

ARCUTTIPORE TEA COMPANY LIMITED
DIRECTORS' REPORT TO THE MEMBERS

Your Directors present their 141st Annual Report and the Audited Statement of Accounts of the Company for the year ended 31st March 2010.

	For the year ended 31 st March 2010	For the Year ended 31 st March 2009
	Rs.	Rs.
Profit/(Loss) before depreciation	(20,73,012)	8,87,657
Provision for depreciation	(11,79,584)	(12,33,989)
	-----	-----
Profit/(Loss) after depreciation	(32,52,596)	(3,46,036)
Provision for Taxation	-----	-----
Profit /(Loss) after tax	(32,52,596)	(3,46,036)
(Loss)brought forward from previous year	(11,41,73,097)	(11,38,27,061)
Transfer to Balance Sheet	(11,74,25,693)	(11,41,73,097)
	-----	-----
Profit available for appropriation	NIL	NIL
	=====	=====

MADE TEA & CROP

Your directors report that there has been no production of made tea for the last three consecutive years 2007-08, 2008-2009 and 2009-10 due to non restoration of electricity in the factory and acute shortage of fund to meet working capital requirements in the garden. The company could not commence tea production even during the current season year too on account of the aforesaid reasons till this date and the company could not make alternative fuel arrangements due to acute shortage of fund . Consequently , the company is bound to sell the entire production of 20,60,333 kgs green leaf during the year as compared to sale of 19,16,490 kgs green leaf in the previous year.

Due to shortage of fund, non payment of statutory dues and liabilities over the years & no financial assistance from any corner as well as from financial institutions, the company could not re-commence production during the current year too, and is continuing selling green leaf during the present year at realizable price for meeting the increased labour payments, amenities to staff and labour and other garden overheads costs. .

PERFORMANCE

Your Directors report that the Company has incurred gross loss of Rs. **32,52,596/--** for the year even after receipts of Rs.16,55,135/- on insurance services during the year , as compared to a gross loss of Rs. 3,46,036/- for the previous year. The main reasons are due to acute shortage of funds causing non restoration of tea production on account of non payments of electricity dues and non recovery of outstanding dues and advances amount coupled with unfavourable climate and undistributed rain causing fall in production of green leaf against estimations.

FUTURE PROSPECTS

Your Directors stipulate that though there has been improvement in demand of tea in the domestic market and in overseas markets in the present year ,yet the company has not been able to come out of the unfavourable situation due to huge losses and acute shortage of funds coupled with erratic and unfavourable climate , undistributed rain in the present year, and has been facing abnormal damages in the garden and keeping poor maintenance of plant & machinery and loss of production too. The company would not in a position to reap and maintain adequate margins from made tea , and as such would not show good results even in the present year. Moreover, the company 's net worth has been continuously eroding.

Your directors are endeavoring to proceed with the BIFR authority, seeking restructuring and revival package / scheme envisaging revival and several benefits for the interest of the company unless there is financial support from the banks & financial institutions and or from private parties.

DEPOSITORY SYSTEM

The Company's equity shares are listed on the Regional Stock Exchanges at Bombay and , Kolkata, for transaction of shares in demat form. The shares of the Company are tradable in demat form. However, due to non payment of listing fees for the year and for earlier years , the company 's shares are stopped being traded at the exchanges . Your Company also offer transfer-cum-demat facility to expedite the transfer process.

INDUSTRIAL RELATION

During the year under review, your Company has been maintaining cordial and mutually helpful relationship with its employees. The Board takes on the records its deep appreciation of the co-operation and support extended by employees at all levels and looks forward to their total involvement and in pertaining the over all improvement of the Company.

PARTICULARS OF EMPLOYEES

The Company had no employee drawing more than Rs.24,00,000/- per year or Rs. 2,00,000/- per month during the year and as such the particulars as required u/s 217(2A) of the Act are not required.

DIRECTORS RESPONSIBILITY STATEMENT

In terms of Section 217 of the Companies Act 1956, your Directors state that:

- (a) In the preparation of the annual accounts, the applicable accounting standards have been followed and there have been no material departure.
- (b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for the year.
- (c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 1956 for safeguarding the assets of the Company.
- (d) The Directors had prepared the annual accounts on a going concern basis.

DIRECTORS

Mr.C.P.Poddar retires at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

Mr. Harsh Bajoria, the Managing Director of the company, has informed that in view of huge losses and continuous financial crisis even in the current year, he has forgone his basic remuneration for the year and has decided to continue rendering his services as managing director as he has so been rendering in earlier years even without remuneration .

The company took on record the appreciation of services rendered Mr. Harsh Bajoria during the year and his continued support.

CORPORATE GOVERNANCE

The Company's Philosophy

The Company believes and its essence that the core values of the Company's Corporate Governance are transparency, Professionalism, Accountability, Fairness and social responsibility. It is continuous endeavor of the Company to fulfil these objectives and enhance the wealth generating capacity, keeping in mind long term interest of the shareholders

Board of Directors: -

The Board consisted of 4 (Four) Directors as on 31.3.2010 with a Non-Executive Chairman, Executive Managing Director and 2 (two) non-Executive Directors. Their particulars and attendance at Board Meetings and AGM are given below:

Sl No	Name	Status	No. of Board Meetings Attended	Attendance at the Last EGM/AGM	Other Company			
					Board of Directors		Board Committee	
					Chairman	Member	Chairman	Member
1	Mr. U.S.Bajoria	Non-Executive Chairman	Nil	No	-	Nil	-	-
2	Mr. H.K.Bajoria	Executive Managing Director/Promoter	6	Yes	-	8	-	-
3	Mr. C.P.Poddar	Non-Executive Independent Director	6	Yes	-	10	-	-
4	Mr. Manoranjan Pal	Director	6	Yes	-	11	-	-

Board Meeting held during the year: -

Sl No	Date of Meeting	Board Strength	No. of Directors Present
1	July 29, 2009	4	3
2	September 3, 2009	4	3
3	September 29,2009	4	3
4	October 29,2009	4	3
5	January 30,2010	4	3
6	April , 29,2010	4	3

AUDIT COMMITTEE

Terms of Reference & Composition

The terms of reference of the committee cover the matters specified for Audit Committee under Clause 49 of the listing Agreement as well as in Section 292A of the Companies Act, 1956.

Name of Director	No of Meeting	No. of Meetings attended
Sri C.P.Poddar	4	4
Sri U.S.Bajoria	4	4

Remuneration of Directors

Name of Director	Sitting fee Paid		Salary & Perks	Total
	For Board Meeting	For Committee Meeting		
Mr.U.S.Bajoria	-	-	-	-
Mr.H.K.Bajora	-	-	-	-
Mr. C.P.Poddar	-	-	-	-
Mr.Manorajan Pal	-	-	-	-

* Includes perquisites

1. The Agreement with Mr. H.K.Bajoria, Managing Director is a period of 5 years which is yet to be renewed.
2. The Company does not have any employee Stock Option scheme.

Shareholders/ Investor's Grievance Committee: -

The Committee consists two Directors viz Sri C.P.Poddar and Sri U.S.Bajoria and the grievances received were dealt with at its meetings. Sri **Naresh Shah** is the Compliance Officer of the Company. During the year, one complaint was received from the shareholders, except

that all others have been resolved to date. The Company has no transfer pending at the close of the financial year.

Annual General Meeting

The last 3 (Three) Annual General Meetings were held as follows. .

Year Ended	Date of meeting	Time	Venue
31.3.2009((140 th AGM)	29.9.2009	3.00P.M.	HOTEL HAVELI 17, Balmukund Macker Road, Kolkata—700007
31.3.2008 (139 th AGM)	29.9.2008	3.00.P.M.	HOTEL HAVELI 17, Balmukund Macker Road, Kolkata--700007
31.3.2007 (138 th AGM)	28.9.2007	3.00 P.M.	HOTEL HAVELI 17, Balmukund Macker Road , Kolkata-700007

All the resolutions set out in the respective notices were passed by the shareholders.

No postal ballots were used for voting at these meetings.

At the forthcoming Annual General Meeting, there is no item on the agenda that needs approval by postal ballot.

