

Diana Tea Company Limited
ANNUAL REPORT 2012





Corporate INFORMATION

BOARD OF DIRECTORS

Sandeep Singhania	<i>Managing Director</i>
Sarita Singhania	<i>Wholetime Director</i>
Naresh Pachisia	<i>Independent Director</i>
Harish Parekh	<i>Independent Director</i>
N. F. Tankariwala	<i>Independent Director</i>

CHIEF FINANCIAL OFFICER & COMPANY

SECRETARY

Manoj Agarwala

AUDITORS

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

BANKERS

United Bank of India
Punjab National Bank
HDFC Bank Ltd.

GARDENS

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

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

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

REGISTERED OFFICE

Sir R. N. M. House
3B, Lal Bazar Street
Kolkata - 700 001
Phone : (033) 2248-8672, 4066 1590-93
Fax : (033) 2248-7571
E-mail : contactus@dianatea.in

REGISTRAR & SHARE TRANSFER AGENTS

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

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Notice

NOTICE is hereby given that the 102nd Annual General Meeting of **Diana Tea Company Limited** will be held on Saturday, June 22, 2013, at Gyan Manch Education Society Hall, 11, Pretoria Street, Kolkata - 700 071 at 10.30 a.m. to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at December 31, 2012 and the Statement of Profit & Loss for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To declare Dividend on Equity Shares.
3. To appoint a Director in place of Mr. N. F. Tankariwala, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and fix their remuneration.

Registered Office :

3B, Lal Bazar Street
Kolkata - 700 001

Date : May 15, 2013

For and on behalf of the Board

Manoj Agarwala

CFO & Company Secretary

NOTES :

- 1) A MEMBER ENTITLED TO ATTEND AND VOTE IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- 2) The Register of Members and Share Transfer Register of the Company will remain closed from June 15, 2013 to June 22, 2013 (both days inclusive) for the purpose of Annual General Meeting and payment of dividend.
- 3) The dividend on Equity Shares as recommended by the Board, if declared, will be payable on or after 22nd June 2013 to those members whose names appear on the Register of Members of the Company as on 22nd June 2013 or to their

mandatees. In respect of dematerialized shares, the dividend will be payable on the basis of beneficial ownership details to be furnished by NSDL and CDSL for the purpose.

- 4) Members are requested to notify immediately change of addresses, if any, to the company in case shares are held in physical form or to the DPs, where the account is maintained, if held in demat form.
- 5) Pursuant to Section 205A(5) of the Companies Act, 1956 (as amended) any money transferred to the unpaid dividend account of a Company remaining unpaid or unclaimed for a period of seven years from the date of such transfer shall be transferred to Investor Education and Protection Fund and thereafter no claim shall lie against the fund or the Company. So, members are advised to claim the same from the Company immediately. Members who have not so far encashed their Dividend warrants for the Accounting years ended 31st December, 2005, 2007, 2008, 2009, 2010 and 2011 may immediately approach the Registrars for revalidation of unclaimed Dividend Warrants.
- 6) The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent to the shareholders in Electronic Mode. To support this green initiative of the Government in full measure, the members who have not registered their e-mail addresses, so far, are requested to register their e-mail address in respect of electronic holdings with the Depository through their concerned Depository Participants (DP). Members who hold shares in physical form are requested to submit their e-mail address to contactus@dianatea.in & mdpldc@yahoo.com. We are sure you would appreciate the "Green Initiative" taken by MCA and solicit your patronage and support to participate in such initiative.
- 7) Shareholders seeking any information with regard to accounts are requested to write to the Company at least 7 days prior to meeting, so as to enable the management to keep the information ready.

Notice

- 8) Members/ Proxies should bring the attendance slip duly filled in, for recording their attendance at the meeting.
- 9) Shareholders are requested to kindly bring their copies of Annual Report at the meeting.
- 10) Section 109A of the Companies Act, 1956 extends nomination facility to individual shareholders of the company. Therefore the shareholders holding share certificates in physical form and willing to avail this facility by submitting details in the

prescribed format, which may be obtained from the company's Registrar & Share Transfer Agent. However, in case of Demat holdings, the shareholders should approach to their respective Depository Participants for making nominations.

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3B, Lal Bazar Street
Kolkata - 700 001
Date : May 15, 2013

For and on behalf of the Board

Manoj Agarwala
CFO & Company Secretary

DETAILS OF DIRECTOR RETIRING BY ROTATION SEEKING RE-APPOINTMENT IN THE 102ND ANNUAL GENERAL MEETING

(in pursuant to clause 49 of Listing Agreement)

Name of Director	Mr. N. F. Tankariwala
Date of birth	13.08.1938
Date of appointment	30.03.2010
Qualification	B.A.
Experience	Mr. Tankariwala has got vast experience in tea nationally and internationally. He was the Chairman of Tea Research Association. He had been the Managing Director of The Moran Tea Co. (India) Ltd. for more than 18 years. He had been a member of General Committee of The Bengal Chamber of Commerce and Industry.
Directorship in other Companies (excluding foreign Companies and Private Limited Companies)	Nirvan Commercial Company Limited
Chairman/Member of Committees* of the Board of Companies of which he is a Director	None
Shareholding in the Company (Nos)	Nil
Inter-se relationship	Not related to any Director on the Board

*includes Audit and Shareholders'/Investors' Grievance Committees



Directors' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting their 102nd Annual Report along with the Audited Accounts for the year ended December 31, 2012

FINANCIAL RESULTS

(Amount in ₹ Lacs)

Particulars	December 31, 2012	December 31, 2011
Profit before Depreciation and Amortization		
Expenses, Financial cost & Taxation	464.49	803.68
Less : Depreciation and Amortization Expenses	78.12	101.06
Financial Cost	162.40	178.92
Profit before Tax	223.97	523.70
Less : Provision for Tax Expenses (net)	(43.40)	139.16
Profit after Tax	267.37	384.54
Balance brought forward from previous year	129.61	132.19
Amount available for appropriation	396.98	516.73
Appropriations :		
Proposed Dividend	37.48	74.96
Provision for tax on proposed dividend	6.08	12.16
Transferred to General Reserve	225.00	300.00
Balance carried forward	128.42	129.61
	396.98	516.73
Basic and diluted earning per share	1.78	2.57

Directors' REPORT

REVIEW OF PERFORMANCE

The year under review was yet another year of uncertain weather condition wherein drought continued to prevail till the month of May followed by severe pest infestation which was detrimental to crop for the entire Dooars region and as such our own crop was behind by 1,02,679 kgs. when compared to previous year (current year production was 28,41,147 kgs. when compared to 29,43,826 kgs of last year [excluding Ambari Tea Estate]). Following our policy of making only quality tea from the bought leaf, we were very selective in procuring the bought leaf and as such our bought leaf production has also come down to 2,60,552 kgs. from 3,77,588 kgs. of previous year. Your company has adopted the policy of withdrawing from loss making segment i.e. tea trading segment and as such turnover of the segment has come down to ₹ 68.91 Lacs compared to ₹ 314.37 Lacs of previous year. Combination of all these factors had translated into the total turnover of the Company coming down from ₹ 5,100.61 Lacs to ₹ 4,459.12 Lacs.

Due to natural vagaries coupled with severe pest infestation, the India Tea production during the year had suffered a lot. Similar trend was visible globally as well wherein crop in Kenya and Sri Lanka suffered severely, reflection of which was visible in buoyancy in the world Tea Market. Average realization of our tea stands at ₹ 130.56 per kg. this year when compared to ₹ 119.35 of last year. Our average sales realization was much higher than district average realization because of the continuous policy of the company to focus on producing quality tea and making premium product.

Company's policy to improve its existing tea estates by way of regular uprooting, replanting of old tea bushes and continuous up-gradation of field and factory with a target of producing premium quality tea, to enhance yield of the garden and to reduce the overall costs. Our gardens have 100% irrigation facility which protects us from the regular phenomena of drought in the early part of the season.

PROSPECTS

Your Company is cautiously optimistic about the tea market in the coming year, particularly in the quality segment which continues to command premium and sells briskly in the market. Demand for quality tea continues to overstep the supply and as such there is a reasonable premium available to quality tea over non-quality tea. This phenomenon will continue to widen the price gap between quality and non-quality segment. Global production during the

current year seems to be very good particularly in Kenya which is harvesting bumper crop. Though the fundamentals of Indian tea market continues to be very sound but unfortunately tea markets are governed by sentiments and as such there could be price resistance at a higher price for quality tea. There is a likelihood that price realization in the non-quality tea could suffer during the current year. Our own realization till date is more or less at par with last year. However, steep rise in the cost of inputs and wages continues to be a cause of concern for the coming year.

With domestic consumption continuing to grow at 3% CAGR and revival of the exports to Iran is likely to give fillip to the tea market. It is likely that more tea producers would switch over to Orthodox production which would eventually reduce the availability of CTC tea. Considering the above factors we are cautiously optimistic about the tea market in the coming year.

The transaction of sale of Company's Ambari Tea Estate to M/s. Stanmore Estates Pvt. Ltd. of Coimbatore has not yet been completed due to abnormal delay in getting the permission from Government of West Bengal which is still under consideration.

Your Company continues to take full benefit of all subsidies provided by the Tea Board on various fronts as well as SPTF loans. With adequate measures adopted by the Company to consolidate its existing operations through upgradation of field, plant & machineries to achieve quality enhancement along with cost reduction, your Company is confident of improving its performance in the coming years.

DIVIDEND

The Board has recommended a Dividend of ₹ 0.25 per Equity Share (i.e. 5%) for the year ended December 31, 2012 and such dividend, on approval, will be paid to those members recorded in the registers of the Company at the close of business on the date of Annual General Meeting, subject, however, to the provision of Section 206A of the Companies Act, 1956.

PERSONNEL

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

We recognise people as our most valuable asset and cordial relations with the employees were maintained at all company

Directors' REPORT

locations during the year. The Board would like to place on record its appreciation for the keen interest taken by employees at all levels to bring about improvements in the difficult circumstances faced by the tea industry.

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

Information pursuant to Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988 relating to conservation of energy and technology absorption, foreign exchange earning and outgo are given by way of Annexure 'A' to this Report.

DIRECTORS

Mr. N. F. Tankariwala retires by rotation and being eligible, offers himself for re-appointment.

MANAGEMENT DISCUSSION AND ANALYSIS

In accordance with the requirements of Clause 49 of Listing Agreement, entered into with the Stock Exchange wherein the shares of the Company are listed, Management Discussion and Analysis is annexed herewith as Annexure 'B' to this Report.

