

ARCUTTIPORE TEA COMPANY LIMITED

DIRECTORS' REPORT TO THE MEMBERS

Your Directors present their 144th Annual Report and the Audited Accounts of the Company for the year ended 31st March 2013.

FINANCIAL RESULTS

<u>Particulars</u>	For the year ended 31 st March 2013 Rs.	For the Year ended 31 st March 2012 Rs.
Profit/ (Loss) before depreciation	(17,14,875)	(7,33,948)
Provision for depreciation	(13,78,695)	(5,01,875)
	-----	-----
Profit/ (Loss) after depreciation	(30,93,570)	(12,35,823)
Provision for Taxation	-----	-----
	-----	-----
Profit / (Loss) after tax	(30,93,570)	(12,35,823)
(Loss) Brought forward from previous year	(12,02,70,440)	(11,90,34,617)
Transfer to Balance Sheet	(12,33,64,010)	(12,02,70,440)
	-----	-----
Profit available for appropriation	NIL	NIL
	=====	=====

DIVIDEND

In view of accumulated losses, no dividend is recommended for the Financial Year.

CROP & MADE TEA

Your directors report that since last five years, the company had not been producing made tea due to acute shortage of working capital fund in the garden, and had been selling the entire green leaf production over the years due to acute shortage of funds . During the year under review, the company however, has managed to induct considerable amount of funds in the operation from private parties & internal cash accruals from green leaf operations. The company has re-stored

electricity supply from the Grid, the Assam Power Distribution Co. Ltd., Guwahati after payment of huge electricity dues, payments of old statutory dues, payments to suppliers, and has also made considerable amount of capital investment in machineries in order to re-commence production of tea at the factory.

As a result, with effect from 26th May, 2012, the company has rejuvenated the operating system and re-started production of tea although there has been continued sale of green leaf 8,90,275 kg during the year as against 1,91,6325 kg production of green leaf, at reasonable and realizable price for meeting funds requirements for labour payments, amenities to employees and garden overheads.

During the current season, it is our endeavor that the company's tea production activities should be continued and carried out through out the year so that the company could reap reasonable margins on sale of its tea product in this competitive domestic as well as international market.

PERFORMANCE

Your Directors report that the Company has incurred net loss of Rs.30,93,570/- (Previous year Rs.12,35,823/-) for the year which includes loss Rs.25,64,320/- on sale of shares during the year. The company has written back liabilities amounting Rs.14,28,082/- during the year, though there has been certain sundry balances written off amounting Rs.6,87,164/- in the statement of account. The recovery of losses in tea business as compared to last year has been registered on account of increased production of green leaf by 48,686 kg. as compared to last year's production during the year though there had been erratic climate and undistributed rain that had caused fall in green leaf production against budgeted production of 21,00,000 kg for the year under report. Against 10,26,050 kg of green leaf production, the company has made 2,45,076 kgs. of tea during the year.

FUTURE PROSPECTS

Your Directors stipulate that there has been improvement in demand of tea in the domestic market as well as in overseas markets in the present year. However, the company has not come out completely from unfavourable financial situation and persisting circumstances at the garden due to continued losses. During the current season too, the company has been facing erratic climate and undistributed rain that has been causing lower production of green leaf against the

estimations for the year, resulting in lower production of tea made. The Company has taken steps for manuring the garden and has taken repairs works of machineries and factory buildings in anticipation that the company would improve production of green leaf as well as tea made with improvement in quality of tea. Under such circumstances, it is visualized that your company would be able to reap good margins on made tea in the current season.

As there has been continuous erosion in net worth of the company, the company is however contemplating to show positive results in the current season year provided there would have been favourable enhanced production of green leaf against the estimations followed by the company's firm footing in the tea market with its quality of product and better realization.

Your directors, to the best of their endeavors and the consultations, are intending to revive the company's operations in full swing, so that there should be generation of considerable amount of internal accruals from the operations and that may take the company out from the persisting circumstances and situations.

