.K. Daga |

Particulars of transactions and closing balances during the year: (Rs.in thousand)

| Nature of transactions | Enterprises over which Key Management Personnel have significant influence | Key Management Personnel | Balance as on 31 st March, 2013 |
|------------------------|--|--------------------------|--|
| Remuneration | — | Rs.669/- | — |
| | (—) | (Rs.669/-) | (—) |
| Loan taken | — | Rs.1,405/- | — |
| | (—) | (Rs.2,410/-) | (—) |
| Agricultural Sale | Rs.1,530/- | — | — |
| | (Rs.1,200/-) | (—) | (—) |

The figures in bracket represent corresponding amount of the previous year.

31. Total value of stores & spare parts and packing material consumed. Indigenous – 100% - Rs.1,478 thousands (Previous year – Indigenous – 100% - Rs.950 thousands).
32. Income and Expenditure in Foreign Currency :

| | Current Year Rs.in thousand | Previous Year Rs.in thousand |
|----------------------------|--------------------------------|---------------------------------|
| a. Income | | |
| FOB Value of Export of tea | 227 | Nil |
| b. Expenditure | Nil | Nil |

33. Previous year's figures have been regrouped, rearranged and recast wherever necessary.
As per our report of even date attached.

For **GOENKA SHAW & CO.**
Chartered Accountants
FR No. 319075E

M.K.DAGA
Chairman & Mg. Director

CA. S.K.SWAIN
Partner
Membership No.:061912
Place : Kolkata
Date : 30th May, 2013

PAWAN KOTHARI
Company Secretary

S.N.BARDHAN
Director

R.K.JHALARIA
Director



NORBEN TEA & EXPORTS LIMITED
 Regd. Office : 15-B, Hemanta Basu Sarani, Kolkata – 700 001.

PROXY

No. of Shares held :

Regd. Folio No.:
(If not Dematerialised)

DP ID No.:
(If Dematerialised)

Client ID No.:
(If Dematerialised)

I/We of being a Member/Members of the above named Company hereby appoint of or failing him/her of or failing him of as my/our Proxy to attend and vote for me/us and on my/our behalf of twenty-third Annual General Meeting of the Company, to be held on Friday, the 26th July, 2013 at G.D.Birla Sabha Ghar, 29, Ashutosh Chowdhury Avenue, Kolkata – 700 019 and at any adjournment thereof.

Signed this day of 2013 _____

Affix
Revenue
Stamp
as per
Stamp Act

Note : An Instrument appointing a Proxy shall be deposited at the Registered Office of the Company not less than forty eight hours before the time for Holding the meeting.

NORBEN TEA & EXPORTS LIMITED
 Regd. Office : 15-B, Hemanta Basu Sarani, Kolkata – 700 001.

ATTENDANCE SLIP-CUM-ENTRY PASS

(PLEASE FILL IN THE ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL)

No. of Shares held :

Regd. Folio No.:

DP ID No.:
(If Dematerialised)

(If not Dematerialised)
Client ID No.:
(If Dematerialised)

I/We, hereby record my presence at the Annual General Meeting of the Company held on Friday, the 26th July, 2013 at 11.00 a.m. at G.D.Birla Sabha Ghar, 29, Ashutosh Chowdhury Avenue, Kolkata – 700 019.

_____ Full name of the Member (in block letters)

_____ (Signature of Member)

_____ Full name of the Proxy (in block letters)

_____ (Signature of Proxy)

* Strike out whichever is not applicable

Note : Shareholder/Proxy holder desiring to attend the meeting should bring his/her copy of the Annual Report for reference at the Meeting.

ATTENDANCE WILL START AT 10.00 A.M.

NORBEN TEA & EXPORTS LIMITED
 Regd. Office : 15B, Hemanta Basu Sarani, Kolkata-700 001.
E-MAIL REGISTRATION FORM

No. of Shares held :

Regd. Folio No.
(If Not Dematerialised)

DPID NO.:
(If Dematerialised)

Client ID No.
(If Dematerialised)

I/We hereby request you to please put in record the following e-mail address(s) for receiving Notices of the Company :-

| E-mail Address * | Name of the Members | Signature of Members |
|------------------|---------------------|----------------------|
| 1 | | |
| 2 | | |
| 3 | | |

Note :

- Only in case of Joint holding of shareholders, more than one E-mail address can be given.
- Shareholder/Proxy holder desiring to attend the meeting should bring a printout of the Annual Report for reference at the meeting.

BOOK POST

If undelivered please return to :

NORBEN TEA & EXPORTS LIMITED

OCTAVIUS CENTRE

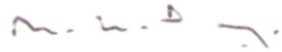

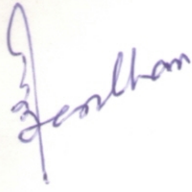
15-B, Hemanta Basu Sarani

Kolkata - 700 001

1st July, 2013

The Company Secretary
Bombay Stock Exchange Ltd.
Phiroze Jeejeebhoy Towers
25th Floor, Dalal Street,
MUMBAI – 400 001.

FORM A

| | | |
|---|---|--|
| 1 | Name of the Company | NORBEN TEA & EXPORTS LTD. |
| 2 | Annual financial statements for the year ended | 31 ST MARCH, 2013 |
| 3 | Type of Audit observation | MATTER OF EMPHASIS – a) actuarial gratuity liability has not been ascertained and not provided for. b) capitalization of expenses relating to maintenance & plantation of young tea. |
| 4 | Frequency of observation | Repetitive |
| 5 | To be signed by- • CEO/CFO/Managing Director • Auditor of the Company • Audit Committee Chairman | <p>For NORBEN TEA & EXPORTS LTD.</p>  <p>Mg. Director</p>   |