REPORT ON CORPORATE GOVERNANCE

As stipulated under Clause 49 of the Listing Agreement entered into with the Stock Exchange the detailed report on Corporate Governance is annexed herewith and marked as Annexure 'C' to this report and the certificate obtained from the statutory auditors of the Company, regarding compliance of the conditions of Corporate Governance, as stipulated in the said clause, is also attached to this report.

DIRECTORS' RESPONSIBILITY STATEMENT

(As per Section 217 (2AA) of the Companies Act, 1956)

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

The Directors state that in preparation of the Annual Accounts, your Company has followed the applicable accounting standards except gratuity liability being accounted for, as and when paid/payable. The Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as on December 31, 2012 and the profit for the Financial year. The Directors have taken

proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of your Company and for preventing and detecting frauds and other irregularities. The Annual Accounts of your Company has been prepared on a going concern basis.

AUDITORS' REPORT

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

AUDITORS

Messrs Das & Prasad, Chartered Accountants, retire at the end of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

APPRECIATION

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

Registered Office :
3B, Lal Bazar Street
Kolkata - 700 001
Date : May 15, 2013

For and on behalf of the Board

Sandeep Singhania
Managing Director

Annexure to the Directors' REPORT

Annexure - 'A'

FORM 'A'

Form for disclosure of particulars with respect to conservation of energy

		Current Year ended 31.12.2012	Previous Year ended 31.12.2011
A) POWER & FUEL CONSUMPTION			
1) Electricity			
a) Purchased			
- Unit	(KWH)	4,188,415	4,898,365
- Total Amount	(₹ in Lacs)	359.95	329.20
- Rate per unit	(₹/KWH)	8.59	6.72
b) Own Generation			
- Through Diesel Generator Unit	(KWH)	335,330	271,485
- Unit per Ltr. of Diesel Oil	(KWH)	3.04	2.91
- Fuel Cost/Unit	(₹/KWH)	14.93	14.47
2) Coal for Tea Processing in Withering & Drying			
Quantity	(M.T.)	2,303.56	2,995.00
Total Amount	(₹ in Lacs)	190.59	183.75
Rate/Unit	(₹/M.T.)	8,273.93	6,135.00
3) Other for Transportation & Material Handling			
a) H.S.D. Oil :			
- Quantity	(Ltrs.)	59,812	76,764
- Total Cost	(₹ in Lacs)	27.12	31.81
- Rate/Unit	(₹/Ltrs.)	45.35	41.44
b) Petrol :			
- Quantity	(Ltrs.)	13,197.11	17,980.00
- Total Cost	(₹ in Lacs)	9.68	11.77
- Rate/Unit	(₹/Ltrs.)	73.33	65.46
B) CONSUMPTION PER UNIT OF PRODUCTION			
Product - Tea (Gross)	(Kg.)	3,101,699	4,099,058
Energy Use : Electricity (including own Generation) for Manufacturing	(KWH/Kg.)	0.79	0.75
Other Fuel for Processing of Tea :			
- Coal	(Kg./Kg.)	0.65	0.73

Annexure to the Directors' REPORT

FORM 'B'

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

Research and Development (R & D)

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

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

Technology Absorption, Adaptation and Innovation

- 1) Efforts, in brief, made towards technology absorption and innovation.
- 2) Benefits derived as a result of the above efforts e.g. Product Improvement, Import substitution etc.
- 3) In case of imported technology (imported during the last 5 years reckoned from the beginning of the Financial Year), following information may be furnished
 - a) Technology Imported
 - b) Year of Import
 - c) Has technology been fully absorbed?
 - d) If not fully absorbed, areas where this has not taken place, reasons therefor and future plans of action

Not applicable

Foreign Exchange Earnings and Outgo

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

Earned	₹ NIL
Used	₹ 13,29,120/- (Travelling & Others)

Not applicable

Registered Office :
3B, Lal Bazar Street
Kolkata - 700 001
Date : May 15, 2013

For and on behalf of the Board

Sandeep Singhania
Managing Director



Management DISCUSSION AND ANALYSIS

Annexure to the Directors' Report

Annexure - 'B'

TEA INDUSTRY

The industry is largely dominated by India (second largest producer and largest consumer) followed by China, Sri Lanka, Kenya and Indonesia. India accounts for 30% of world's production; the combined production of Sri Lanka, Kenya and Indonesia was lower than India's.

India : India is the second largest tea producer after China. The country offers a variety of products - original Orthodox, CTC, green tea, Darjeeling tea, Assam tea and Nilgiri tea. The total turnover of the tea industry is estimated at around ₹ 12,000 crore; tea production since independence has grown over 250%, while land area has grown only 40%. The Dooars in North Bengal account for 14% of the country's tea production. The Dooars tea is a strong tea and often used for blending with Assam tea to enhance the latter's mildness.

Production : Tea Board of India has revised the methodology of compiling all India tea crop statistics. Accordingly the revised Indian tea Production for the year 2012 is lower to 1,112 million kgs. from 1,116 million kgs. of 2011. While the organized sector has suffered substantial crop loss there has been significant increase in production from the small growers. Our crop was also behind during the year. However, the average realization during the current year is higher at ₹ 130.56 per kg. compared to ₹ 119.35 per kg. of previous year.

Realisations : Indian tea market was buoyant with an average price realization being higher than last year.

The average price realization of North Indian tea was higher when compared to the previous year. The prices at the three auction centres are given below to analyze the trend.

Auction Centres	(₹/Kg.)	
	2012	2011
Kolkata	149.55	131.12
Siliguri	120.17	103.46
Guwahati	131.01	108.47

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

Tea Areas	(₹/Kg.)	
	Company's Tea	Consolidated Average of Siliguri Auction Centre
Dooars	130.56	120.17

Management DISCUSSION AND ANALYSIS

Consumption : India's tea consumption is likely to grow @3% per annum.

Outlook : Tea prices are expected to be stable in 2013 as there is a negative carry forward stock of tea from previous year. However, with the higher global tea production, it is likely that there will be price resistance at higher level and non-quality tea is likely to suffer during the year.

PACKET TEA & VALUE ADDED PRODUCTS

Your Company has adopted the policy of withdrawing from loss making segment i.e. tea trading segment and as such turnover from the said segment has come down to ₹ 68.91 Lacs compared to ₹ 314.37 Lacs of previous year.

RISKS AND CONCERNS

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

FINANCIAL REVIEW AND ANALYSIS

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

INTERNAL CONTROL

The Company has laid down policies, guidelines and procedures, which form part of its internal control system. The Company's internal control system are periodically tested and supplemented

by an extensive programme of internal audit by independent firm of Chartered Accountants. Audits are finalized and conducted based on internal risk assessment. Significant findings are brought to the notice of the Audit Committee of the Board and corrective measures are recommended for implementation.

MATERIAL DEVELOPMENT IN HUMAN RESOURCES AND INDUSTRIAL RELATIONS

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

CAUTIONARY STATEMENT

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

Registered Office :
3B, Lal Bazar Street
Kolkata - 700 001
Date : May 15, 2013

For and on behalf of the Board

Sandeep Singhania
Managing Director



Report on Corporate GOVERNANCE

Annexure to the Directors' Report

Annexure 'C'

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company's core business is cultivation and manufacturing of tea. The Company continues to lay importance on continuous upliftment of human and economic assets like plantations. The Company's overall philosophy is to gain excellence in all spheres of operation.

2. BOARD OF DIRECTORS

Composition :

The Company's Board consists of five Directors, of which three

are independent Directors, therefore, more than 50% of the Board consists of Non-Executive Independent Directors.

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

During the Financial Year 2012, four Board meetings were held on February 14, 2012, May 14, 2012, August 14, 2012 and November 12, 2012.

Directors	Category	No. of Board Meetings Attended	Attendance at the last AGM	No. of * outside Directorship held	No. of outside Committee Membership held	No. of outside Committee Chairmanship held
Mr. Sandeep Singhania	Managing Director	4	Yes	3	–	–
Mrs. Sarita Singhania	Wholetime Director	4	Yes	2	–	–
Mr. Naresh Pachisia	Non-Executive Independent Director	4	No	8	6	–
Mr. Harish Parekh	Non-Executive Independent Director	4	Yes	8	4	4
Mr. N. F. Tankariwala	Non-Executive Independent Director	4	Yes	1	–	–

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

Report on Corporate GOVERNANCE

None of the Directors on the Board is a member of more than 10 committees and Chairman of more than 5 committees in any Company [as per Clause 49(1)(c)(ii)] across all the Companies in which he is a Director. All the Directors have made the requisite disclosures regarding Committees positions held by them in other Companies.

Mr. N. F. Tankariwala is liable to retire by rotation and being eligible, offered himself for re-appointment.

3. CODE OF CONDUCT

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

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

4. AUDIT COMMITTEE

The Company has an Independent Audit Committee within the scope as set out in Clause 49 of the Listing Agreement read with Section 292A of the Companies Act, 1956.

The Audit Committee comprises Mr. Harish Parekh, Chairman of the Committee, Mr. Naresh Pachisia, Independent Director, Mr. N. F. Tankariwala, Independent Director and Mr. Sandeep Singhania, Managing Director of the Company. The Chairman of the Audit Committee attended the last Annual General Meeting as held on June 23, 2012.

Mr. Manoj Agarwala, CFO and Company Secretary, is the Secretary of the Committee.

The functions of the Committee include :

- ❖ Overseeing the Company's financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient and credible
- ❖ Reviewing the quarterly, half-yearly and annual financial statements before submission to the Board
- ❖ Reviewing with the management, external and internal auditors, the adequacy of internal control systems
- ❖ Reviewing the adequacy of internal audit function
- ❖ Discussing with internal and external auditors any significant finding and follow-up on such issues
- ❖ Reviewing key accounting matters and developments
- ❖ Reviewing the utilisation of funds raised by the Company

- ❖ Reviewing the statutory compliance system
- ❖ Reviewing the related parties' transactions
- ❖ Reviewing other matters as directed by the Board

Four Meetings of Audit Committee were held on February 14, 2012, May 14, 2012, August 14, 2012 and November 12, 2012.

Attendance Record of the Audit Committee Meeting :

Sl. No.	Name of Directors	No. of Meetings Attended
1)	Mr. Harish Parekh	4
2)	Mr. Naresh Pachisia	4
3)	Mr. N. F. Tankariwala	4
4)	Mr. Sandeep Singhania	4

5. REMUNERATION COMMITTEE

The composition of the Committee is as under :

Mr. Harish Parekh - *Chairman*

Mr. Naresh Pachisia - *Member*

Mr. N. F. Tankariwala - *Member*

The functions of the Committee include :

To evaluate, review and recommend to the Board, the remuneration of the Executive Directors so as to bring about the objectivity in determining the remuneration package while striking a balance between the interest of the Company and the shareholders.