Management Discussions and Analysis Report

Pursuant to Clause 49 of the Listing Agreement, a Management Discussion and Analysis Report is given below:

(a) Industry Structure and Developments

The tea industry is improving situation of supply exceeding demand. With the sale volume remaining almost moderate and with lower realisation, the margins are under pressure. The Company has not producing made tea to sell due to shortage of fund and has been selling green leaf but at lower margins. The step taken for cost control, quality up gradation as well as marketing policy are expected to improve the margins in future.

(b) Opportunities and Threats

As your company's produce is presently not exported, it is not exposed to the vagaries of the export market.

(c) Segment-wise or product-wise performance

In spite of the industry continuing to operate under favourable conditions, the performance of your company has somewhat sustained due to its producing and selling green leaf only..

(d) Outlook

It is hoped that the industry has been improving, with the demand for exports picking-up in due course.

(e) Risks and concerns

The availability of new land for cultivation continues to be a constraint. The steps taken for increasing the yield as well as the replantation programme being pursued by the Company will enable the company to revive and sustain its manufacturing capacities provided the company gets financial support from the concerned institutions.

(f) Internal control systems and their adequacy

The system of internal control is commensurate with the size and nature of the business of the Company. The systems are regularly reviewed to ensure its effectiveness.

(g) Discussion on financial performance with respect to operational performance

These have been covered in the Director's Report specifically under the section on Financial Results and operations. The statement of accounts shows that the net worth of the company has eroded due to operational activities.

h) Material developments in Human Resources / Industrial Relations front, including number of people employed

The Company continues to lay emphasis on training and development of its human resources. The requirement of professionally qualified and trained personnel is regularly reviewed to obtain optimum results in all spheres of its activity.

The Company continued to maintain healthy and cordial Industrial relations at all its production facilities. It also strives to maintain the best of relations with its employees and ensure providing all mandatory facilities to them.

General Shareholder's information.

Annual General meeting – Date, Time, Venue.

141st th Annual general Meeting of the Members of the Company would be held on Wednesday, the September 29, 2010 at 3.00 P.M at **MMS Chamber , 4A Council House Street, Kolkata 700001.**

Date of Book closure.

The Register of Members of the Company will remain closed from September 25, 2010 to September 29, 2010 (both days inclusive) for the purpose of Annual General meeting of the Company.

No dividends declared during the year.

**Registered Office of the Company: 4A, Council House Street, Dewar's
Garage, 1st Floor, Kolkata – 700 001**

Registrar and Transfer Agents.

M/s. MCS Ltd. of 77/2A, Hazra Road, Kolkata – 700 029 were appointed as the Company's RTA, including dematerialized segment. **However , due to payment constraints, they have expressed their inability to function as RTA.**

Share Transfer System

The Company shares are compulsorily traded in the demat form for all category of shareholders. All transfers are debited/credited through the respective Accounts maintained with the Depository participants (DPs) of the investor.

Listing on Stock Exchanges: -

Shares are presently listed on two Stock Exchange viz. The Kolkata Stock Exchange Association Ltd. (Regional), and The Bombay Stock Exchange, Mumbai.

Company's stock code: -

Kolkata Stock Exchange	011062
Mumbai Stock Exchange	530261
Demat ISIN number for NSDL & CDSL	INE674C01010

Financial Calendar:

The Company's financial year is from April 01 to March 31 of the following year. The calendar for 2009-2010 has been as follows: -

Un-audited results for the Quarter Ended	Approved by the Board of Directors
30.06.2009	29.07.2009
30.09.2009	29.10.2009
31.12.2009	30.01.2010
31.03.2010	30.04.2010

Financial Audited Results approved by the Board of Directors on 03.09.2010

Annual General Meeting for the year-ended 31.3.2010 to be held on 29.9.2010.

Distribution of Shareholding 2009– 2010

Block of Shares	No of Shareholders	Percentage (%)	No of Shares	Percentage (%)
1- 500	2033	92.2413	247089	4.9256
501-1000	62	2.8131	50864	1.0140
1001-2000	38	1.7241	56451	1.1253
2001-3000	9	0.4084	22106	0.4407
3001-4000	8	0.3630	30303	0.6041
4001-5000	6	0.2723	27102	0.5403
5001-10000	7	0.3176	53439	1.0653
10001- above	41	1.8602	4529026	90.2847
Total	2204	100.0000	5016380	100.00

Shareholding Pattern: -The Shareholding pattern of the equity share capital of the Company as on March 31, 2010 was as follows:

Category	No. of Shareholders	Shares held	% of Share
Promoters	20	1408729	28.08
Foreign Institutional investors	Nil	Nil	Nil
Non – resident Indians	Nil	Nil	Nil
Overseas Corporate Bodies	Nil	Nil	Nil
Domestic Companies	62	2778115	55.38
Foreign Direct Investment	Nil	Nil	Nil
Mutual funds	Nil	Nil	Nil
Banks	2	100333	02.00
Indian Public	2120	729203	14.54
Financial Institutions	Nil	Nil	Nil
Total	2204	5016380	100.00

Address for Correspondence

MCS Limited
77/2A, Hazra Road, Kolkata – 700 029

Plant Location

Arceutipore Tea Estate
Po. Silchar, Dist. Cachar, Assam.

Disclosures

1. There are related party transactions made by the Company with its promoters, the Directors or management or relatives that may not have potential conflict with the interest of the Company at large.

Transactions with the relative parties are disclosed in note no B 19 of schedule D to the Accounts in the Annual report. Compliances in this regard ,wherever necessary , in terms of the Companies Act , 1956 are being carried out.

2. During the last three years, there were no strictures or penalties imposed by either SEBI or the Stock Exchange or any statutory for non-compliance of any matter related with the capital markets. **Annual Listing fees of the respective Exchanges are pending for payment.**

3. The Company has not adopted Non –mandatory requirements.

Auditors Certificate on Corporate Governance

The Company has obtained a certificate from its statutory auditors regarding compliance of requirements of Corporate Governance as stipulated in Clause 49 of the Listing agreement with Stock exchanges and the same is annexed. The Certificate will also be sent to the Stock exchange alongwith the Annual report by the Company.

ENERGY, TECHNOLOGY & FOREIGN EXCHANGE

The information required under Section 217(1) (e) of the Companies Act read with Companies (Disclosure of particulars in the report of Board of Directors) Rules 1988 are set out in an annexure hereto forming part of the report.

AUDITORS

M/s Arunabha Ganguly, Chartered Accountant and the Statutory Auditors , has resigned before the ensuing Annual General Meeting of the company.

A member of the company has recommended Mr. Gora Chand Mukherjee Chartered Accountant , for his appointment as Statutory auditor of the company.

Mr Gora Chand Mukherjee , Chartered Accountant, being eligible for appointment , has been appointed Statutory Auditor of the company at its Extra- Ordinary General Meeting held on **Tuesday 3rd August 2010** to hold the office of auditor till the ensuing Annual General Meeting of the Company at the remuneration to be mutually agreed and he has expressed his willingness to re – appointment .

APPRECIATION

Your Directors wish to place on record their appreciation of the support, which the Company continues to receive from the Government, Bankers and business associates. Your Directors also place on record their appreciation of the wholehearted support extended by the shareholders and the employees & workers of the company.

For and on behalf of the Board

Kolkata
The 3rd September, 2010

H. K. Bajoria
Managing Director

Arcuttipore Tea Company Limited

Annexure to the Director's Reports

Statement of Particular Under the Companies (Disclosure of Particulars in the Reports of Board of Director) Rules, 1988.