DEPOSITORY SYSTEM

The Company's equity shares are listed on the Regional Stock Exchanges at Bombay and, Kolkata, for transactions of shares in demat form. The shares of the company are tradable in demat form. During the year, the amount paid to the Bombay Stock Exchange Ltd. for restoration of listing of the company's shares, and to the Registrar, have been charged to the statement of profit & loss account during the year under review. The company has regularly been meeting the compliances with the Exchange. It is stated that such action has boosted the shareholders confidence. However, the trading of shares in the company is suspended at Calcutta Stock Exchange.

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.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) 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 and for preventing and detecting fraud and other irregularities; and.
- (d) the Directors had prepared the annual accounts on the going concern basis.

AUDITORS REPORT

The Notes on Financial Statements referred to in the Auditors 'Report are self explanatory and need no further explanations in this regard.

CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION & ANALYSIS

A separate Report on 'Corporate Governance' along with Auditor's Certificate on its compliance and "Management Discussion & Analysis" are annexed hereto.

DIRECTORS

Mr. Shalakya Bajoria retires at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

Mr. Harsh Kumar Bajoria, the Managing Director of the company, has informed that in view of continued losses and persisting financial shortage even in the year, he has forgone his basic remuneration for the year and has decided to continue rendering his services as Managing Director as he had so been rendering in earlier years even without remuneration.

The company took on record the appreciation of services rendered Mr. Harsh Kumar Bajoria during the year and his continued support. However, renewal of the letter of appointment and remuneration of Mr. Harsh Kumar Bajoria as Managing director of the company and the requisites compliances in this regard with the Registrar of Companies, West Bengal, are pending

AUDITORS

M/s Gora & Company, Chartered Accountants, Statutory Auditor of the company, retired at the forthcoming Annual General Meeting and offer themselves for re-appointment at the remuneration to be mutually agreed upon. The company has received letter from them to the effect that their re-appointment, if made, would be within the prescribed limits under section 224 (1B) of the Companies Act, 1956 and that they are not disqualified for reappointment within the meaning of Section 226 of the Said Act together with a confirmation that they are not covered with the ongoing cycle of the peer review process as required by the “Statement on Peer Review” issued by The Institute of Chartered Accountants of India.

CASH FLOW ANALYSIS

The Cash Flow Statement for the year under review in terms of the Listing Agreement with the Bombay Stock Exchange i.e. BSE is annexed.

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. There were no foreign exchange earnings but outgo during the year under review and the same are stated in Statement of Profit & Loss.

PARTICULAR OF EMPLOYEES

Particulars as required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 (as amended) are not given, as no employee of the Company falls under the prescribed category.

APPRECIATION

Your Directors wish to place on record their appreciation of the support, which the Company continues to receive from the Government, lenders, 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.

Kolkata

Date: 30.05.2013

HARSH KUMAR BAJORIA

Managing Director

REPORT ON CORPORATE GOVERNANCE

The Company's Governance 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 fulfill these objectives and enhance the wealth generating capacity, keeping in mind long term interest of the shareholder.

Board of Directors: -

i) The Board consisted of 4 (Four) Directors as on 31.3.2013 with one Executive Managing Director, one Executive 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. H.K.Bajoria	Executive Managing Director/Promoter	8	Yes	-	8	-	-
2	Mr. Shalakya Bajoria	Executive Director	8	Yes	-	4	-	-
3	Mr. C.P.Poddar	Director	Nil	Nil		5		
4	Mr. Naresh Shah	Director	5	Yes		12		

ii) Information placed before the Board of Directors

As required under the clause 49 all the information were placed before the Board.

iii) Code of Conduct

The Board framed Code of Conduct for the Company. The Board designated the Managing Director as Chief Executive Officer (CEO) for the purpose of Corporate Governance. A declaration signed by the Managing Director as CEO in this regard is annexed at the end of this Report.

iv) Board Meetings held during the year: -

Sl No	Date of Meeting	Board Strength	No. of Directors Present
1	July 30, 2012	4	3
2	August 27, 2012	4	3
3	September 17, 2012	4	3
4	October 5, 2012	4	3
5	October 31, 2012	4	3
6	January 31 2013	4	3
7	April 26, 2013	4	3
8	May 13 , 2013	4	3

2. AUDIT COMMITTEE

i) 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.