A meeting of the Director's Remuneration Committee was held on May 14, 2012.

Attendance record of the Remuneration Committee meetings :

Sl. No.	Name of Directors	No. of Meetings Attended
1)	Mr. Harish Parekh	1
2)	Mr. Naresh Pachisia	1
3)	Mr. N. F. Tankariwala	1

Remuneration policy :

Executive Directors

The Remuneration Committee takes into account experience, qualification and prevailing industry practices before giving its recommendation to the Board. On recommendation of the Remuneration Committee, the Board decides remuneration to be paid to Executive Directors, subject to approval of shareholders in terms of provisions of the Companies Act, 1956, read with Schedule XIII thereof. The Committee aims towards rewarding, on the basis of performance and reviews on a periodical basis.

Report on Corporate GOVERNANCE

Non-Executive Directors

The Non-Executive Directors are paid sitting fees for attending the meetings of the Board of Directors and committees and also reimbursement of expenses incurred in this regard. In order to reward the Non-Executive Independent Directors for their contribution, they are paid remuneration by way of sitting fee for attending the meetings of Board and Committees.

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

Name of Directors	Sitting Fees (₹)		Salary & Perks (₹)
	Board Meeting	Committee Meeting	
Mr. Sandeep Singhania	–	–	20,92,059
Mrs. Sarita Singhania	–	–	14,00,022
Mr. Naresh Pachisia	28,000	10,000	–
Mr. Harish Parekh	28,000	10,000	–
Mr. N. F. Tankariwala	28,000	10,000	–
Total	84,000	30,000	34,92,081

6. INVESTOR GRIEVANCE AND SHARE TRANSFER COMMITTEE

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

Mr. Naresh Pachisia - Chairperson (Non-Executive)

Mr. N. F. Tankariwala - Member (Non-Executive)

Mr. Sandeep Singhania - Member (Managing Director)

Mrs. Sarita Singhania - Member (Wholetime Director)

The functions of the Committee include :

- ◆ Approval of share transfers and transmissions
- ◆ Taking actions on routine complaints of shareholders
- ◆ Disposal of old stationeries of dividend warrants
- ◆ Issue of duplicate share certificates
- ◆ Any other matter(s) out of and incidental to these functions and such other acts assigned by the Board

The Committee met twelve times during the financial year 2012.

a) No. of complaints not resolved/no action taken/pending as on 1.1.2012	NIL
b) Complaints received from Investors	2
c) Complaints replied/resolved	2
d) Complaints pending on December 31, 2012	NIL

There were also no investors complaint pending against the Company as on December 31, 2012 on SCORES, the web based complaint redressal system of SEBI.

Name and designation of Compliance Officer :

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

Report on Corporate GOVERNANCE

7. GENERAL BODY MEETINGS

a) Details regarding venue, date and time of last three Annual General Meetings of the Company are as follows :

Financial Year	Date	Time	Location
2011	June 23, 2012	10.30 A.M.	Gyan Manch Education Society Hall, 11, Pretoria Street, Kolkata - 700 071
2010	June 25, 2011	10.30 A.M.	- Do -
2009	June 25, 2010	10.30 A.M.	- Do -

b) Details regarding Special Resolution passed in last three Annual General Meetings :

The following Special Resolution was passed by the Members during the last three Annual General Meetings :

Financial Year	Special Resolution
2011	Approval for re-appointment and payment of remuneration to Mr. Sandeep Singhania as Managing Director for a period of three years w.e.f. August 27, 2012.
2010	No Special Resolution was passed at the Annual General Meeting held on June 25, 2011
2009	No Special Resolution was passed at the Annual General Meeting held on June 25, 2010

c) Details regarding Resolutions passed in 2012 through postal ballot :

During the financial year 2012, No Special Resolutions were passed through Postal Ballot. None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing Special Resolutions through Postal Ballot.

d) Extraordinary General Meeting :

No Extraordinary General Meeting of the members was held during the financial year 2012.

8. OTHER DISCLOSURES

a. Related Party Transaction :

Disclosures of materially significant related party transaction :

Details of related party transaction as specified in the Accounting Standards - 18 issued by the Institute of Chartered Accountants of India have been reported in the Notes to the Financial Statements.

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

b. Accounting treatment in preparation of financial statement :

The Company followed the guidelines as laid down in Accounting Standards, prescribed by the Institute of Chartered Accountants of India, for the preparation of financial statements.

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

9. CEO/CFO CERTIFICATION

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

Report on Corporate GOVERNANCE

10. MEANS OF COMMUNICATION :

- i. Quarterly results and half-yearly results are published in newspapers such as The Financial Express, Dainik Statesman/Arthik Lipi (Bengali).
- ii. Company's e-mail address: contactus@dianatea.in
- iii. Management Discussion and Analysis Report forms part of the Director's Report.

11. Shareholders' Information :

(a) AGM date, time and venue :

Saturday, the June 22, 2013 at 10-30 A.M.
Gyan Manch Education Society Hall
11, Pretoria Street, Kolkata - 700 071

(b) Financial Calendar and publication of results :

The Financial Year of the Company is from January to December.

Publication of Results will be as follows :

Period	Approval by the Board of Director (tentative)
1st Quarter ending March 31, 2013	Within 15th May, 2013
2nd Quarter ending June 30, 2013	Within 14th August, 2013
3rd Quarter ending September 30, 2013	Within 14th November, 2013
Final Audited Results of December 31, 2013 including 4th Quarter	Within 1st March, 2014
AGM for the year ending December 31, 2013	June, 2014

(c) Book closure :

Saturday, June 15, 2013 to Saturday, June 22, 2013 (Both days inclusive)

(d) Listing on Stock Exchanges :

The Company's securities are listed at

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

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

Report on Corporate GOVERNANCE

(e) **Stock Price Data :**

(Amount in ₹)

Month	BSE Ltd.	
	High	Low
January 2012	17.10	14.85
February 2012	18.65	15.70
March 2012	16.75	13.70
April 2012	17.30	14.70
May 2012	19.45	14.20
June 2012	16.00	14.65
July 2012	16.45	14.75
August 2012	15.65	14.00
September 2012	14.72	13.16
October 2012	14.55	13.25
November 2012	15.82	13.40
December 2012	17.25	14.55

(f) **Share Transfer System :**

The Company's shares are in compulsory demat mode. Share transfers are registered within a maximum period of 15 days from the date of receipt, provided the documents are complete in all respects.

Pursuant to Clause 47(c) of the Listing Agreement with the Stock Exchange, certificate on Half Yearly basis, have been issued by a Company Secretary in practice for due compliance of share transfer formalities by a Company.

(g) **Dematerialisation of shares :**

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

(h) a) **Distribution of share holding as on December 31, 2012.**

Group of shares	No. of shareholders	%	No. of Shares held	% to total shares
1 to 500	5,652	78.15	8,42,736	5.62
501 to 1000	735	10.16	6,11,546	4.08
1001 to 2000	417	5.77	6,56,551	4.38
2001 to 3000	131	1.81	3,34,710	2.23
3001 to 4000	75	1.04	2,75,584	1.84
4001 to 5000	52	0.72	2,46,850	1.65
5001 to 10000	98	1.35	7,24,005	4.83
10001 & higher	72	1.00	1,12,99,018	75.37
Total	7,232	100.00	1,49,91,000	100.00

Report on Corporate GOVERNANCE

b) Share holding pattern as on December 31, 2012.

Category	No. of shareholders	No. of shares held	% of shareholding
Promoters	11	91,94,854	61.34
Private Body Corporates	180	10,75,511	7.17
Individuals	6,959	46,39,296	30.95
Qualified Foreign Investors/NRI	69	60,813	0.40
Clearing Member	13	20,526	0.14
Total	7,232	1,49,91,000	100.00

c) Dematerialisation of shares and liquidity as on December 31, 2012.

Nature of holding	Holders	Shares	Percentage
Physical	781	2,12,931	1.4204
Demat	6,451	1,47,78,069	98.5796
Total	7,232	1,49,91,000	100.00

International Securities Identification Number(ISIN) : INE012E01035

(i) Secretarial Audit :

In Compliance with Regulation 55A of SEBI (Depositories and participants regulations) 1996, a qualified Practicing Company Secretary carried out a Secretarial Audit to reconcile the total admitted capital with NSDL and CDSL and the total issued and listed capital.

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

Not applicable

(k) Plant Location :

The Company owns three tea gardens each having its own processing factory at Dooars (North Bengal) in Jalpaiguri District

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

(l) Address for correspondence :

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

Registered Office :
3B, Lal Bazar Street
Kolkata - 700 001
Date : May 15, 2013

For and on behalf of the Board

Sandeep Singhania
Managing Director

Report on Corporate **GOVERNANCE**

CEO and CFO Certification

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

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

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

For Diana Tea Company Limited

Sandeep Singhania
Managing Director

Manoj Agarwala
Chief Financial Officer &
Company Secretary

Place : Kolkata
Date : May 15, 2013

Report on Corporate **GOVERNANCE**

Declaration regarding Code of Conduct

TO WHOM IT MAY CONCERN

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

I confirm that the Company has in respect of the financial year ended December 31, 2012 received from the Senior Management Team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management Team means the Chief Financial Officer and the Company Secretary, employees in the Executive cadre as on December 31, 2012.

For **Diana Tea Company Limited**

Place: Kolkata
Date : May 15, 2013

Sandeep Singhania
Managing Director

Report on Corporate **GOVERNANCE**

Auditors' Certificate on Compliance with the conditions of Corporate Governance under Clause 49 of the Listing Agreement

To
The Members of
Diana Tea Company Limited
3/B, Lal Bazar Street
Kolkata - 700 001

We have examined the compliance of conditions of Corporate Governance by Diana Tea Company Limited (the Company) for the year ended December 31, 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

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

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

As required by the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India, we state that the Registrars of the Company have certified that as on December 31, 2012, there were no investor grievance remaining unattended/pending.