1) CONSERVATION OF ENERGY:

- a) Energy Conservation Measures Taken:
All Possible measures and precautions are being taken to reduce the consumption of energy.
- b) Additional investment and proposals, if any, being implemented for reduction of consumption of energy : Nil
- c) Impacts of measures taken at (a) and (b) for reduction of enegy consumption and consequent Impact on the cost of Production of Goods : Not Ascertainable.
- d) The relevant figures are given below:

	<u>2009-10</u>	<u>2008-09</u>
A Power & Fuel Consumption :		
i) Electricity :-		
a) Purchased - Units	-	-
Total Amount	-	-
Rate/unit	-	-
b) Own Generation :-	-	-
From DG sets - Units	-	-
Units/ltr of Diesel	-	-
Cost/unit		
ii) Furnace Oil for Tea Processing in withering and Drying		
Quantity (K.ltrs)	-	-
Total Cost	-	-
Average Rate (Per K.Ltr)	-	
iii) Coal :-		
Quantity (M.T)	-	-
Total Cost (Rs)	-	-
Average Rate (Rs.per M.T)	-	-
iv) H.S.D.Oil for Transport and Material Handling		
Quantity (K.Ltrs)	7.79	3.96
Total Cost (Rs.)	259253	132502
Average Rate (Rs.per K.Ltrs)	33280	33460
v) Petrol for Transport and Material handling		
Quantity (K.Ltrs)	1.53	1.5
Total Cost (Rs.)	74734	76522
Average Rate (Rs.per K.Ltrs)	48846	51015

B Consumption per unit of production :

a) Electricity Consumed - Units	Nil	Nil
Total Production - Tea (kg)	Nil	Nil
Consumption per kg- Units	Nil	Nil
b) Furnace Oil for Tea Processing :		
Quantity Consumed (K.ltrs)	Nil	Nil
Total Production - Tea (kg)	Nil	Nil
Consumption per Kg.- Ltrs.	Nil	Nil

2) RESEARCH AND DEVELOPMENT :

1) Specific area in which R&D is carried out by the Company	}	The Company subscribes to Tea Reseach Association which is Registered U/s 35(1) (ii) of the income tax Act 1961
2) Benefits derived as a result of the above R & D		
3) Future Plans of Action		
4) Expenditure on R & D		

3) TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION :

1) Efforts made	}	Not Applicable
2) Benefits derived as a result of above effort		
3) Imported technology in the last five years		

4) FOREIGN EXCHANGE EARNINGS AND OUTGO

a) Expenditure in Foreign Currency	-	-
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Kolkata
Dated :

By Order of the Board

H. K. Bajoria
(Managing Director)

Certificate from the Auditors regarding Compliance of Conditions of Corporate under Clause 49 of the Listing Agreement

To the Members of Arcuttipore Tea Company Limited

We have examined the compliance of conditions of corporate governance by Arcuttipore Tea Company Limited, for the year ended 31st March, 2010 as stipulated in Clause 49 of the listing Agreement of the said company with the 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 the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement, except as given below:

- a) Declaration u/s 24AA of two of the Directors has not been obtained by the Company.
- b) Auditors and Internal Auditors have not been invited to attend the Audit Committee meeting.
- c) Information regarding Internal control system, Scope of Audit, Audit observation, Material defaults in financial obligation to and by the company, or substantial non-payment of goods sold by the company, non compliance of regulatory, statutory nature or listing requirement and share holders service has not been placed before the Board of Directors.
- d) The following information have not been included in report on Corporate Governance:
 - i) Listing fees Rs. 56781 (Previous year Rs.38708) of CDSL not accounted for and paid in terms of CDSL letter no CDSL / ISSUER bill 2240 dated 04.11.2009
 - ii) Brief resume of the Directors reappointed, and
 - iii) Details of non-compliance by the Company.
 - iv) Information regarding market price data high, low during each month and dematerialization of shares during the year and performance in comparison to broad base indices.

We state that no investor grievance except one is pending against the Company as per records maintained by the Shareholders / Investors Grievance Committee.

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

For GORA CHAND MUKHERJEE
Chartered Accountant

8/2 Kiran Shankar Roy Road
Kolkata 700 001
Date: 3rd September, 2010

Gora Chand Mukherjee
Proprietor
Membership No- 17630

ARCUTTIPORE TEA COMPANY LIMITED

AUDITOR'S REPORT TO THE MEMBERS

We have audited the attached Balance Sheet of **ARCUTTIPORE TEA COMPANY LIMITED** as at 31st March, 2010 and the Profit & Loss account along with cash flow statement of the Company for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

- A. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956 and according to the information and explanations given to us and on the basis of such checks as we considered appropriate, we state that:
- i. (a) Proper updated records showing full particulars including quantitative details and situation of its fixed assets are being updated by the Company.
 - (b) The fixed assets of the Company have been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed.
 - (c) The company has not disposed any fixed assets during the year, which could affect the going concern status of the company..
 - ii. (a) As explained to us, physical verification of inventory has been conducted at reasonable intervals by the management. There is no inventory except shares at the year end with company as well as with third parties.
 - (b) In our opinion, 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) As informed, the Company is maintaining proper records of its inventory and no discrepancies were noticed on verification of stocks with book record
 - (d) (a) The company has taken/granted certain unsecured loan from/to the company covered under the register maintained under Section 301 of the Companies Act 1956. In the absence of relevant information and related documents, we are unable to quantify the number of companies and amount involved in the transaction.
 - (b) There is no stipulation for payment of principal and interest amount. As such we are unable to ascertain whether such terms are prejudicial to the interest of the company and whether said loan is overdue for repayment.

GORA CHAND MUKHERJEE

Chartered Accountant

8/2 Kiran Shankar Roy Road

Kolkata – 700001

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- iii. In our opinion and according to the information and explanations given to us, the prevailing internal control system needs to be strengthened, to commensurate with the size of the company and the nature of its business for purchase/inventory and fixed assets and for sale of goods.
- iv. (a) In our opinion and according to information and explanation given to us, the particulars of contracts or transactions referred to in Section 301 of the Companies act 1956 are being recorded in the register required to be maintained under that section.
- (b) The Company has made transactions as stated in Note No. 18B herein.
- v. According to the information and explanation given to us, the company has not accepted any public deposit with in the meaning of the Section 58A of the Companies Act 1956 and rules framed there under.
- vi. The Company has not been prescribed for the maintenance of cost records by the Central Government under clause (d) of sub-section (1) of section 209 of the companies Act 1956.
- vii. (a) As given in Note No. B 12 (a) & B 12 (b) of Schedule D and according to the information and explanations, given to us the company is not regular in depositing with the appropriate authorities undisputed statutory dues in respect of Provident Fund, Income Tax, Sales-Tax, Cess and Professional Tax. Provident Fund dues and Cess on Green leaf for the year and dues as stipulated for the earlier years are being deposited with the concerned authorities.
- (b) According to information and explanations given to us, there are no dues of income tax , sales tax , wealth tax , service tax , custom duty , excise duty or cess outstanding on account of any dispute , other than the following

Name of Statute	Nature of Dues	Amount Rs.	Period to which the amount relates	Forum where dispute is pending
Income tax Act 1961	Appeal against Order of regular assessment u/s143(3) of the Act	2,00,99,643	Asst Year 2002-03	CIT(A)
	Appeal against Order of regular assessment u/s143(3) of the Act	39,64,196	Asst year 2003-04	CIT (A)
Wealth Tax Act	Demand raised on the Order of regular assessment u/s 17& 16(5)	5,370	Asst Year 2002-03	
	Demand raised on the Order of regular assessment u/s 17& 16(5)	15,303	Asst Year 2003-04	
	Demand raised on the Order of regular assessment u/s 17& 16(5)	12,921	Asst Year 2004-05	

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viii. The accumulated losses of the company as at the end of the year are Rs.11,74,25,693/-. The said amount as shown in the Schedule exceeds the said losses and are more than the net worth of the Company. However, the Company has incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

ix. In our opinion and according to the information and explanation given to us, there have been delays in repayment of dues to financial institution and details of the delayed amount and delays are given as under:

<u>Particulars of loan</u>	<u>Maximum amount of delay</u>	<u>Maximum period of delay</u>
Tea Board of Rs.12,82,211/-	Rs.12,82,211/-	More than 6 years

x. Based on our examination and according to information and explanations given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

xi. The provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund/societies are not applicable to the company

xii. During the year under audit ,the company has not dealt in shares, securities, debentures .

xiii. According to information and explanations given to us, we are of the opinion that the company has not given any guarantee for loans taken by others from bank or financial institutions.

xiv. As per the information and explanations given to us, cash credit loans obtained/availed by the company were generally utilised for purpose for which these were obtained/availed.

xv. During the year under audit, the company has not borrowed any amount in form of Term Loan.

xvi. The company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Act.

xvii. The company has not issued any debentures and therefore, the provisions of clause 4(xix) are not applicable to the company.

xviii. During the period covered by our audit, the company has not raised any money by public issue therefore, the provision of clause 4(xx) are not applicable to the company.

ix. According to the information and explanations given to us and the audit procedures performed, we have neither come across any instances of fraud on or by the company, noticed or reported during the year nor have we been informed of such case by the management.