The Audit Committee presently consists of the under noted persons as its members. All of the members are non Executive Directors and independent directors

Name of Director	No of Meeting	No. of Meetings attended
Sri C.P.Poddar	4	4
Sri Naresh Shah	4	4

Four meetings on 24.05.2012, 30.07.2012, 31.10.2012 and 31.01.2013 were held during the Financial Year ended 31st March, 2013.

ii) Brief Description of Terms of Reference

The role of the Audit Committee and its Terms of reference comprised review of the operations, financial Management, Audit Plan, audited quarterly / half- yearly / annual returns, findings of internal / statutory auditors and compliance of the policy decisions of the company with all the powers and authorities as mentioned in Clause49 of Listing Agreement with the Stock Exchange and / or SEBI guidelines from time to time. The Audit Committee also acts as a link between the Board of Directors and the Statutory / Internal Auditors.

iii) Remuneration Committee

Presently there is no Remuneration Committee and as such, no meeting of the Remuneration committee was held during the year.

iv) Remuneration Policy

The Remuneration Policy of the Company rewards performance based on achievement and existing industry benchmarks. The remuneration of the Managing Director is governed by the terms and conditions approved by the Board of Directors, the shareholders and the Centre Government, if required. The remuneration structure comprises of salary, perquisites and allowances, contribution to Provident Fund and gratuity as per Schedule XII and other applicable provisions of the Companies Act, 1956.

v) Remuneration of Directors

Name of Director	Category	Sitting fee Paid Meeting		Salary & Perks	Total
		For Board	For Committee		
Mr.H.K.Bajora	Executive Director	-	-	-	-
Mr. C.P.Poddar,	Non Executive Director	-	-	-	-
Mr. Shalakya Bajoria	Executive Director	-	-	-	-
Mr. Naresh Shah	Non Executive Director	-	-	-	-

* Includes perquisites

1. The Agreement with Mr. H.K.Bajoria, Managing Director is a period of 5 years which is pending for renewal.
2. The Company does not have any employee Stock Option scheme.
3. The Company has not paid any remuneration to non – executive directors

vi) Shareholders/ Investor’s Grievance Committee: -

The Committee presently consists of two persons one of whom is Sri C. P. Poddar, a Director and the other is Sri Monoranjan Pal. The grievances received from the shareholders 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 shareholder and the

same was resolved. All others have been resolved to date. The Company has no transfer pending at the close of the financial year.

vii) Annual General Meeting

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

Year Ended	Date of meeting	Time	Venue
31.3.2012 (143rd AGM)	27.9.2012	3.00P.M.	MMS Chamber 4A Council House Street Kolkata—700001
31.3.2011 (142nd AGM)	29.9.2011	3.00P.M.	MMS Chamber 4A Council House Street Kolkata—700001
31.3.2010 (141st AGM)	29.9.2010	3.00.P.M.	MMS Chamber 4A Council House Street Kolkata—700001

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.

3) 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 over demand. With the sale volume remaining moderate with moderate realization, the margins are reasonably remunerative. The Company has re started producing made tea after induction of borrowed fund into the system and has stopped selling green leaf since margins on sale of made tea are comparatively moderate. The steps taken for cost control, quality up gradation as well as marketing policy are improving the margins in future and in the current season 2013, the company is contemplating its tea production in full swing.

(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 unfavourable conditions, the performance of your company has somewhat sustained due to its producing tea and selling green leaf also during the year review.

(d) Outlook

It is hoped that the industry has been improving, with the demand for exports picking-up in due course. The Company is penetrating and contemplating to strong its footings in the domestic tea market.

(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 pursued by the Company will enable the company to revive and sustain its manufacturing capacities provided the company gets the needed financial support from the concerned institutions as well as from the intending lenders.

(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 losses in operational activities including repairs and replacement works of factory buildings and machineries and as a result the company has recommenced its tea production in the year under review after re-storation of electricity

supply from the Grid. The Company has been producing and selling tea made in the current season.