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

4, Chowringhee Lane
Kolkata - 700 016
Date : May 15, 2013

For **DAS & PRASAD**
Chartered Accountants
Firm Regn. No. 0303054E
P. K. Agarwal
Partner
Membership No. 056921

Auditors' REPORT

To
The Members of
Diana Tea Company Limited

1. We have audited the attached Balance Sheet of **Diana Tea Company Limited** as at 31st December, 2012 and the Statement of Profit and Loss & Cash Flow Statement for the year ended on that date both annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the 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) Order, 2003, as amended by 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" we enclose in the annexure a statement on the matters specified in paragraphs 4 & 5 of the said order.
4. Further to our comments in paragraph 3 above, we report that :
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c) The Balance sheet, the Statement of Profit and Loss & the Cash Flow Statement dealt with by this report are in agreement with the books of accounts.
 - d) In our opinion, the Balance Sheet, the Statement of Profit and Loss & the Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-Section (3C) of Section 211 of the Companies Act, 1956 except for Accounting Standard 15(Revised 2005), in respect of non-provision of part of gratuity liability as mentioned in point no. 8 (b) of Note. 28.
 - e) On the basis of the written representation received from the Directors as on 31st December, 2012 and taken on record by the Board of Directors we report that none of the Directors is disqualified as on 31st December, 2012 from being appointed as a Director in terms of Clause (g) of sub-Section (1) of Section 274 of the Act.
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said statement of accounts read together with Significant Accounting Policies and Notes there on and subject to (a) Note No. 15 for non provision of sundry debtors considered as doubtful of recovery, (b) Note No. 17(1) & (2) for non provision for loans and advances receivable which is doubtful of recovery, (c) Note No. 18 for non provision of interest & Replantation subsidy receivable which is doubtful of recovery (d) Note No. 28-8 (b) for non provision of gratuity liability, (e) Note No. 28-9 for non-provision of diminution in value of long term investments in respect of quoted investments, (f) Note No. 28-11 for non-provision of professional tax liability. Had the effect of above Notes Nos. (a) to (f) been taken in the books, the profit for the

Auditors' REPORT

year and reserves of the company would have been lower by the net of sum of the amounts referred in above notes; give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.

- i) in the case of Balance Sheet, of the state of affairs of the Company as at 31st December, 2012;
- ii) in the case of Statement of Profit and Loss, of the PROFIT for the year ended on that date; and
- iii) in the case of the Cash Flow Statement of the Cash Flow for the year ended on that date.

4, Chowringhee Lane
Kolkata - 700 016
Date : March 26, 2013

For **DAS & PRASAD**
Chartered Accountants
Firm Regn. No. 0303054E
P. K. Agarwal
Partner
Membership No.056921

Annexure to the Auditors' REPORT

(Referred to in paragraph 3 of our report of even date)

As required by the Companies (Auditors' Report) (Amendment) Order 2004, we report that :

- i)
 - a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b) The fixed assets of the Company at all its locations were physically verified by the Management at reasonable intervals during the year. As informed, no material discrepancies were noticed on such verification.
 - c) In our opinion and according to the information and explanations given to us, the Company has not disposed off any substantial part of fixed asset during the year.
- ii)
 - a) As explained to us, the Management has conducted physical verification of inventory at reasonable intervals during the year except stock of tea lying with third party .
 - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and nature of its business.
 - c) In our opinion and according to the information and explanations given to us, the Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- iii) In respect of loans granted/obtained by the Company to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956, according to the information and explanations given to us :
 - a) The Company had granted inter-corporate loans to one company. At the year end the outstanding balance of such loan granted was NIL and maximum amount involved during the year was ₹ 8,00,000/-.
 - b) In our opinion, the rate of interest and other terms and conditions of such loans are prima facie not prejudicial to the interest of the Company.
 - c) The receipt of principal amounts and interest has been regular during the year.
 - d) There was no overdue amount in respect of above inter-corporate loans.
 - e) The Company has taken interest free unsecured loan from holding company. The amount of loan taken by the Company during the year was ₹ 69,62,000/- at the year end the outstanding balance of such loan taken was ₹ 1,90,70,000/- and maximum amount involved during the year was ₹ 1,92,15,000/-
 - f) In our opinion, terms and conditions of such loans are prima facie not prejudicial to the interest of the Company.
 - g) In respect of aforesaid loan the Company is regular in repayment of the principal amount as stipulated.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, for purchase of inventory, fixed assets and for the sale of goods & services. During the course of audit, no major weakness has been noticed in the internal control in respect of these areas.
- v)
 - a) To the best of our knowledge and belief and according to the information and explanation given to us, we are of the opinion that the particulars of the transactions that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
 - b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time where such market prices are available.
- vi) The Company has not accepted any deposits from the public under Sections 58A and 58AA of the Act and the rules framed thereunder.

Annexure to the Auditors' REPORT

- vii) In our opinion, the Company has an internal audit system which need to be further strengthened in order to make it commensurate with the size and nature of its business.
- viii) We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub Section (i) of Section 209 of the Act and are of opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- ix) According to the information and explanations given to us and the records of the Company examined by us in respect of Statutory and other dues :-
- (a) In our opinion, Undisputed Statutory dues including Provident Fund, Investor Education & Protection Fund, Employees' State Insurance, Sales Tax, Wealth Tax and any other statutory dues has been regularly deposited with the appropriate authorities during the year except :
1. West Bengal Professional Tax Liability of ₹ 3,27,417/- in respect of interest for which the Company had applied for waiver as mentioned in point no 11 of Note. 28.
 2. Dividend Distribution Tax Liability of ₹ 18,23,937/- as mentioned in point no 5 of Note no. 28.
- (b) According to the records of the Company, the disputed statutory dues on account of sales tax, income tax, wealth tax, service tax, excise duty and cess that have not been deposited on account of matters pending before appropriate authorities are as follows :

Name of the Statute	Nature of Dues	Amount (in ₹)	Period to which the Amount relates	Forum where dispute is pending
West Bengal Sales Tax Act, 1994	Sales Tax	80,543/-	2000-2001	Commercial Tax Officer
Central Sales Tax Act, 1956	CST	25,28,836/-	2003-2004	Deputy Commissioner
Income Tax Act, 1961	Income Tax	7,92,584/- #	2007-2008	Commissioner of Income Tax (Appeal)
Income Tax Act, 1961	Income Tax	14,08,126/-	2008-2009	Commissioner of Income Tax (Appeal)
Income Tax Act, 1961	Income Tax	98,810/-	2009-2010	Commissioner of Income Tax (Appeal)

#The company has paid ₹ 8,00,000/- against the same on protest.

- x) The Company does not have any accumulated losses at the financial year ended 31st December 2012 and it has not incurred cash losses in the current and immediate preceding financial year.
- xi) According to the information and explanations given to us, the Company has not defaulted in repayment of dues to the Financial Institutions.
- xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loan or advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) In our opinion, the nature of activities of the Company is such that the provisions of any special statute including chit fund/nidhi/mutual benefit fund/societies are not applicable to it.
- xiv) (a) According to the information and explanations given to us, Company is not dealing/trading in shares, securities or debentures and other investments. Therefore, the provisions of Clause 4 (xiv) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.

Annexure to the Auditors' REPORT

- (b) According to the information and explanations given to us, long-term investments have been held by the Company in its own name.
- xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from the Bank or Financial Institutions during the year.
- xvi) In our opinion and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purposes for which they were obtained.
- xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet and Cash Flow Statement of the Company, we report that no fund raised on short term basis have been used for long term investment and no long term fund have been used to finance the short term assets.
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the Companies Act, 1956 during the year and hence the question of the price at which shares have been issued is prejudicial to the interest of the Company does not arise.
- (xix) The Company has not raised debentures during the year and hence question of any security in respect of debentures does not arise.
- (xx) The Company has not raised any money through public issue during the year.
- (xxi) During the course of our examination of the books and records of the Company and based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given to us by the management, we have neither come across any instance of fraud on or by the Company noticed or reported during the year nor have been informed of such case by the management.

For **DAS & PRASAD**
Chartered Accountants
Firm Regn. No. 0303054E

P. K. Agarwal
Partner
Membership No.056921

4, Chowringhee Lane
Kolkata - 700 016
Date : March 26, 2013

Balance SHEET

As at December 31, 2012

(₹ in Lacs)

	Note	As at 31st December, 2012		As at 31st December, 2011	
EQUITY & LIABILITIES					
Shareholder's Funds					
Share Capital	1	749.55		749.55	
Reserves and Surplus	2	7,198.05	7,947.60	7,004.38	7,753.93
Non-Current Liabilities					
Long-term borrowings	3	476.05		335.47	
Deffered tax liabilities (net)	4	17.04	493.09	113.51	448.98
Current Liabilities					
Short-term borrowings	5	1,071.06		585.36	
Trade payables	6	401.39		448.28	
Other current liabilities	7	451.11		854.87	
Short-term provisions	8	218.74	2,142.30	391.65	2,280.16
TOTAL			10,582.99		10,483.07
ASSETS					
Non-Current Assets					
Fixed Assets					
	9				
- Tangible assets		5,529.21		5,419.10	
- Capital work-in-progress - Tangible assets		7.12		2.88	
Non-current investments	10	363.20		380.76	
Long term loans and advances	11	223.70		39.48	
Other non-current assets	12	5.39	6,128.62	7.63	5,849.85
Current Assets					
Current Investments	13	28.53		-	
Inventories	14	966.91		1,152.99	
Trade receivables	15	1,836.23		2,006.25	
Cash and cash equivalents	16	79.86		179.00	
Short-term loans and advances	17	1,442.78		1,153.67	
Other current assets	18	100.06	4,454.37	141.31	4,633.22
TOTAL			10,582.99		10,483.07
Significant Accounting Policies	27				

The Accompanying Notes 1 to 28 are an integral part of the financial statements

In terms of our report of even date

For **DAS & PRASAD**

Chartered Accountants

Firm Regn. No. 0303054E

P. K. Agarwal

Partner

Membership No. 056921

4, Chowringhee Lane, Kolkata - 700 016

Date : March 26, 2013

For and on behalf of the Board

Manoj Agarwala
Chief Financial Officer &
Company Secretary

Sandeep Singhania
Managing Director

Sarita Singhania
Wholetime Director

Statement of PROFIT AND LOSS

For the year ended December 31, 2012

(₹ in Lacs)

	Note	For the year ended 31st December, 2012		For the year ended 31st December, 2011	
Revenue from Operations	19		4,488.24		5,144.90
Other Income	20		151.17		352.53
Total Revenue			4,639.41		5,497.43
EXPENSES					
Cost of Material Consumed	21	232.38		287.82	
Purchase of Stock-in-Trade		44.25		294.10	
Changes in inventories of finished goods and Stock-in-Trade	22	290.59		(44.51)	
Employee benefit expenses	23	2,091.39		2,400.78	
Financial costs	24	162.40		178.92	
Depreciation and amortization expense		78.12		101.06	
Other expenses	25	1,516.31	4,415.44	1,755.56	4,973.73
Total Expenses			4,415.44		4,973.73
Profit before tax			223.97		523.70
Tax expense :					
Current tax	26		53.06		89.62
Deferred tax			(96.46)		49.54
Profit for the year			267.37		384.54
Earning per equity share in ₹					
Basic & Diluted Earning Per Share	28(16)		1.78		2.57
Significant Accounting Policies	27				