B. Attention is invited to the following notes of Schedule D: -

i. Note No. B.1 (a) regarding, non-provision / non-ascertainment of diminution in value of Investments converted into stock in trade , the eventual shortfall that may arise there from cannot be commented upon by us,

ii. Note No. B.1 (b) regarding non-availability of investments converted into stock in trade for physical verification,

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- iii. Note No. 4, 5, 6(a), 6(b), and Note No. 7 regarding receivables, outstanding, balances and loans receivables, aggregating to Rs. 2,85,11,712/- (Previous year Rs.3, 50,87,400), the eventual recovery of which and extent of provision there against, if any, cannot be ascertained.
 - iv. Note No.8 (b) regarding income tax deducted at source Rs.29,57,842/- (Previous year Rs 29,57,842/-) which is doubtful of recovery, due to non-adjustment of which the accumulated losses is lower, current assets are higher and Reserve and Surplus are lower to that extent,
 - v. Note No. B 11 regarding non-provision and basis of ascertainment of gratuity liability on the management's estimate, which may be different if ascertained on the basis of actuarial valuation and the impact of which is not ascertainable. This is not in consonance with Accounting Standard-15 on Accounting of Retirement benefits issued by the Institute of Chartered Accountants of India (ICAI) due to which loss for the year is lower, Reserve and Surplus are higher and current liabilities are lower by Rs.35,56,681/- (Previous year Rs.32,52,040/-) (to the extent ascertained), net of payment Rs. 243319/- (Previous year Rs.12,47,952/-) given on account.
- C. Subject to above, we report that: -
- i. 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,
 - ii. The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of account,
 - iii. 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 the books,
- D. In our opinion, excepting (i) note no B.1 (a) regarding non-provision / non-ascertainment of diminution in value of Investments converted into stock in trade (ii) note no.B.11 regarding non-provision of gratuity liability, of schedule D, the profit & loss Account and Balance Sheet comply with the Accounting Standards as referred to in Section 211 (3C) of the Companies Act 1956 to the extent applicable.
- E. On the basis of written representations received from the directors and taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March 2010 from being appointed as a Director in terms of Clause (g) of Sub Section (1) of Section 274 of the Companies Act, 1956,

- 5 -

- F. In our opinion and to the best of our information and according to the explanations given to us the said accounts subject to our remarks in para B read together with other notes in Schedule 'D', give the information required by Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles prevailing in India: -
- i) in the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2010,
 - ii) in the case of Profit & Loss Account, of the loss of the Company for the year ended on that date and
 - iii) in the case of Cash Flow Statement, of the Cash Flows of the Company for the year ended on that date.

For **GORA CHAND MUKHERJEE**
Chartered Accountant

Gora Chand Mukherjee
(Proprietor)
Membership No. 17630

Place: Kolkata
Date: 3rd September 2010

ARCUTTIPORE TEA COMPANY LIMITED

Balance Sheet as at 31st March 2010

As at 31st March 2009 Rs.	LIABILITIES	As at 31st March 2010 Rs.	As at 31st March 2009 Rs.	Particulars	As at 31st March 2010 Rs.	
	SHARE CAPITAL :			FIXED ASSETS:		
	Authorised:			As per Schedule "B" Annexed	77,888,505.35	
70,000,000.00	70,00,000 Ordinary Shares of Rs.10/- each	70,000,000.00		INVESTMENTS:		
	Issued :			As per Schedule "C" Annexed	1,500.00	
56,009,000.00	56,00,900 Ordinary Shares of Rs.10/- each	56,009,000.00				
	Subscribed & Paid-Up:			CURRENT ASSETS, LOANS & ADVANCES:		
	50,16,380 Ordinary Shares of Rs.10/- each fully			A). CURRENT ASSETS:		
50,163,800.00	Paid-Up	50,163,800.00		Stock-in-Trade (As taken valued and certified by the Management)		
2,919,850.00	Add: Shares Forfeited	2,919,850.00	53,083,650.00	- Stock of Shares	6,170,000.00	
	(Issued & Subscribed Capital includes			Stock of Flat (Trading Goods)	-	
	70,000 Shares issued & allotted as fully			Stores and Spare Parts	539,316.55	
	Paid-Up Bonus Shares by Capitalisation of Reserve)				6,709,316.55	
	RESERVES AND SURPLUS:			Sundry Debtors (Unsecured)		
(16,296,448.80)	As per Schedule 'A' Annexed	(20,164,091.38)		Debts outstanding for a period exceeding six months	1,939,098.64	
	SECURED LOANS:			Considered Good		
	From Central Bank of India:			Other Debts (Considered good)	520,884.00	
21,597,751.40	i) Cash Credit	21,597,751.40			2,459,982.64	
810,000.00	ii) Under NABARD Scheme	810,000.00				
22,198,818.47	iii) Special Tea Term Loan	22,198,818.47	44,606,569.87	Cash and Bank Balances :		
	(Secured by hypothecation of Tea and Tea Crops, Plant and Machinery and other movable assets (both present and future excluding assets acquired out of Tea board Loan and current assets charged to other bank by way of equitable mortgage of Leasehold Properties including Building, structure thereon relating to Company's Tea Garden by deposit of title deeds, First Charge on Entire Fixed assets except office premises of M/s.Pusha Steels Ltd.(both present and future) and its Corporate guarantee and personal Guarantee of two Directors of the Company)			772,452.26	Cash -in-Hand (As certified)	82,083.46
1,282,211.00	From Tea Board	1,282,211.00		187,987.81	Balance with Scheduled Banks on Current Accounts	145,005.75
1,520,820.00	Interest Accrued & Due	1,520,820.00	2,803,031.00	5,191.00	On Dividend Account	5,191.00
	(Secured by hypothecation of Machinery purchased Under Hire Purchase Scheme and guaranteed by Directors.)			25,000.00	On Fixed Deposit Account (Under Lien)	25,000.00
	Unsecured Loan				Other Current Assets:	
104,809.00	From Body Corporates	104,809.00		126,749.00	Interest Receivables	-
830,546.00	Deferred Tax Liability	830,546.00		297,007.00	Replantation Subsidy Receivable	297,007.00
	CURRENT LIABILITIES & PROVISIONS:			25,983,919.33	Other Receivables	25,983,919.33
	A. Current Liabilities				B) LOANS & ADVANCES:	
39,039,482.14	Sundry Creditors	40,154,984.10			(Unsecured and considered good by the Management)	
10,914,998.31	Advance from Customers	9,168,261.83		3,652,551.72	Loans to Bodies Corporate	500,000.00
1,662,500.00	Advance against sale of Flats	-		200,000.00	Loans to Others	-
5,191.00	Unclaimed Dividend	5,191.00			Advances (recoverable in cash or in kind or for value to be received)	
50,857.82	Duties & Taxes	47,542.82		10,382,225.76	Considered Good	12,099,449.16
8,255,170.00	Bank Overdraft (Due to Reconciliation)	-	49,375,979.75	5,806,323.00	Advance Income Tax including Tax deducted at source	5,993,859.00
	B. Provisions			3,277.00	Balance with Excise Authority	3,277.00
2,648,547.00	For Income Tax	2,648,547.00		4,074,599.00	Other Deposits	174,599.00
				89,800.00	Insurance Claim receivable	89,800.00
				830,546.00	Deferred Tax Assets	18,360,984.16
						830,546.00
	Significant Accounting Policies & Notes of Account Schedule 'D' Schedules referred to above form an integral part of the Balance Sheet					
147,708,903.34		133,289,041.24	147,708,903.34			133,289,041.24

As per our Report of even date annexed

8/2 Kiran Shankar Roy Road
Kolkata, the 3rd day of September 2010

For GORA CHAND MUKHERJEE
Chartered Accountant

GORA CHAND MUKHERJEE
Proprietor

ARCUTTIPORE TEA COMPANY LIMITED

Profit & Loss Account for the year ended 31st March 2010.