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.

4) General Shareholder's information.

i) Annual General meeting – Date, Time, Venue.

144th Annual general Meeting of the Members of the Company will be held on Friday the September 27, 2013 at 3.00 P.M at MMS Chambers, 4A Council House Street, Kolkata 700001.

ii) Date of Book closure.

The Register of Members of the Company will remain closed from September 21, 2013 to September 27, 2013 (both days inclusive) for the purpose of Annual General meeting of the Company.

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

vi) Registrar and Transfer Agents.

M/s. MCS SHARE TRANSFER AGENT LIMITED. of 12/1/5 Monohar Pukur Road, Kolkata – 700026 have been appointed as the Company's RTA, including dematerialized segment. The company has been paying their dues as per agreement with said RTA to function as Share Transfer agent of the Company.

v) 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 and the shares are transferred within stipulated period of 30 days.

vi) 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. However, the trading of shares in the company is suspended at Calcutta Stock Exchange.

The company has now been regularly making compliances in terms of the listing agreement with the BSE Exchange and quarterly results of the company are being published in the newspapers.

vii) Company's stock code: -

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

viii) Stock Price date

Trading in shares of the company are taking place at Bombay Stock Exchange only. The matter for Calcutta Stock Exchange is under consideration for revocation of its suspension at the exchange. Market price data in respect of High and Low during the financial year 2012-2013 are not ascertained. The Source is: www.bseindia.com

The last trading day of the Financial Year is 23rd March , 2013

There were transactions in the shares of the company during the Financial Year 2012-2013. However, the performance comparison to broad based indices such as BSE Sensex, NSDL Sensex etc are not ascertained.

ix) Financial Calendar:

The Company's financial year is from April 01 to March 31 of the following year. The calendar for 2012-2013 has been as follows: -

Un-audited results for the Quarter Ended	Approved by the Board of Directors
30.06.2012	30.07.2012
30.09.2012	31.10.2012
31.12.2012	31.01.2013
31.03.2013	13.05.2013

- x) Financial Audited Results approved by the Board of Directors on 30.05.2013
- xi) Annual General Meeting for the year-ended 31.03.2013 to be held on 27.09.2013.
- xii) **Distribution of Shareholding and share holding Pattern as on 31st March, 2013**

Category	Number of shares held	% of share holding
A. Promoters' Holding		
Promoters		
- Indian Promoters		
- Individuals	1041424	20.76
- Corporate	2181105	43.48
- Foreign Promoters	-	-
Sub – Total	3222529	64.24
B. Non – promoters' holding		
1. Institutional investors		
a. Mutual Fund		
b. Bank , Financial Institutions and Insurance Corporations	100333	2.00
c. Central Govt./ State Govt.	-	-
d. Foreign Institutional Investors	-	-
Sub- Total	100333	2.00
2.Others		
a. Private corporate bodies	623173	12.42
b. Indian Public	1070345	21.34
c. NRI/OBCs	-	-
d. Others	-	-
Sub- Total	1693518	33.76

Total	5016380	100.00
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Analysis of Share holding

Block of Shares	No of Shareholders	Percentage (%)	No of Shares held	Percentage (%)
1- 500	1967	89.8173	226049	4.5062
501-1000	75	3.4247	61809	1.2321
1001-2000	55	2.5114	80925	1.6132
2001-3000	10	0.4566	24805	0.4945
3001-4000	12	0.5479	45313	0.9033
4001-5000	8	0.3653	38368	0.7649
5001-10000	19	0.8676	134885	2.6889
10001-50000	25	1.1416	563674	11.2367
50001-100000	8	0.3653	668303	13.3224
And above	11	0.5023	3172249	63.2378
Total	2190	100.0000	5016380	100.0000

xiii) Address for Correspondence

M/s. MCS SHARE TRANSFER AGENT LIMITED

77/2A, Hazra Road, Kolkata – 700 029

xiv) Plant Location

Arcuttipore Tea Estate

P.O. Silchar, Dist. Cachar, Assam.

xv) Dematerialization of Shares

58.51 % and 16.61% of the paid up Equity share capital are held in dematerialized form with National Securities Depository Limited and Central Depository Services Limited as on 31st March, 2013 respectively.

xvi) Outstanding GDRs/ADRs etc as on 31.03.2013

The company has not issued any of the aforesaid instruments.

xvii) 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 related parties are disclosed in note 25 of Financial statements of the company. Compliances in this regard, wherever necessary, in terms of the Companies Act, 1956 are carried out.