The Accompanying Notes 1 to 28 are an integral part of the financial statements

In terms of our report of even date

For **DAS & PRASAD**
Chartered Accountants
Firm Regn. No. 0303054E

P. K. Agarwal
Partner
Membership No. 056921

4, Chowringhee Lane, Kolkata - 700 016
Date : March 26, 2013

For and on behalf of the Board

Manoj Agarwala
Chief Financial Officer &
Company Secretary

Sandeep Singhania
Managing Director

Sarita Singhania
Wholetime Director

Cash Flow STATEMENT

For the year ended December 31, 2012

(₹ in Lacs)

	For the year ended 31st December, 2012		For the year ended 31st December, 2011	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before tax and extra ordinary items		223.97		523.70
Adjustments for :				
Depreciation & Amortization Expense	78.12		101.06	
Financial Costs	162.40		178.92	
Loss on Sale of Investment	2.53		4.28	
Loss on Discard of Tea Plantation	7.45		10.63	
Provision for diminution of Investment	2.93		–	
Dividend Income	(0.62)		(1.41)	
Interest Income	(133.05)		(60.99)	
Profit on Sale of Assets(Net)	(0.59)		(271.85)	
Transferred from Capital Reserve	(0.50)	118.67	(0.50)	(39.86)
Operating Profit before Working Capital Changes		342.64		483.84
Adjustments for :				
(Increase)/Decrease in Inventories	186.08		(46.85)	
Increase/(Decrease) in Trade & Other Payable	(101.46)		(87.66)	
(Increase)/Decrease in Trade & Other Receivable	46.29	130.91	(1,480.51)	(1,615.02)
Cash Generated from Operations		473.55		(1,131.18)
Tax Paid		93.17		62.71
Net Cash (Outflow)/Inflow from Operating Activities		380.38		(1,193.89)
B. CASH FLOW FROM INVESTING ACTIVITIES				
Sale of Fixed Assets	0.89		1,855.25	
Capital Subsidy Received	1.05		21.82	
Interest Received	133.06		100.21	
Dividend Received	0.62		1.41	
Partial Redemption of Debenture	4.85		–	
Sale of Investment	12.10		15.76	
Acquisition of Fixed Assets	(230.92)		(318.53)	
Acquisition of Investments	(33.38)		(15.83)	
Loans Granted	(266.00)	(377.73)	(105.00)	1,555.09
Net Cash (Outflow)/Inflow from Investing Activities		(377.73)		1,555.09

Cash Flow STATEMENT

For the year ended December 31, 2012

(₹ in Lacs)

	For the year ended 31st December, 2012		For the year ended 31st December, 2011	
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Borrowings	140.57		18.31	
Dividend Paid (including tax on dividend)	(78.21)		(118.27)	
Financial Costs paid	(164.15)	(101.79)	(178.92)	(278.88)
Net Cash Inflow/(Out flow) from Financing Activities		(101.79)		(278.88)
Net Increase/(Decrease) in Cash & Cash Equivalents (A + B + C)		(99.14)		82.32
Cash & Cash Equivalents as at Opening		179.00		96.68
Cash & Cash Equivalents as at Closing		79.86		179.00

Notes :

- The above Cash Flow Statement has been prepared under the indirect method as set out in the Accounting Standard 3 on Cash Flow Statement prescribed under the Companies Act, 1956.
- Previous Year figures have been recast/regrouped wherever considered necessary to make them comparable with current year figures.

In terms of our report of even date

For **DAS & PRASAD**

Chartered Accountants

Firm Regn. No. 0303054E

P. K. Agarwal

Partner

Membership No.056921

4, Chowringhee Lane, Kolkata - 700 016

Date : March 26, 2013

For and on behalf of the Board

Manoj Agarwala
Chief Financial Officer &
Company Secretary

Sandeep Singhania
Managing Director

Sarita Singhania
Wholetime Director

Notes to the FINANCIAL STATEMENTS

For the year ended December 31, 2012

(₹ in Lacs)

	As at	
	31st December 2012	31st December 2011
1. SHARE CAPITAL		
Authorised		
2,40,00,000 (31st December 2011 : 2,40,00,000) equity shares of ₹ 5/- each	1,200.00	1,200.00
Issued, Subscribed & Fully Paid up		
1,49,91,000 (31st December 2011 : 1,49,91,000) equity shares of ₹ 5/- each	749.55	749.55

Note :

Out of the above Shares :

- 89,94,600 Equity Shares of ₹ 5/- each have been allotted as fully paid-up Bonus Shares by way of Capitalisation of Share Premium Account.
- 9,24,300 Shares of ₹ 5/- each were allotted as fully paid-up Bonus Shares by way of Capitalisation of General Reserve.
- 74,520 Shares of ₹ 5/- each, fully paid were issued as pursuant to contract without payment being received in cash.
- 81,79,340 Shares of ₹ 5/- each, fully paid-up are held by Holding Company Diana Capital Limited.
- There is no movement in share capital as compared to previous year
- Terms/rights attached to equity shares :
 - The Company has only one class of equity shares having par value of ₹ 5 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend if any proposed by Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.
 - The amount of per share dividend recognized as distributions to equity shareholders is ₹ 0.25/- per share (31st December 2011 : ₹ 0.50/- per share)
 - In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.
- Details of Shareholders holding more than 5% equity shares in the Company.

Name of the Shareholder	As at		As at	
	31st December, 2012		31st December, 2011	
	Numbers	% holding	Numbers	% holding
Diana Capital Ltd.	8,179,340	54.56	8,179,340	54.56

Notes to the FINANCIAL STATEMENTS

For the year ended December 31, 2012

(₹ in Lacs)

	As at 31st December, 2012	As at 31st December, 2011
2. RESERVE & SURPLUS		
A. Share Premium Account		
As per last Account	323.61	323.61
Closing Balance	323.61	323.61
B. Capital Reserve (Revaluation)		
As per last Account	2,736.19	2,778.61
Less : Assets discarded during the year	29.64	41.92
Less : Transferred to Statement of Profit and Loss	0.50	0.50
Closing Balance	2,706.05	2,736.19
C. Capital Reserve (Share forfeiture)		
As per last Account	0.10	0.10
Closing Balance	0.10	0.10
D. General Reserve		
As per last Account	3,814.87	3,514.87
Add : Transferred from Statement of Profit and Loss	225.00	300.00
Closing Balance	4,039.87	3,814.87
E. Surplus in the statement of Profit and loss		
As per last Account	129.61	132.19
Add : Profit during the year	267.37	384.54
Less : Proposed dividend		
- Dividend [₹ 0.25 (2011 ₹ 0.50) per share]	37.48	74.96
Tax on proposed dividend	6.08	12.16
Amount transferred to General Reserve	225.00	300.00
As at the end of the year	128.42	129.61
TOTAL (A+B+C+D+E)	7,198.05	7,004.38

Notes to the FINANCIAL STATEMENTS

For the year ended December 31, 2012

(₹ in Lacs)

		As at 31st December, 2012	As at 31st December, 2011
3. LONG TERM BORROWINGS			
A) Secured			
Term Loan			
Rupee Loans From Banks (#)	A)	275.63	134.59
Indian Rupee Loan From Others (##)	B)	196.88	181.02
Deferred Payment Liabilities			
- Vehicle Loans (###)	C)	3.39	19.66
B) Unsecured			
Others	D)	0.15	0.20
TOTAL	(A+B+C+D)	476.05	335.47

Term loan from banks includes loan from UBI repayable within 5 years upto 2015-16 amounting ₹ 10,000,000/- and repayable within 5 years upto 2017-18 amounting ₹ 17,563,142/-, Secured by first charge on the current assets of the company and also secured by pari pasu First charge on all immovable asstes of the Company both present and future excluding specific items of assets charged/to be charged in favour of lenders or suppliers providing finance for the aquisitions thereof and also personal guarantee of two directors of the company.

Indian Rupee Loan from Others includes loan from Tea Board which secured by second charge by equitable mortgage of leasehold Tea Estate ranking subsequent to the charge of the bank.

Vehicle loan includes loan from HDFC against vehicles repayable in equiated periodic instalments as per the scheme of loan. The loan are secured by hypothecation of respective vehicles.

The Scheduled Maturity of the long term borrowings is summarised as under :

Name of the Shareholder	2012		2011	
	Indian rupee loan from banks	Indian rupee loan from Others	Indian rupee loan from banks	Indian rupee loan from Others
Borrowings Repayable				
In the first year (Note - 7)	67.72	0.05	269.39	0.05
Current maturities of long-term debt	67.72	0.05	269.39	0.05
In the second year	70.99	0.05	46.27	0.05
In the third to fifth year	208.03	50.83	107.98	26.88
After five years	-	146.15	-	154.29
Long-term Borrowings	279.02	197.03	154.25	181.22

Notes to the FINANCIAL STATEMENTS

For the year ended December 31, 2012

(₹ in Lacs)

	As at 31st December, 2012	As at 31st December, 2011
4. DEFERRED TAX LIABILITIES (NET)		
Deferred Tax Liabilities :		
Timing Difference in Depreciable Assets	159.52	187.09
(A)	159.52	187.09
Deferred Tax Assets :		
Timing Difference u/s 43B	142.48	73.58
(B)	142.48	73.58
Net Deferred Tax Liabilities	(A-B) 17.04	113.51

5. SHORT TERM BORROWINGS

Secured Loan

Loan from Banks

- Cash Credit Facilities (#)

880.36

464.28

Unsecured Loan

- Loan from Others (##)

190.70

121.08

TOTAL

1,071.06

585.36

Cash Credit facilities are Secured by first charge on current assets of the Company mainly, stock of raw materials, semi-finished and finished goods, stores and spares, book debts, receivables and also secured by pari passu first charge on all immovable assets of the company both present and future, excluding specific items of assets charged/to be charged in favour of lenders or suppliers providing finance for the acquisition thereof and also personal guarantee of two directors of the company.

Includes loan from Holding company Diana Capital Limited which is payable on demand and not bearing interest.

6. TRADE PAYABLES

Micro & Small Enterprises

0.87

1.24

Creditors for goods, services etc (#)

400.52

447.04

TOTAL

401.39

448.28

Sundry Creditors include outstanding in respect of Machinery amounting to ₹ 989,700/- (Previous year ₹ 2,969,100/-) purchased in terms of Hire Purchase Agreements.