Previous Yr. Rs.	Particulars	Current Yr. Rs.	Previous Yr. Rs.	Particulars	Current Yr. Rs.
3,346,869.40	To Opening Stock of Flats (Trading- 3 units)	3,790,013.40	17,101,537.00	By Sale of Green leaf (2060333 Kgs, Previous year 1916490 kgs)	26,849,791.00
-	Purchase of Share	6,170,000.00			
443,144.00	" Registration Charges on Flats	-	-	" Sales - Flats (3 units < Previous year nil units)	3,679,300.00
6,749,011.40	" Cultivation Expenses	7,205,139.57			
103,727.84	" Stores Consumed/ written off	53,979.52			
6,426,862.53	" Establishment Expenses (including complementary Tea to Staff Rs. 76000-)	10,056,433.78	3,790,013.40	" Closing Stock Stock Flats	-
2,700.00	" Freight Charges	-	-	Shares (as per annexure 'a')	6,170,000.00
553,787.43	" Cess on Green Leaf	610,809.72	-	" Sundry Balance Written back	43,450.00
112,980.00	" Rent, Rates & Taxes	725,578.00			
615,760.51	" Vehicle Running Expenses	858,981.41	79,107.00	" Miscellaneous Receipts.	61,765.00
100,000.00	" Hire Charges for Machineries	100,000.00	58,212.00	Rent Received	-
3,859.00	" Insurance	16,975.00			
	<u>Repairs & Maintenance</u>		1,224,274.00	Insurance Service Charge (TDS Rs. 187536/- Previous year Rs.138718/-)	1655135.00
241,153.46	" Building	229,134.61			
249,266.68	" Machinery	241,041.68			
702,219.77	" Others (incl. Electric light upkeep)	421,008.17	346,035.90	" Balance Carried Down	3,242,596.58
79,088.00	" Donation and Subscription	29,452.00			
160,793.00	" Travelling & Conveyance	332,179.00			
646,828.93	" Miscellaneous Expenses	922,942.06			
360,000.00	" Consultancy Charges	360,000.00			
	<u>Remuneration to Auditors</u>				
5,000.00	" Audit Fees	5,000.00			
5,000.00	" Tax Audit Fees	5,000.00	10,000.00		
	<u>Interest</u>				
75,000.00	" On Others	223,906.00			
382,138.35	" Sundry Balance Written off	8,164,879.23			
1,849,035.00	" Depreciation	1,794,630.43			
(615,046.00)	" Less : Transferred from Revaluation Rese	(615,046.00)	1,179,584.43		
<u>22,599,179.30</u>		<u>41,702,037.58</u>	<u>22,599,179.30</u>		<u>41,702,037.58</u>
346,035.90	To Balance Brought Down	3,252,596.58	114,173,096.86	By Balance Transferred to Balance Sheet	117,425,693.44
113,827,060.96	" Balance Transferred from Previous Year	114,173,096.86			
<u>114,173,096.86</u>		<u>117,425,693.44</u>	<u>114,173,096.86</u>		<u>117,425,693.44</u>

(0.07) Earning per Share (Basic and Diluted) (0.65)
 Significant Accounting Policies & Notes of
 Account "D" Schedules referred to above form an integral part of the Profit & Loss Account

For GORA CHAND MUKHERJEE
Chartered Accountant

As per our Report of even date

8/2 Kiran Shankar Roy Road
 Kolkata, the 3rd day of September 2010

Gora Chand Mukherjee
Proprietor

DIRECTORS

ARCUTTIPORE TEA COMPANY LIMITED

SCHEDULE - 'A'

Reserve & Surplus annexed to and forming part of the Balance Sheet as at 31st March 2010

Previous Year Rs.	Particulars	Rs.	Current Year Rs.
	Capital Reserve		
57,350.00	As per Last Account		57,350.00
	Share Premium Account		
37,404,750.00	As per Last Account		37,404,750.00
	Revaluation Reserve		
57,402,297.00	As per Last Account	56,787,251.00	
	Less: Transfer to Profit & Loss Account		
(615,046.00)	On Account of Depreciation	<u>(615,046.00)</u>	56,172,205.00
	General Reserve		
3,627,297.06	As per Last Account		3,627,297.06
(114,173,096.86)	Profit and Loss Account (as Annexed)		(117,425,693.44)
<u>(16,296,448.80)</u>			<u>(20,164,091.38)</u>

ARCUTTIPORE TEA COMPANY LIMITED

Schedule 'B' of Fixed Assets annexed to and forming part of Balance Sheet as at 31st March, 2010

Amount in Rs.

Particulars	GROSS BLOCK					DEPRECIATION					NET BLOCK	
	Cost as on 31.03.2009	Revaluation	Addition	Deductions/Adjustment	As on 31.03.2010	Upto 31.03.2009	Provided during the year	Provided on Re Valued Assets	Deductions/Adjustment	Upto 31.03.2010	As on 31.03.2010	As on 31.03.2009
Land (Leasehold) and Development	10,311,887	46,203,977	-	-	56,515,864	-	-	-	-	-	56,515,864	56,515,864
Factory Building	5,543,758	4,662,338	-	-	10,206,097	4,430,031	191,562	155,722	-	4,777,315	5,428,782	5,776,066
Other Building	7,461,943	7,938,973	-	-	15,400,916	3,821,713	121,225	129,405	-	4,072,343	11,328,573	11,579,203
Machinery	13,262,262	4,448,504	-	-	17,710,766	14,001,623	693,616	211,304	-	14,906,543	2,804,223	3,709,143
Electric Installation	2,064,809	2,497,161	-	-	4,561,970	3,341,239	97,279	118,615	-	3,557,133	1,004,837	1,220,731
Furniture & Fittings	1,136,802	-	-	-	1,136,802	1,131,997	4,805	-	-	1,136,802	(0)	4,805
Computer	374,416	-	48,690	-	423,106	361,516	12,755	-	-	374,271	48,835	12,900
Motors Vehicles	4,244,457	-	-	-	4,244,457	3,972,176	58,342	-	-	4,030,518	213,939	272,281
	44,400,334	65,750,953	48,690	-	110,199,978	31,060,295	1,179,584	615,046	-	32,854,925	77,345,053	79,090,993
Capital Work-in-Progress											543,452	543,452
											77,888,505	79,634,445
Previous Year	44,369,708	65,750,954	30,626	-	110,151,288	29,211,260	1,233,989	615,046	-	31,060,295	79,634,445	

NOTE:

1. All assets except motor vehicles have been revalued on 30.09.94 by an approved valuer and increase in value of these assets aggregating to Rs.6,57,50,953/- (net) on account of the same has been transferred to Revaluation Reserve Account.

2. Machinery includes Rs.28,85,622/- (Previous Yr.Rs.28,85,622/-) acquired on Hire Purchase Scheme under Tea Board Finance Scheme against which Rs.12,82,211/- (Previous Year Rs.12,82,211/-) is outstanding.

3. No Provision has been made for Amortisation of Leasehold Land. The Lease deed has expired and necessary application for renewal of the same is still pending before the respective authorities.

4. Machinery includes Rs.29,39,834/-(Previous year Rs.29,39,834/-) acquired under Hire Purchase Agreements against the vehicles Rs.Nil/- (Previous year Rs.2,27,258/-) is outstanding.

Arcuttipore Tea Company Limited

SCHEDULE - "C"

Schedule Annexed to the Balance Sheet as at 31st March 2010

INVESTMENT (Long Term unless stated otherwise) other than trade :	2009-2010 RS	2008-2009 RS
Quoted : (Fully Paid-up)		
(Previous year 25000 Equity share of		
0 Rs. 10 each of The Hemalatha Textiles	-	25,750
Limited		
Un Quoted : (Fully Paid-up)		
(Previous year 40000 Equity share of		
- Rs. 10/- each of Rajhans Vincom Private	-	420,000
Limited		
(Previous Year 19300 Equity share of		
- Rs. 10/- each of	-	965,000
Atlantica Exim Limited		
(Previous year 20580		
- Equity share of Rs 125/- each of	-	2,585,000
Deeleep(India) Grains Private Limited		
(Previous year 4400		
- Equity share of Rs 500/- each of	-	2,200,000
MNJ Solution Pvt.Ltd		
In Government Securities.		
6 Year National Saving Certificate	1,500	1,500
(Lodged with Central Excise Depp. As		
Security Deposit)		
	1,500	6,197,250
Aggregate Book Value		
Quoted	-	25,750
Unquoted	1,500	6,171,500
	1,500	6,197,250
Aggregate Market Value of Quoted Share	-	-

NOTE: -

1. Quoted and Unquoted shares have been converted into Stock in Trade at book value during the year
2. Investment of 40000 Equity Shares of Rajhans Vincom Pvt. Ltd. as converted into stock in trade are yet to be transferred in the name of the Company.