2. During the earlier years, there were no strictures or penalties imposed by either SEBI or the Stock Exchanges or any statutory for non-compliance of any matter related with the capital markets. The Company has made payments of Annual Listing fees of the Bombay Stock Exchange.
3. The Company has not adopted Non –mandatory requirements.
4. Group for inter se transfer of shares

“Group” for inter se transfer of shares under clause 3(1) (e) of the Securities and Exchange Board of India (Substantial) Acquisition of Shares and Takeovers Regulation, 1997

Promoters

Sl No	Name of Directors
1.	Mr. Harsh Kumar Bajoria
2.	Mr. Shalaky Bajoria

Promoters Group

Sl No	Name
1	Mr. Harsh Bardhan Kumar Bajoria
2	Mr. Pawan Kumar Bajoria
3	Mr. Sanjay Kumar Bajoria
4	Mr . Shalaky Kumar Bajoria
5	Mrs. Pramila Bajoria
6	Mrs. Kavita Bajoria
7	Mrs Devjani Bajoria
8	Mr. Arnab Bajoria
9	Mr. Anadi Bajoria
10	Mrs. Sharmila Bajoria
11	Devesh Trade Credit Private Limited
12	Durgesh Trade Credits Private Limited

13	Shakalya Trading & Investment Private Limited
14	Almet Pharmaceutical Limited
15	Indian Asphalts Private Limited
16	Anadi Trading & Investment Private Limited

(xviii) 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.

For and on behalf of the Board

Kolkata

The 30th May, 2013

H. K. Bajoria

Managing Director

**Declaration Regarding Compliance by the Board Members and Senior Management
Personnel with the Code of Conduct**

As provided under Clause 49(I)(D)(ii) of the Listing Agreement with the Stock Exchange(s), this is to inform that a Code of Conduct has been laid down by the Board of Directors of Arcuttipore Tea Company Limited, which has been made applicable to all the Directors and the Senior Management Personnel of the Company.

The Code has been affirmed to by all Members of the Board and the Senior Management Personnel of the Company. The said Code of Conduct has been posted on the Website of the Company, namely, www.arcuttiporetea.com

Date: 30.05.2013

Kolkata

HARSH KUMAR 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 energy consumption and consequent Impact on the cost of Production of Goods : Not Ascertainable.
- d) The relevant figures are given below:

A Power & Fuel Consumption :	2012-13	2011-12
	(Figures in ₹)	(Figures in ₹)
i) Electricity :-		
a) Purchased - Units	6424	-
Total Amount	119643	-
Rate/unit	18.62	-
b) Own Generation :-		
From DG sets - Units	234312	-
Units/ltr of Diesel	2.5	-
Cost/unit	18.80	-
ii) Furnace Oil for Tea Processing		
in withering and Drying		
Quantity (K.ltrs)	-	-
Total Cost	-	-
Average Rate (Per K. litre)	-	-
iii) Coal :-		
Quantity (M.T)	287.19	-
Total Cost (Rs)	2,024,473.00	-
Average Rate (Rs.per M.T)	7049.25	-
iv) H.S.D.Oil for Transport and		
Material Handling		
Quantity (K.Ltrs)	6.12	8.61
Total Cost (Rs.)	290112.00	359016.12
Average Rate (Rs.per K.Ltrs)	47403.92	41698
v) Petrol for Transport and		
Material handling		
Quantity (K.Ltrs)	1.9	1.44
Total Cost (Rs.)	142050	98065.75
Average Rate (Rs.per K.Ltrs)	74763.16	68101