Notes to the FINANCIAL STATEMENTS

For the year ended December 31, 2012

(₹ in Lacs)

	As at 31st December, 2012	As at 31st December, 2011
7. OTHER CURRENT LIABILITIES		
Current maturities of long-term Borrowing (note - 3)	67.77	269.44
Interest payables	24.25	26.01
Unclaimed Dividends	5.60	3.99
Advance received from customers	160.32	305.38
Other payables	193.17	250.05
TOTAL	451.11	854.87
Other payables comprise :		
Statutory liabilities	33.35	57.77
Unpaid Salaries and other payroll dues	150.79	178.19
Others	9.03	14.09
TOTAL	193.17	250.05

8. SHORT-TERM PROVISIONS

Provision for employee benefits :		
- Provision for bonus	109.01	151.73
- Provision for leave encashment	7.50	8.98
- Retirement benefits	40.43	132.88
Proposed dividend	37.48	74.96
Income tax on proposed dividend	24.32	23.10
TOTAL	218.74	391.65

9. FIXED ASSETS

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost as at 01.01.2012	Addition during the Year	Cost of Assets sold/ discarded / Adjusted	Total as at 31.12.2012	Balance as on 01.01.2012	Addition during the Year	Adjustment/ Written back during the Year	Total upto 31.12.2012	Balance as at 31.12.2012	Balance as at 31.12.2011
Tangible										
Land & Plantation	4,415.38	71.02	37.09	4,449.31	-	-	-	-	4,449.31	4,415.38
Building	602.43	4.49	0.21	606.71	206.68	12.87	0.12	219.43	387.28	395.75
Roads & Bridges	46.47	-	-	46.47	11.21	0.76	-	11.97	34.50	35.26
Plant & Machinery and Electric Installation	858.65	42.35	13.22	887.78	616.09	32.52	13.22	635.39	252.39	242.57
Water Installation(#)	364.49	104.25	1.05	467.69	163.49	16.95	-	180.44	287.25	201.00
Furniture, Fittings & Other Equipments	80.77	4.56	1.22	84.11	55.00	3.76	1.02	57.74	26.37	25.77
Vehicles	184.43	-	-	184.43	81.06	11.26	-	92.32	92.11	103.37
Total	6,552.62	226.67	52.79	6,726.50	1,133.53	78.12	14.36	1,197.29	5,529.21	5,419.10
Previous Year Total	8,177.57	332.47	1,957.41	6,552.63	1,336.67	101.06	304.19	1,133.53	5,419.10	
Capital Work-in-Progress - Tangible	2.88	4.24	-	7.12	-	-	-	-	7.12	2.88

During the year Company has received Subsidy of ₹ 104,725/- against Tea Plantation Development Scheme. Accordingly the Company has calculated depreciation on net amount with prospective effect according to Accounting Standard - 12.

Notes to the FINANCIAL STATEMENTS

For the year ended December 31, 2012

(₹ in Lacs)

	As at		As at	
	31st December, 2012		31st December, 2011	
	Nos.	Amount	Nos.	Amount
10. NON-CURRENT INVESTMENTS (at cost unless otherwise stated)				
Non trade - investments				
A. Quoted				
In fully paid equity shares				
Agritech (I) Limited of ₹ 10 each	820	0.19	820	0.19
Alsa Marine & Harvests Limited of ₹ 10 each	800	0.34	800	0.34
Ambuja Cement Limited of ₹ 2 each	615	–	615	–
Axis Bank Limited of ₹ 10 each	–	–	200	1.63
Cerebra Integrated Technologies Limited of ₹ 10 each	15,132	9.26	24,679	15.10
Dhunseri Investment Limited of ₹ 10 each	75	–	75	–
Dhunseri Petrochem & Tea Limited of ₹ 10 each	–	–	150	0.61
DSQ Software Limited of ₹ 10 each	1,200	3.53	1,200	3.53
Electrosteel Steel Limited of ₹ 10 each	175,000	17.50	200,000	20.00
Jindal Saw Limited of ₹ 2 each	–	–	100	0.12
Jindal Steel & Power Limited of ₹ 1 each	300	1.58	300	1.58
JSW Steel Limited of ₹ 10 each	326	2.24	826	4.67
Kirloskar Multimedia Limited of ₹ 10 each	50,000	5.00	50,000	5.00
Kirtivardhan Finvest Service Limited of ₹ 1 each	560	–	560	–
LCC Infotech Limited of ₹ 2 each	5,000	–	5,000	–
Larsen & Toubro Limited of ₹ 2 each	–	–	100	1.21
Moving Pictures (I) Limited of ₹ 10 each	6,958	3.83	6,958	3.83
Mukand Engineers Limited of ₹ 10 each	34,690	29.99	34,690	29.99
Namaste Exports Limited of ₹ 10 each	500	–	500	–
Nath Bio-Genes (I) Limited of ₹ 10 each	902	0.21	902	0.21
Nath Seeds Limited of ₹ 10 each	2,378	0.55	2,378	0.55
Ojas Techno Chem Product Limited of ₹ 10 each	41,900	6.65	41,900	6.65
Padmini Technologies Limited of ₹ 10 each	8,100	11.87	8,100	11.87
Raj Rayon Limited of ₹ 10 each	7,190	3.18	7,190	3.18
RDL Infotech Limited of ₹ 10 each	25,000	2.50	25,000	2.50
Reliance Capital Limited of ₹ 10 each	49	0.88	49	0.88
Reliance Communication Limited of ₹ 5 each	3,090	10.76	3,090	10.76
Reliance Industries Limited of ₹ 10 each	242	1.69	242	1.69
Reliance Infrastructure Limited of ₹ 10 each	506	9.77	506	9.77
Reliance Power Limited of ₹ 10 each	22	–	22	–
Srei Infrastructure Finance Limited of ₹ 10 each	21,780	12.77	21,780	12.77
Step Two Finance Limited of ₹ 10 each	700	0.07	700	0.07
Suvarna Aqua Farm & Export Limited of ₹ 10 each	200	0.03	200	0.03
Tata Steel Limited of ₹ 10 each	571	0.95	571	0.95
TCM Limited of ₹ 10 each	800	0.28	800	0.28
Tecil Chemicals & H.P. Limited of ₹ 10 each	200	0.06	200	0.06
Welspun Corporation Limited of ₹ 5 each	–	–	400	0.29
TOTAL		135.68		150.31

Notes to the FINANCIAL STATEMENTS

For the year ended December 31, 2012

(₹ in Lacs)

	As at 31st December, 2012		As at 31st December, 2011	
	Nos.	Amount	Nos.	Amount
10. NON-CURRENT INVESTMENTS (at cost unless otherwise stated) (Contd.)				
B. Unquoted				
In fully paid equity shares				
Ambition Vyapaar Private Limited of ₹ 10 each	2,000	0.20	2,000	0.20
Diana Capital Limited of ₹ 10 each	117,370	24.33	117,370	24.33
Janak Steel Tubes Limited of ₹ 100 each	20,300	203.00	20,300	203.00
Orkay Industries Limited of ₹ 10 each	2,800	0.67	2,800	0.67
Rank Aqua Estates Limited of ₹ 10 each	1,000	0.45	1,000	0.45
Sonal International Limited of ₹ 10 each	5,000	1.80	5,000	1.80
TOTAL		230.45		230.45
Less : Diminution in Value of Unquoted Investments		2.93		–
GRAND TOTAL VALUE OF INVESTMENT		363.20		380.76
Aggregate Market Value of Quoted Investments		56.74		50.76
11. LONG-TERM LOANS AND ADVANCES				
Capital Advances				
- Unsecured, considered good		182.08		16.36
Security Deposits				
- Unsecured, considered good		9.27		4.67
MAT credit receivable		32.35		18.45
TOTAL		223.70		39.48
12. OTHER NON-CURRENT ASSETS				
Deferred Reserve Fund		4.93		4.54
Deferred Interest		0.46		3.09
TOTAL		5.39		7.63
13. CURRENT INVESTMENTS				
In Debentures				
Quoted				
Lodha Developers Limited of ₹ 757,576 each	4	28.53	–	–
TOTAL		28.53		–
Aggregate Market Value of Quoted Investments		30.80		–
14. INVENTORIES (At lower of cost and net realisable value)				
Stores and Spares (#)		256.20		151.69
Stock of Tea and Tea Waste (##)		710.71		1,001.30
TOTAL		966.91		1,152.99

Stores and spares includes goods in transit amounting ₹ 960,466/- (Previous year ₹ 418,467/-)

Stock of Tea includes 518,340 Kgs. valuing ₹ 60,039,330/- lying with other Parties (Previous year 813,860 Kgs. valuing ₹ 84,462,390/-)

Notes to the FINANCIAL STATEMENTS

For the year ended December 31, 2012

(₹ in Lacs)

	As at 31st December, 2012	As at 31st December, 2011
15. TRADE RECEIVABLES		
Outstanding for a period exceeding six months		
- Unsecured, Considered good (#)	1,601.76	30.31
- Doubtful (##)	1.09	1.09
Others		
- Unsecured, considered good	233.38	1,974.85
TOTAL	1,836.23	2,006.25

Trade Receivable also Includes ₹ 15,60,13,791/- related to sale of Ambari Tea Estate.

No provision has been made for Sundry Debtors amounting to ₹ 1,08,930/- considered as Doubtful of Recovery (Under Litigation ₹ 1,08,930/-) (Previous year ₹ 1,08,930/-).

16. CASH AND CASH EQUIVALENTS		
Balance with banks :		
- Current accounts	15.37	145.56
- Deposit accounts (Pledged with Bankers against issue of Bank Guarantees)	30.29	21.71
- Unpaid dividend accounts	5.60	3.99
Cash in Hand	28.60	7.74
TOTAL	79.86	179.00

17. SHORT-TERM LOANS AND ADVANCES		
Unsecured, considered good unless otherwise stated		
Loans and advances to related parties	-	8.00
Balance with Statutory authorities	1.57	0.74
Income tax advance (net of provisions)	83.82	57.61
Loans and Advances :		
- Considered Good	1,059.00	954.00
- Considered Doubtful (#)	178.44	17.45
Other loans and advances (Other Loans and Advances includes Commercial Advance, advance to employees and unexpired expenses etc.)	119.95	115.87
TOTAL	1,442.78	1,153.67

#1. No provision has been made for loan receivable amounting to ₹ 1,63,44,778/- (Previous year ₹ 17,44,778/-) as considered doubtful of recovery during the year. Hence no interest has been provided on the said loan.