Arcuttipore Tea Company Limited

ANNEXURE - "A"

Annexed to and forming part the Profit & Loss A/c as at 31st March 2010

Stock in trade(At Cost) as on 31st March 2010

(ON CONVERSION FROM INVESTMENT)

		2009-2010	2008-2009
		RS	RS
Un Quoted : (Fully Paid-up)			
<u>No. of shares</u>			
40,000	Equity share of Rs. 10/- each of Rajhans Vincom Private Limited	420,000	-
19,300	Equity share of Rs. 10/- each of Atlantica Exim Limited	965,000	-
20,580	Equity share of Rs 125/- each of Deeleep(India) Grains Private Limited	2,585,000	-
4,400	Equity share of Rs 500/- each of MNJ Solution Pvt.Ltd	2,200,000	-
84,280		6,170,000	-

Schedule-'D'

Annexed to and forming part of the Accounts for the year ended 31st March 2010

A. SIGNIFICANT ACCOUNTING POLICIES:

1. General:

- a) These accounts have been prepared on the historical cost basis and on the basis of going concern.
- b) Accounting policies not specifically stated to otherwise are consistent and are in consonance with generally accepted accounting principles.

2. Fixed Assets:

- a. Fixed Assets other than revalued assets are stated at cost less depreciation.
- b. Revalued assets are shown at net current Replacement Cost.
- c. Expenditure on extension of tea planting is capitalised and the same is shown under the head Land (leasehold) and Development Account.

3. Depreciation :

Depreciation is provided on straight-line method at the rates and in the manner specified in Schedule XIV (as amended) to the Companies Act, 1956, and Increase in value of fixed assets due to revaluation is depreciated on straight-line method at the rates specified in the Schedule XIV to the Companies Act 1956 and transferred to Profit & Loss account from Revaluation Reserve.

4. Impairment of Assets

The carrying amounts of cash Generating unit / assets are reviewed at Balance sheet date to determine whether there is any indication of impairment , if any such indication exists , the recoverable amount is estimated as the higher of net selling price and value in use . Impairment loss is recognized wherever carrying amount exceeds recoverable amount.

5. Investment:

Investments are stated at cost, however, provision to diminution in value of shares if any, other than temporary in nature has not been made in the accounts. During the year, investments in shares have been converted into stock in trade at its book costs.

6. Recognition of Income & Expenditure:

- a. Income and expenses, unless specified otherwise, are recognised on accrual basis.
- b. Sales are net of Taxes if any .

7. Inventories:

- a) Stores, Spares and Packing materials are valued at cost on FIFO basis.

- b) There is no Finished Goods of Tea as well as green leaf at the year end, hence valuation thereof at realizable value, is not applicable.
- c) Flats held as Stock in Trade are valued at cost or realisable value whichever is lower. However, there is no stock of flats at year end.

8. Taxes on Income:

Current Tax is determined as the amount of Tax payable in respect of Taxable Income for the period based on applicable tax rates and laws. Deferred tax is recognised 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 more subsequent periods and is measured using Tax rates and laws that have enacted or substantively enacted as on Balance Sheet date. Deferred tax assets are recognised only if there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets will be realised. Such assets are reviewed as at each Balance Sheet date to reassess reliability thereof.

9. Excise Duty and Cess:

No tea is manufactured during the year. Hence, no Excise duty and Cess on manufactured tea, are provided in the accounts. Cess on green leaf for the year has been provided in the accounts

10. Retirement Benefits:

Liability for gratuity & leave encashment is accounted for on cash basis.

11. Borrowing Cost:

Borrowing cost is charged as expenses in the year in which these are incurred.

12. Contingent Liability :

Contingent Liabilities are generally not provided for in the accounts and are separately shown in the notes to accounts.

B. Notes to Accounts:

1. (a) Investments in shares both quoted and unquoted shares during the year have been converted into stock in trade at book cost. Provision to diminution in value of shares, if any, has not been made in the accounts.

(b) Investments in shares henceforth held as stock in trade could not be made available to auditors for their verification.
2. The company has no finished stock of tea & green leaf at the year end and has shares as stock in trade. The Company has consistently followed valuation of finished goods at net realisation value. Pursuant to the Accounting standard (AS – 2) on Inventory valuation, issued by the Institute of Chartered Accountants of India and made mandatory w.e.f 01.04.1999, inventories are to be valued at cost or net realisable value whichever is lower. Considering the nature of business, the management has continued the practice of valuation at net realisable value and in the preceding year except that shares are valued and taken at book cost.

3. The Company has not identified slow/non moving and obsolete stores during the year.
4. Debtors amounting to Rs. 1422130/- (Previous year Rs. 4845267/-) are overdue for recovery. In view of the persuasive and other steps being taken for the recovery, these balances have been considered good and fully recoverable.
5. Other receivable includes Rs.25605782/- (Previous year Rs. 25605782/-) given to various companies for development of a tea garden and in respect of certain expenses incurred on their behalf including supervision charges incurred and debited to them. These balances have been considered good and are stated to be recoverable.
6. (a) Certain other loan Rs. 500000/- (Previous year Rs. 502551/-) given to a company, are repayable on demand. Interest accrued amounting Rs. 126749/- (Previous year Rs. 126749/-) receivable from certain companies have been written off during the year as the same were overdue and could not be recovered.

(b) Loans and advances to Body Corporate include Rs. Nil- (Previous Year 31,50,000/--). No recovery has been made despite the company has taken necessary steps for its recovery, hence the amount has been written off.
7. Loans and advances includes:

Balance amount Rs. 983800/- as at 31.03.2010 (Previous year Rs 983800/- .) given against construction of property. Necessary adjustments with respect to above are still pending for completion of the transaction.
8. **a) Income Tax assessment for various years are pending at different stages before Appellate Authorities. Pending final decision in this regard, the amount payable or receivable is presently not ascertained. In the opinion of management provision made in the books is sufficient to cover the Income Tax liabilities/ adjustments, if any will be carried out after final disposal of the relevant proceedings.**

b) Advance Income Tax includes Rs. 29,57,842/- (Previous year Rs. 29,57,842/-) in respect of tax deducted at source, which appears to be doubtful of recovery as necessary certificates have not been received by the Company and have not been deposited with Income tax authorities till date. Necessary steps are being taken to obtain the certificates and deposit the same.
9. a) Bank Book overdraft aggregating to Rs. 82,55,170/- (Previous year Rs.82,55,170/-) as shown in the earlier year Statement of accounts are held as Sundry Creditors and accordingly the said outstanding balance is classified as current liability,

b) Secured loan by way of cash credit Rs. 215,97,751/- (Previous year Rs. 215,97,751/-) and Rs 221,98,819/(previous year Rs. 221,98,819/-)- by way of Special Term Loan amounts to Rs.437,96,570/- (Previous year Rs. 43796570/-) which is overdue as on 31.03.2009. No Provision has been made for interest payable on the same for this year . However , the company has received notice u/s 13(2) of The Securitization &

Reconstruction of Financial Assets and Enforcement of Security Interest Act 2002 for a claim of Rs. 479,16,356/- (Previous year Rs. 4,79,16,356/-) as on 14.11.2005.