B Consumption per unit of production :

a) Electricity Consumed - Units	Nil	Nil
Total Production - Tea (kg)	25405	Nil
Consumption per kg- Units	240736	Nil
Coal (Coke)(MT)	287.19	
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	}	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, ADAPTION 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	Rs. 168526/-	-
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Kolkata

Dated : 30th May, 2013

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, 2013 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) Declarations u/s 24AA of the Directors have been obtained by the Company.
- b) Auditors and Internal Auditors have not been invited to attend the Audit Committee meeting. There are Internal Auditors who have been appointed by the Company for the financial year 2013-14.**
- c) Information regarding Internal control system, Scope of Audit, Audit observation, defaults in financial obligation to and by the company and non-payment of goods sold by the company has been placed before the Board of Directors.
- d) Information regarding market price data high and low at during each month and performance in comparison to broad base indices such as BSE Indices , NSE Indices etc are given in the report except percentage of dematerialization of the shares with NSDL performance in comparison to broad base indices as the shares of the company are given in the report.
- e) and CDSL respectively .

We 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 & COMPANY
Chartered Accountants
(FRN 327183E)

8/2 Kiran Shankar Roy Road
Kolkata 700 001
Date: 30th May, 2013

(Gora Chand Mukherjee)
Partner
Membership No- 17630

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ARCUTTIPORE TEA COMPANY LIMITED

Report on the Financial Statements

We have audited the attached Balance Sheet of **ARCUTTIPORE TEA COMPANY LIMITED** as at 31st March, 2013, the Statement of Profit and Loss and the Cash Flow Statement of the Company for the year ended on that date and a summary of significant accounting policies and other explanatory information

Management's Responsibility For The Financial Statements

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

Auditor's Responsibility

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

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

Basis for Qualified Opinion : -

- i. **Note 7.2 (iii) regarding non-provision of interest demand Rs.8,00,245/- on delayed deposit of P.F dues.**
- ii. **Note 9.5 regarding non-provision of depreciation on machineries Rs. 18,09,840/- (previous year Rs. 18,09,840/-) for the earlier years, due to which loss is lower and both Fixed assets and Reserve and Surplus at the year end are higher by Rs.18,09,840/- (Previous year Rs.18,09,840/-).**
- iii. **Note 12.4 regarding, non-provision / non-ascertainment of diminution in value of shares held as stock in trade, the eventual shortfall that may arise there from cannot be commented upon by us.**
- iv. **Note 12.5 regarding non-availability of shares held as stock in trade for physical verification.**
- v. **Note 13.1 regarding sundry receivables, aggregating to Rs. 1,21,393/- (Previous year Rs. 5,09,616/-), the eventual recovery of which and extent of provision there against, if any, cannot be ascertained.**
- vi. **Note 29 regarding non-provision and basis of ascertainment of gratuity liability on the**

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ARCUITTIPORE TEA COMPANY LIMITED

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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 by Rs 6,28,517/- (Previous year Rs. 9,78,806/-), Reserve and Surplus are higher and current liabilities at the year end are lower by Rs.1,06,50,382/- (Previous year Rs.93,71,660/-) (to the extent ascertained).

Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the Basis for Qualified Opinion paragraph, the Financial Statements 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 generally accepted in India: -

- i. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013
- ii. in the case of the statement of Profit & Loss, of the loss of the Company for the year ended on that date and
- iii. in the case of the Cash Flow Statement, of the Cash Flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. 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 we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227 (3) of the Act, 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, Statement of Profit & Loss and Cash Flow statement 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 it appears from our examination of the books,
 - iv. In our opinion, the Balance Sheet ,Statement of Profit and Loss and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Section 211 (3C) of the Companies Act 1956 to the extent applicable.
 - v. 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 2013 from being appointed as a Director in terms of Clause (g) of Sub Section (1) of Section 274 of the Companies Act, 1956,

For GORA & COMPANY
Chartered Accountants
FRN 327183E

Gora Chand Mukherjee
(Partner)
Membership No. 17630

Place: Kolkata
Date: 30th May,2013

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ARCUTTIPORE TEA COMPANY LIMITED