2. Further it also includes advances given to Shruti Trade & Enterprises Pvt. Ltd. amounting to ₹ 15,00,000/- which is doubtful of recovery. However, no provision has been made for the same as the company has filed suit in Hon'ble High Court for Winding up of said Company.

Notes to the FINANCIAL STATEMENTS

For the year ended December 31, 2012

(₹ in Lacs)

	As at 31st December, 2012	As at 31st December, 2011
18. OTHER CURRENT ASSETS		
Interest Accrued on Loans, Deposit (#)	88.92	88.92
Compensation Receivables	–	16.50
Replantation subsidy receivables :		
- Considered Good	3.33	28.08
- Considered Doubtful (##)	7.81	7.81
TOTAL	100.06	141.31

Interest Accrued on loans includes interest receivable from Shruti Trade & Enterprises Pvt Ltd amounting to ₹ 1,45,015/- which is doubtful of recovery. However, no provision has been made for the same as the company has filed suit in Hon'ble High Court for Winding up of said Company. Further interest receivable includes interest from DDS Steel Rolling Mills amounting to ₹ 4,99,065/- which is doubtful of recovery but no provision has been done for the same.

No provision has been made for Replantation Subsidy Receivable amounting to ₹ 3,66,930/- in respect of Ambari Tea Estate for the year 1997-98 & ₹ 4,14,344/- in respect of Goodhope Tea Estate for the year 1994-95, which is considered as Doubtful of recovery.

	For the year ended 31st December, 2012		For the year ended 31st December, 2011	
19. REVENUE FROM OPERATIONS				
Gross Revenue from sale of Products	4,474.94		5,120.20	
Less : Excise Duty & Cess	15.82	4,459.12	19.59	5,100.61
Other Operating Revenues :				
- Replantation Subsidy		23.31		39.84
- Miscellaneous Sale		5.81		4.45
TOTAL		4,488.24		5,144.90

20. OTHER INCOME				
Interest		133.05		60.99
Dividend Income		0.62		1.41
Claims		3.97		0.61
Profit on Sale/Discard of Fixed Assets (Net)		0.59		271.85
Sundry Balance Written Back (Net)		12.44		17.17
Transferred from Capital Reserve		0.50		0.50
TOTAL		151.17		352.53

Notes to the FINANCIAL STATEMENTS

For the year ended December 31, 2012

(₹ in Lacs)

	For the year ended 31st December, 2012	For the year ended 31st December, 2011
21. COST OF MATERIAL CONSUMED		
Green Leaf (Purchased and Consumed)	232.38	287.82
TOTAL	232.38	287.82
22. Changes in Inventories of Finished Goods and Stock in Trade		
Opening Stock of Tea	1,001.30	956.79
Closing Stock of Tea	710.71	1,001.30
TOTAL	290.59	(44.51)
23. EMPLOYEE BENEFIT EXPENSES		
Salaries, Wages, Bonus and Gratuity	1,684.37	1,927.28
Contribution to Provident & Other Funds	241.55	279.83
Workers & Staff Welfare expenses	165.47	193.67
TOTAL	2,091.39	2,400.78
24. FINANCIAL COSTS		
Interest to banks for working capital finance	86.39	83.81
Interest on term loan	37.37	65.07
Interest to others	0.17	0.20
Bank Charges	14.77	7.73
Interest on Tea Board SPTF Scheme	18.44	13.64
Hire Purchase Finance Charge	5.26	8.47
TOTAL	162.40	178.92

Notes to the FINANCIAL STATEMENTS

For the year ended December 31, 2012

(₹ in Lacs)

	For the year ended 31st December, 2012	For the year ended 31st December, 2011
25. OTHER EXPENSES		
Stores & spares consumed	461.86	529.57
Power and fuel	546.59	559.26
Repairs & Maintainance :		
- Buildings	45.83	47.51
- Plant & Machinery	39.08	55.70
- Others	28.32	25.78
Tea Selling Expenses :		
- Brokerage, Commission & Service Charges	57.44	76.03
- Freight, Warehouse and Other Selling Expenses	111.17	124.07
Office Rent	1.80	1.80
Rates and Taxes	8.02	9.34
Insurance charges	7.32	6.16
West Bengal Cess Duty	14.76	4.00
Payment to auditors	3.08	2.48
Loss on sale of investment	2.53	4.28
Provision for dimunition in value of Investments	2.93	-
Bad Debts Written Off	23.20	42.54
Loss on Discard of Tea Plantation	7.45	10.63
Donation	0.17	25.43
Miscellaneous expenses (#)	154.76	230.98
TOTAL	1,516.31	1,755.56
Payment to auditors includes		
Auditor's Remuneration and expenses :		
- Audit fees	1.24	1.21
- Fees for limited review	0.33	0.26
- Tax audit fees	0.67	0.28
- Fees for certificates and other services	0.55	0.34
- Reimbursement of expenses	0.29	0.39
TOTAL	3.08	2.48
# Miscellaneous Expenses includes Directors' Board Meeting Fee & Committee Meeting Fee totalling ₹ 1,08,000/- (Previous year ₹ 88,000/-).		
26. Current Tax		
Income Tax for the year :		
Current Tax	66.96	92.01
Adjustments/(Credit) related to previous years (Net) :		
- MAT Credit Entitlement	(13.90)	(2.39)
TOTAL	53.06	89.62

Notes to the FINANCIAL STATEMENTS

For the year ended December 31, 2012

27. SIGNIFICANT ACCOUNTING POLICIES

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

1) Basis of Accounting

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

2) Revenue Recognition

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

2.2) Sales are net of Sales Tax wherever applicable.

3) Fixed Assets

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

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

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

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

4) Replantation Expenditure

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

5) Impairment of Fixed Assets

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

6) Depreciation & Amortization

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

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

7) Contingent Liabilities

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

8) Inventories

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

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

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

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

9) Investments

Investments are classified as Non Current Investments and Current Investments (Investments intended to be held for not more

Notes to the FINANCIAL STATEMENTS

For the year ended December 31, 2012

than one year). Current Investments are carried at lower cost or fair value and provision is made to recognize any decline in the carrying value. Long Term Investments are carried at cost and provision is made to recognize any decline, other than temporary in the value of such investments. Unquoted investments are carried at cost. Cost includes purchase price plus brokerage and transfer cost.

10) Excise Duty & Cess on Tea Production

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

11) Retirement Benefits

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

12) Income Tax

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

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

13) Provisions

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

14) Borrowing Costs

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

15) Grants/Subsidies

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

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

16) Foreign Currency Transactions

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

Notes to the FINANCIAL STATEMENTS

For the year ended December 31, 2012

28. ADDITIONAL INFORMATIONS

- 1) The revised Schedule VI has become effective from 1st April, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure
- 2) Contingent Liability not provided for in respect of :
 - 1.1) Bank Guarantees issued to various Government Bodies to the extent of ₹ 1,01,57,394/- (Previous year ₹ 82,51,173/-).
 - 1.2) Claim against the Company not acknowledged as debts amounting to ₹ 2,54,40,300/- (Previous year ₹ 2,54,40,300/-).
 - 1.3) West Bengal Sales Tax demand for the Assessment Year 2000-01 of ₹ 80, 543/- (Previous year- ₹ 80,543/-).
 - 1.4) Income tax demand of ₹ 7,92,584/-, ₹ 14,08,126/- and ₹ 98,810/- being contested by the company for the Assessment year 2007-08, 2008-09 and 2009-10 respectively (Previous year- ₹ 7,92,584, ₹ 14,08,126 and ₹ 98,810/- for the Assessment Year 2007-08, 2008-09 and 2009-10 respectively).
 - 1.5) Central Sales Tax demand for the Assessment Year 2003-04 of ₹ 25,28,836/- (Previous year ₹ 25,28,836/- for the Assessment Year 2003-04)
- 3) Depreciation as calculated includes additional charges of ₹ 49,895/- on revalued assets and an amount equivalent to the additional charges has been transferred to Statement of Profit and Loss from Capital Reserve (Revaluation of Fixed Asset) such transfer according to an authoritative Professional view being acceptable for the purpose of the Companies annual accounts.
- 4) During the year 2011 Company has entered into a sale agreement with Stanmore Estates Pvt. Ltd. nominee of Maxwell Golden Tea Pvt.Ltd. for the sale of the Ambari Tea Estate and necessary adjustment has been made in the accounts. The necessary formalities and necessary permission from Govt. of West Bengal for transfer is under progress.
- 5) In view of the favourable order from the Hon'ble Supreme Court filed by other tea companies in respect of dividend tax, the company is depositing the dividend tax to the extent of 40% of the applicable rates. However the company is continuing to provide dividend tax at applicable rates.
- 6) In accordance with the AS - 28 on Impairment of Assets, the company has assessed as on the balance sheet date, whether there are any indication (listed in paragraphs 8 to 10 of the standard) with regard to impairment of any assets. Based on such assessment, it has been ascertained that no potential loss is present and therefore, formal estimate of recoverable amount has not been made. Accordingly, no impairment loss has been provided in the books of accounts.
- 7) The Company has not received any information from its suppliers regarding registration under "The Micro, Small and Medium Enterprises Development Act, 2006". Hence, the information required to be given in accordance with Section 22 of the said Act, is not ascertainable. Hence, not disclosed;
 - i) However Sundry Creditors includes ₹ 87,464/- (Previous year - ₹ 1,23,501/-) due to Small Scale Industrial undertakings to the extent such parties have been identified from the available documents/information.
 - ii) No interest was paid by the company in terms of section 16 of MSMED Act during the year.
 - iii) There was no interest for delay in making payment beyond appointed date.
 - iv) There is no interest accrued and remaining unpaid beyond the appointed date.
 - v) No interest is remaining due and payable even in succeeding years, until such that when the interest dues as above are actually paid to Micro, Small and Medium Enterprises for the purpose of disallowance as a deductible expenditure under section 23 of the aforesaid Act.

Notes to the FINANCIAL STATEMENTS

For the year ended December 31, 2012

8) The disclosures required under Accounting Standard 15 (Revised 2005) "Employee Benefits" notified in the Companies (Accounting Standards) Rules, 2006, are given below :

a) Defined Contribution Plan - Provident Fund

Employer's contribution to Provident Fund	₹ 14,783,726/-
Employees' contribution to Provident Fund	₹ 14,783,726/-

b) Defined Benefit Plan - Gratuity

No provision has been made in respect of present liabilities for future payment of gratuity to the staff and workers, which will be charged to accounts as and when paid. According to actuarial valuation under Revised AS-15, the liability for gratuity obligation to staff and workers as on 31st December, 2012 is ₹ 71,853,404/- (Previous year ₹ 59,982,875/-) and the net liability is ₹ 44,140,756/- (Previous year ₹ 39,938,403/-).