10. Unpaid dividend amounting to Rs.5191/- (Previous Year Rs.5191/--) has been kept in dividend Account with Central Bank of India at Kolkata.
11. Un provided estimated gratuity liability as on 31.03.2010 as estimated by the management amounts to Rs.38,00,000/- (Previous year Rs. 4500000), including in respect of employees retired till 31.03.2010--. However the Company has paid gratuity Rs. 1339698/- to its employees during the year and charged to the Profit and Loss account. Moreover, the Company has paid amount aggregating to Rs. 243319/- (Previous Year Rs. 1247952/-) to the retired employees on account against their Gratuity amount and the same have been shown in advances and the same will be charged to Revenue as and when adjusted / settled.
12.
 - a) Necessary steps are being taken to regularise payment of certain statutory non-compliance in regard to tax deducted at source, Professional tax and Provident Fund, Excise Duty, Cess land revenue etc. Interest and levies due to such delay shall be accounted for as and when ascertained. The Company has , however , regularly deposited tax deducted at source and Provident fund contributions for the year with the concerned authorized.
 - (b) The Company has defaulted in the payment of provident fund with the appropriate authority. The aggregate amount of default/ outstanding as on 31.03.2010 as per the records of the Company is Rs.72,67,173/- (Previous year Rs.79,56,286.73/-) , **which includes Rs. 1,69,332/- for the year since paid** , pertaining to both employees and employees' contribution and net of P.F.collection and P.F. Advance. Moreover , the Company has paid during the year Rs. 3,00,000/- in aggregate for the period 2003-04 and Rs3,00,000/- for the period 2007-08 and Rs. 3,19,004 / (including interest Rs. 1,48,906/-) -of retired employees during the year.
 - i) Amount in default for the period from 25.02.2002 to 27.01.2003 stands at Rs. 1056422/- (Previous year Rs. 1056422/-), the Company has defaulted in payment of installment of Rs. 25000/- as granted to them vide the Order of the Deputy Commissioner Cachar, Assam dated 11.12.2003. in reference to the order dated 20.08.2003 of the Chairman of Board of Trustees the Assam Tea Plantation, P.F.Scheme, has asked to make installment payment of Rs.25000/- per month and has also approved for waver of interest for delay in respect of such dues. During the year , the company has paid twelve installments of Rs. 25000/- each , in aggregate Rs. 300000/-, against such dues.
 - ii) Further balance defaulted PF amount, Secretary cum PF Commissioner has vide its amended order dated 27.01.2005 granted to make installment payment of Rs. 65000/- per month against which the company has defaulted in payment of installment. However , the company has paid Rs, 470098/- in aggregate during the year as stated above in Note no 12 (b) .

13. Establishment expenses includes the following payments in respect of Managing Director

	Current Year (Rs.)	Previous Year (Rs.)
Remuneration	-	-
House Rent Allowance	-	-
Contribution to Provident Fund	-	-
Value of Perquisites	-	-
	-----	-----
Total	-	-
	=====	=====

14. Confirmations for credit and debit balances, including secured and unsecured loans, sundry debtors, sundry credits, advances received from customers, loans and advances are to be obtained. Necessary consequential adjustment will be made as and when ascertained.

- 15.a) In absence of taxable income no provision for current Income Tax and Assam Agricultural Tax has been considered necessary in the accounts as per the relevant tax laws.

b) As there is uncertainty that sufficient future taxable income will be available, deferred tax assets have not been recognised and reviewed during the year. However, the components of deferred tax assets and liabilities as on 31st March, 2010 are as follows:

<u>Deferred Tax Assets</u> (Rs.)	01.04.09(Rs.)(Credit)	Charge(Rs.)	31.03.10
Unabsorbed depreciation & Carried Forward Losses	Nil		Nil
Expenses allowable on payment basis	830546		830546
	-----	-----	-----
	830546		830546
	-----	-----	-----
<u>Deferred Tax Liabilities</u>			
Depreciation	830546	---	830546
	-----	-----	-----
Net Deferred Tax Liability / Assets	---	---	---

16. In accordance with Accounting Standard – 20 “Earning Per Share” Issued by the Chartered Accountants of India, basic and diluted earning per share are calculated as below: -

	<u>2009-2010</u>	<u>2008-2009</u>
(a) Profit/(Loss) attributable to the Shareholders (Rs.)	(3252596)	(346036)
(b) Basic and Weighted average number of equity shares during the year (No.)	50,16,380	50,16,380
(c) Nominal value of equity shares (Rs.)	10	10
(d) Basic and diluted Earning per share (EPS)	(0.65)	(0.07)

17. Information given in accordance with the requirements of Accounting Standard – 17 on Segment reporting issued by the Institute of Chartered Accountants of India – The Company has two primary business Segments:

- i) Tea Division
- ii) Trading Division

The Tea Division of the Company is engaged in the business of cultivation manufacturing and Sale of Tea including sale of green leaf. The Company's Trading Division is engaged in purchase sale of flats and insurance services.

- 18) Information given in accordance with the requirements of Accounting Standard - 17 on Segment reporting issued by the Institute of Chartered Accountants of India: -
The Company has two primary business Segments: -
i. Tea Division
ii. Trading Division including insurance service
The Tea Division of the Company is engaged in the business of cultivation manufacturing and Sale of Tea. The Company's Trading Division is engaged in purchase sale of flats.

Information about Business Segments :- Primary

Particulars	Tea Division		Trading Division		Total	
	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
1. Revenue						
External Sales	26,849,791	17,101,537	5,334,435		32,184,226	17,101,537
Internal Segment Sales					-	-
Other Income	105,215	15,667	-	121,652	105,215	137,319
Unallocated Income			-	1,224,274	-	1,224,274
Total Revenue	26,955,006	17,117,204	5,334,435	1,345,926	32,289,441	18,463,130
2. Results						
Segment Results	1,468,710	(1,616,962)	(4,646,307)	1,345,926	(3,177,596)	(271,036)
Unallocable Income/(Loss) net of Expenses					-	-
Operating Profit					(3,177,596)	(271,036)
Interest Expenses					75,000	75,000
Interest Income					-	-
Profit from Ordinary Activities					(3,252,596)	(346,036)
Extra Ordinary Loss						
Irrecoverable Expenses W/Off						-
Net Profit/(Loss)	1,468,710	(1,616,962)	(4,646,307)	1,345,926	(3,252,596)	(346,036)
3. Other Information						
Segment Assets	94,243,318	99,857,659	8,872,315	9,076,200	103,115,633	108,933,859
Unallocable Corp. Assets					30,173,408	38,775,034
Total Assets					133,289,041	147,708,893
Segment Liability	127,421,084	133,793,721	-	6,928,930	127,421,084	140,722,651
Unallocable Corp. Liability					5,867,957	6,986,252
Total Liability					133,289,041	147,708,903
Capital Expenditure	48,690	30,626			48,690	30,626
Depreciation	1,179,584	1,233,989			1,179,584	1,233,989
Non Cash Expenses other than depreciation					-	-

19) Related Party disclosure as identified by the management in accordance with the Accounting Standard - 18 issued by the Institute of Chartered Accountants of India are given as below:-

A) List of Related Parties

- i) Parties where control exists - none
- ii) Associated Concern: -
 - a) Deeleep (India) Grains Private Limited
 - b) Cholan Construction & Investment Pvt Ltd
 - c) Devesh Trade Credits Private Limited
 - d) Durgesh Trade Credits Private Limited
 - e) Almet Pharmaceuticals Limited
 - f) Anadi Trading & Investment Private Ltd
 - g) Associated Marketman Consultancy Private Limited
 - h) Pusha Steels Limited
 - i) Shakalya Trading & Investment Pvt Ltd
 - j) Shree kunj Securities Pvt Ltd
 - k) Leader Construction Private Limited
- iii) Key management personnels and Relatives
 - a) Mr. H.K.Bajoria (Managing Director)
 - b) Mr. Shalakya Bajoria (Relative of Managing Director)
 - c) Mr . P.K.Bajoria (Relative of Managing Director)
 - d) Mr. S.K. Bajoria (Relative of Managing Director)
- iv) Enterprises Over Which key management personnels and relatives have significant influence.
 - a) Star Textiles & Industries Ltd.
 - b) Atlantica Exim Limited

B) Transactions with related parties :