The Company extends defined benefit plan in the form of gratuity to employees contribution to gratuity is made to Life Insurance Corporation of India, HDFC Standard Life Insurance Company Ltd., SBI Life Insurance Company Ltd. and Birla Sunlife Insurance Company Ltd. in accordance with the scheme framed by the Corporation. The details are as under :

Liability to be recognised in Balance Sheet as on 31.12.2012	(₹)
Present value of Obligations	71,853,404
Fair Value of Plan Assets	27,712,648
Net Asset/(Liability) not recognised in the Balance Sheet	(44,140,756)
Change in Plan Assets (Reconciliation of Opening & Closing Balances)	
Fair Value of Plan Assets as on 01.01.2012	20,044,472
Expected Return on Plan Assets	1,603,558
Actuarial Gain/(Losses)	(1,435,382)
Contributions	7,500,000
Benefits Paid	-
Fair Value of Plan Assets as at 31.12.2012	27,712,648
Reconciliation of Opening and Closing Balances of Obligation	
Change in defined Benefit Obligation	
Obligation as at 01.01.2012	59,982,875
Current Service Cost	3,300,893
Interest cost	4,948,587
Actuarial Losses/(Gain)	3,621,049
Benefits Paid	-
Obligation as on 31.12.2012	71,853,404
Expenditure to be recognised during the year	
Current Service Cost	3,300,893
Interest Cost	4,948,587
Expected Return on Plan Assets	(1,603,558)
Net Actuarial Losses/(Gain) Recognised during the year	5,056,431
Total Expenditure/(Income) required to recognise in the Statement of Profit and Loss but not recognised	11,702,353

Notes to the FINANCIAL STATEMENTS

For the year ended December 31, 2012

Assumptions	(₹)
Discount Rate (Per Annum)	8.25%
Expected Rate of Return on Assets (Per Annum)	8.00%
Salary Escalation Rate	5.00%

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

- 9) In accordance with Accounting Standard (AS) 13 issued by the Council of the Institute of Chartered Accountants of India, the Long Term Investments in respect of quoted investment held by the Company are valued at cost and ₹ 8,561,673/- (Previous year ₹ 10,206,076/-) being diminution in values thereof has been considered by the management to be temporary and accordingly has not been recognized in this account. These would, however be covered adequately by the Company's year-end Reserves & Surplus. However in respect of Unquoted investments, provision for diminution has been made amounting to ₹ 292,962/- (Previous year Nil) on account of diminution which are of permanent in nature.
- 10) The company has not accounted for interest receivable from M/s Pretoria Enclave Limited, as per One Time Settlement (OTS) held in the year 2008. During the year company has received compensation on account of OTS from M/s Pretoria Enclave Limited in full. Further the balance principal amount receivable from M/s Pretoria Enclave Limited will be repaid upto 2014 - 15.
- 11) No Provision has been made in respect of West Bengal Professional Tax liability of ₹ 327,417/- in respect of interest for which the company had applied for waiver (Previous year ₹ 327,417/-).
- 12) The Company's profits for the period 1st April, 2012 to 31st December, 2012 together with those for the subsequent period to 31st March, 2013 will be assessable (including under Section 115JB of the Income Tax Act, 1961) as one composite income for the Assessment Year 2013-2014 and in the view of this, no provision for the taxation and Deferred Tax Liability has been made as the tax liability in respect of the said period of Nine months cannot be quantified at present. However provision for Income Tax for the Three month from 1st January, 2012 to 31st March, 2012 along with previous Nine month from 1st April, 2011 to 31st December, 2011 has been ascertained and duly provided.
- 13) In accordance with the Accounting Standard 22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India, the Company has reviewed the net deferred tax liability/assets as at 31st March, 2012 and the net deferred tax Liability have been computed ₹ 1,704,634/-. Accordingly the deferred tax amounting to ₹ 9,646,366/- for the year has been recognized in the Statement of Profit and Loss and the Deferred Tax Liability/Assets for the period from 1st April, 2012 to 31st December, 2012 has not been provided in view of the above note number 12.
- 14) In the opinion of the Board of Directors of the Company the Current Assets, Loans, Advances and Deposits are approximately of the value stated in the accounts, if realised, in ordinary course of business unless otherwise stated. The provisions for all known liabilities are adequate and not in excess of the amount reasonably required.
- 15) The Company is engaged in the business of integrated activities of manufacture and sale of tea, predominantly in the domestic market. Hence, there is no reportable segment as per the AS - 17 on "Segment Reporting" as issued by the ICAI.
- 16) **Earning Per Share :**

Basic and Diluted Earnings per share :

S. No.	Particulars	31st December, 2012	31st December, 2011
a)	Profit for the year attributable to Equity Share Holders (₹ in Lacs)	267.37	384.54
b)	Number of Equity Shares of ₹ 5/- each (in Lacs)	149.91	149.91
c)	Basic & Diluted Earnings per share (Amount in ₹)	1.78	2.57

Notes to the FINANCIAL STATEMENTS

For the year ended December 31, 2012

17) Related Party Disclosures :

(Amount in ₹)

Name of Party	Nature of Relation	Description of Transaction	Transaction during year ended on 31st December		Balance Outstanding as on 31st December	
			2012	2011	2012	2011
Singhania Builders Ltd.	Directors interested as Directors	Rent Paid	180,000/-	180,000/-	-	-
		Electricity Expenses paid	249,675/-	208,241/-	34,585/-	-
		Maintenance charges paid	75,954/-	55,601/-	25,605/-	-
Mr. Sandeep Singhania	Managing Director	Remuneration & Perquisites	2,092,059/-	1,741,364/-	-	-
Mrs. Sarita Singhania	Wholetime Director	Remuneration & Perquisites	1,400,022/-	1,068,425/-	-	-
Diana Capital Ltd.	Holding Company	Loan Taken	6,962,000/-	10,623,000/-	19,070,000/-	12,108,000/-
Woodville Properties & Finance Ltd.	Directors interested as Directors	Loan Taken/ (Repayment)	(800,000/-)	-	-	800,000/-
		Interest	11,753/-	72,000/-	59,400/-	54,247/-

18) Remuneration to the Managing Director and Wholetime Director

	Year ended 31st December, 2012 (₹)	Year ended 31st December, 2011 (₹)
a) Salary & Bonus	3,005,645/-	2,400,000/-
b) Contribution to Provident Fund	360,678/-	288,000/-
c) Perquisites	125,758/-	121,789/-

19) Expenditure in Foreign Currency

Particulars	31.12.2012 (₹)	31.12.2011 (₹)
Travelling & Others	1,329,120	721,636

20) Details of Raw Materials consumed during the year (All Indigenous)

Particulars	Year ended 31st December, 2012		Year ended 31st December, 2011	
	Quantity (Kgs.)	Amount (₹)	Quantity (Kgs.)	Amount (₹)
Green Leaf harvested (Green leaf harvested from Company's own gardens and utilized in the integrated activity of manufacture and value at the intermediate stage is not ascertainable)	12,304,596	-	15,853,057	-
Green Leaf Purchased	1,226,860	23,237,585/-	1,783,601	28,781,566

Notes to the FINANCIAL STATEMENTS

For the year ended December 31, 2012

21) Detail of Finished Goods, Production, Purchase, Stock and Sales :

Particulars	Year ended 31st December, 2012		Year ended 31st December, 2011	
	Quantity (Kgs.)	Amount (₹)	Quantity (Kgs.)	Amount (₹)
	Actual production (excluding tea issued for sampling, shortage, tea waste destroyed & complimentary 26,379 Kgs.) (Previous year 38,334 Kgs.)	3,075,320	–	4,060,724
Opening Stock	965,981	100,130,149/-	966,687	95,678,915/-
Purchase	62,020	4,425,085/-	291,946	29,410,103/-
Closing Stock	614,840	71,070,860/-	965,981	100,130,149/-
Gross Sales	3,488,481	447,494,290/-	4,353,376	512,019,592/-

22) Value of Imported/Indigenous Stores and Spare Parts consumed and percentage thereof :

Particulars	Year ended 31st December, 2012		Year ended 31st December, 2011	
	Amount (₹)	%	Amount (₹)	%
	All Indigenous	46,185,764/-	100	52,957,444/-

23) Figures for the Previous year have been regrouped, rearranged and recast wherever necessary.

For **DAS & PRASAD**
Chartered Accountants
Firm Regn. No. 0303054E

P. K. Agarwal
Partner
Membership No.056921
4, Chowringhee Lane, Kolkata - 700 016
Date : March 26, 2013

For and on behalf of the Board

Manoj Agarwala
Chief Financial Officer &
Company Secretary

Sandeep Singhania
Managing Director

Sarita Singhania
Wholetime Director

DIANA TEA COMPANY LIMITED

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

ATTENDANCE SLIP

L.F./Client ID No.

DP ID No.

No. of Shares held.....

I/We hereby record my/our presence at the 102nd Annual General Meeting of the Members of the Company on Saturday, June 22, 2013, at Gyan Manch Education Society Hall, 11, Pretoria Street, Kolkata - 700 071 at 10.30 a.m.

Full name of the Shareholder : _____
(in block letters)

Signature of the Shareholder : _____

Full name of Proxy : _____
(in block letters)

Signature of the Proxy : _____

Notes :

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

DIANA TEA COMPANY LIMITED

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

FORM OF PROXY

L.F./Client ID No.

DP ID No.

No. of Shares held.....

I/We _____ of _____ in the district of _____
being a member/members of DIANA TEA COMPANY LIMITED hereby appoint

_____ of _____ in the district of _____

_____ or failing him/her _____ of _____

in the district of _____ as my/our proxy to vote for me/our behalf at the 102nd Annual

General Meeting of the Members of the Company to be held on 22nd day of June 2013 and at any adjournment thereof.

Signed this _____ day of _____ 2013.

Please Affix Re. 1/- Revenue Stamp
--

Notes :

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



List of products

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

Tea Chest
(in 26 kgs & 35 kgs)

Poly Pouch Pack
(3 varieties in 25 gms)

Tea Bags
(25 bags & 100 bags pack)

Mini Chestlet
(500 gms)

BOOK-POST

If undelivered, please return to :

DIANA TEA COMPANY LIMITED

“SIR R. N. M. HOUSE”

3B, Lal Bazar Street, Kolkata - 700 001

Phone : (033) 2248 8672, 4066 1590/93, Fax : (033) 2248 7571

E-mail : contactus@dianatea.in