Sl. No	Nature of Transactions	Key Management Personnels & Relatives (Rs)	Enterprise Over which Key Management Personnels and Relatives have Significant influence (Rs)	Associate (Rs)
	Advance Refunded			
	Atlantica Exim Limited		1,167,856.00	
	Star Textiles & Industries Ltd.		578,480.00	
	Remuneration Paid As Salary			
	Sanjay Kumar Bajoria	200,000.00		
	Advances given Dr			
	Devesh Trade Credits Pvt. Ltd			590,202.00
	Anadi Trading & Invest Pvt Ltd			234,765.00
	Shakalya Trading & Intt P Ltd			1,836,217.42
	Shreekuji Securities Pvt Ltd			1,066,496.00
	Harsh Kumar Bajoria	200,000.00		
	Shakalya Kumar Bajoria	150,000.00		
	Advances taken Cr			
	Durgesh Trade Credits P Ltd			106,000.00
	Pusha Steels Limited			200,000.00
	Outstanding Liability			
	Advance given			
	Cholan Cons.& Inst (P) Ltd			36,999.22
	Associated Marketing			839,580.00
	Leader Construction P Ltd			162,884.00

20) Contingent Liabilities not provided in respect of :-	2009-2010 Rs.	2008-09 Rs.
i) Enhanced tax payable under Assam Land revenue Re-Assessment (Amendment) act, 1990 Pending in appeal	4,28,379/-	4,28,379/-
ii) Excise duty demanded against which petition has been filed before court and decision is pending	3,92,841/-	392841/-
iii) Income Tax demands pending in appeals	2,40,97,433/-	2,00,99,643/-
iv) A.S.E.B. Electricity surcharge	5,09,088/-	-

21) **Income & Expenditure in Foreign Currency: -**

Expenses in Foreign Currency, Travelling And Staff Training	-	-
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22) **Quantitative and other information :**

	Current Year Rs.		Previous Year Rs.	
A. Capacities				
Licensed Capacity	Not Applicable		Not Applicable	
Installed Capacity*	9,00,000 Kgs		9,00,000 Kgs	
* As Certified by the Management				
	Kgs / Nos.	Rs.	Kgs / Nos.	Rs.
B. Production & Stock :				
Stock :				
Opening Stock	0	-	0	-
Closing Stock	0	-	0	-
Production :				
Total Production	0		0	
Saleable Tea *	0		0	
C. Purchase of Tea	0	-	660	53,775
D. Purchase of Traded Goods				
Flat	0	-	0	-
Chickpeas	--	-	0	-
Shares - conversion	84380	6,170,000	0	-
E. Raw Material Consumed :				
Green Lraf Plucked from Own Garden Kgs.	2,060,333		1,916,490	
(As Certified by the management)				
Green Leaf Sold Kgs	2,060,333		1,916,490	
Green Leaf Purchased	0		0	

F. Turnover :

Made Tea Kgs	0	-	0	-
Green Leaf - kgs	2,060,333	26,849,791	1,916,490	17,101,537
Trading Tea Kgs	-	-	-	-
Traded goods				
Flat	3	3,679,300	-	-
Chickpeas			-	-

G. Stock of Traded Goods**i) Flat**

Opening Stock	3	3,790,013	3	3,346,668
Closing Stock	0	-	3	-

ii) Stock Of Shares

Opening Stock	0	-	0	-
Closing Stock	84380	6,170,000	0	-

Note :- In Tea Industry, value of Green Leaf Produced in Company's Own estate is not ascertainable
Since Production involves an integrated process of growing and cultivation.

* Excluding Complementary Kgs of tea Rs. 76000/- to staff(Previous year 660 Kgs)

23) Previous year's figures have been re-grouped/ re-arranged wherever considered necessary.

8/2, Kiran Shankar Roy Road
Kolkata.
3rd September, 2010

For GORA CHAND MUKHERJEE
Chartered Accountant

Gora Chand Mukherjee
(Proprietor)
Membership No. 17630

ARCUTTIPORE TEA COMPANY LIMITED

ADDITIONAL INFORMATION AS REQUIRED UNDER PART IV OF SCHEDULE IV OF THE COMPANIES ACT 1956

1. <u>Registration details</u>	(Rs. IN 000'S)
a) Registration No.	000220
b) State Code	21
c) Balance Sheet Date	31 st. March, 2010
2. <u>Capital Raised during the year</u>	
a) Public Issue	N I L
b) Right Issue	N I L
c) Bonus Issue	N I L
d) Private Placement	N I L
3. <u>Position of Mobilisation & Development of Funds</u>	
a) Total Liabilities	Rs. 133289
b) Total Assets	Rs. 133289
c) <u>Sources of Funds :</u>	
i) Paid-up Capital	Rs. 53084
ii) Reserve & Surplus	Rs. 97262
iii) Secured Loan	Rs. 47410
iv) Un-secured Loan	Rs. 105
d) <u>Application of Funds :</u>	
i) Net Fixed assets	Rs. 77889
ii) Investments	Rs. 2
iii) Net Current Assets	Rs. 2544
iv) Miscellaneous Expenditure	Rs. N I L
v) Accumalated Losses	Rs. 117426
4. <u>Performance of Company</u>	
a) Turnover	Rs. 38459
b) Total Expenditure	Rs. 41712
c) Profit / (Losses) Before Tax	Rs. (3253)
d) Profit / (Losses) After Tax	Rs. (3253)
e) Earning per Share	Rs. (0.65)
f) Dividend Rate %	Rs. N I L
5. <u>Generic Name of three Principal Products / Services of Company :</u>	
Item Code No (I.T.C. Code)	090230
Product Description	BLACK TEA/ GREEN LEAF

D I R E C T O R S

Arcuttipore Tea Company Limited

Cash Flow Statement for the year ended 31st March 2010

	2009-2010		2008-2009	
	Rs.	Rs.	Rs.	Rs.
A Cash Flow from Operating Activities:				
Net Profit/(Loss) before tax and Exceptional/ Non recurring items		(3,252,597)		(346,036)
Adjustments for Depreciation	1,179,584		1,233,989	
Expenses Amortised	-		-	
Interest Received	-		-	
(Profit)/Loss on Sale of Fixed Assets	-		-	
Interest Paid	223,906		75,000	
(Profit)/Loss on Sale of Investment	-		-	
Provision no longer required written back	-		-	
Irrecoverable Balances Written off	-		-	
Loss on Investment Forfeited	-		-	
Sundry Balances Written Off	8,164,879	9,568,370	382,138	1,691,127
Operating Profit before Working Capital		6,315,773		1,345,091
Changes Adjustments for				
Trade & Other Receivables	2,755,826		185,990	
Inventories	(2,358,437)		(303,750)	
Unsecured Loan	3,352,552		200,000	
Trade Payables	(10,552,220)		1,450	83,690
		(6,802,279)		1,428,782
		(486,505)		
Cash generated from Operations				
Direct Taxes Paid		-		-
		(486,505)		1,428,782
Cash Flow before Exceptional/Non Recurring Items		-		-
Exceptional/Non Recurring Items		-		-
NET CASH		(486,505)		1,428,782
B Cash Flow From Investing Activities				
Purchase of Fixed Assets		(48,690)		(30,626)
Sale of Fixed Assets		-		-
Purchase of Shares converted from Investments		(6,170,000)		-
Sale of Investments converted into stock in trade/ w/off		6,195,750		-
Loans From Companies & Others		-		(1,500,000)
Interest Income Received		-		-
		(22,940)		(1,530,626)
Net Cash used in Investing Activities				
C Cash Flow from Financing Activities				
Repayment of Unsecured Loans		-		-
Repayment of Secured Loans		-		-
Interest Paid		(223,906)		(75,000)
Dividend Paid		-		-
Net Cash from Financing Activities		(223,906)		(75,000)
Net Changes in Cash & Cash Equivalents(A+B+C)		(733,351)		(176,845)
Opening Balance of Cash & Cash Equivalents		990,631		1,167,476
Closing Balance of Cash & Cash Equivalents		257,280		990,631

"THIS IS THE CASH FLOW STATEMENT REFERRED TO IN OUR REPORT OF EVEN DATE."

For GORA CHAND MUKHERJEE

Chartered Accountant

8/2 KIRAN SHANKAR ROY ROAD
Kolkata, The 3rd day of September 2010

GORA CHAND MUKHERJEE

Proprietor

Membership No. 17630