ANNEXURE TO THE AUDITORS' REPORT
(Referred to in paragraph 1 of our report of even date)

Re: ARCUTTIPORE TEA COMPANY LIMITED

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of audit, 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) As explained to us, the fixed assets of the Company have been physically verified by the management during the year .No material discrepancies between the book records and the physical inventory were noticed.
- (c) The company has not disposed any fixed assets during the year.
- ii. (a) As explained to us, physical verification of inventory of finished stock of Tea and shares has been conducted at reasonable intervals by the management. There is no inventory of finished stock of tea at the year end 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 inventories and no discrepancies were noticed on verification of stocks with book record
- iii. (a) The company has taken/granted certain unsecured loan and /or advances in the nature of loans from/to the companies, firms, parties 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 transactions. There is, however, an interest free loan of Rs.1,58,00,000/- taken by the company from a company other than the aforesaid companies and the maximum amount outstanding at any time during the year was Rs.1,58,00,000/- ,and at the year end balance is Rs.1,58,00,000/-. The company has also taken interest bearing unsecured loans amounting Rs96,00,000/- in aggregate .(previous year Rs 45,00,000/-) from several companies other than the aforesaid companies and the said loan amounts are outstanding at the year end and repayable on demand ..
- (b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions of the said loans taken by the company, are not prima facie prejudicial to the interest of the company.
- (c) In respect of the said loans and interest thereon , there are no overdue amounts and the principal loan amounts are repayable on demand, except for the interest free long term loan Rs.1,58,00,000/- which is repayable over a period of 5 years.
- (d) In case of other loans taken and or given, 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.
- iv. 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 purchases/inventory and fixed assets, and for sale of goods.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ARCUITTIPORE TEA COMPANY LIMITED

- v. (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 ,if any , are yet to be recorded in the register required to be maintained under that section.
- (b) The Company has made related parties transactions as stated in Note 27 herein.
- vi. According to the information and explanation given to us, the company has not accepted any public deposit within the meaning of the Section 58A of the Companies Act, 1956 and rules framed there under.
- vii. The Company has not been maintaining the cost records as prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956.
- viii. (a) As given in Note 7.2 & 7.3 and according to the information and explanations, given to us the company is regular during the year 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 the old statutory dues on these accounts for the earlier years, as stipulated, 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 excepting Rs.14,065/- (previous year Rs.Nil), wealth tax, service tax, professional tax excepting Rs, 89,855/- (Previous year Rs 90,213/-), custom duty, excise duty or cess on green leaf excepting Rs.57,73,033/- (Previous year Rs.68,43,848/-) as at 31st March, 2013, 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 as against total demand for Rs. 248.47 lakhs as on 31.03.2013 as per Tax Recovery Certificate no 222 dated 14.01.2013	2,00,99,643	Asst Year 2002-03	CIT(A)
	Appeal against Order of regular assessment u/s143(3) of the Act as against total demand for Rs. 63.43 lakhs as on 31.03.2013 as per Tax Recovery Certificate no 223 dated 14.01.2013	39,64,196	Asst year 2003-04	CIT (A)
Wealth Tax Act	Demand raised in the Order of regular assessment u/s 17& 16(5)	5,370	Asst Year 2002-03	
	Demand raised in the Order of regular assessment u/s 17& 16(5)	15,303	Asst Year 2003-04	
	Demand raised on the Order f regular assessment u/s 17& 16(5)	12,921	Asst Year 2004-05	

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ARCUITTIPORE TEA COMPANY LIMITED

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ix. The accumulated losses of the company as at the end of the year are Rs.12,33,64,010/-. The said amount as shown in the Note 2 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.

x. In our opinion and according to the information and explanation given to us, there have not been repayment of dues including interest 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.28,03,031/-	More than 8 years

xi. 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.

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

xiii. During the year under audit, the company has dealt in shares, securities, debentures. The company has shares held as stock in trade at the year end.

xiv. 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.

xv. As per the information and explanations given to us, loans taken from financial company / bank as obtained/ availed by the company were generally utilised for purpose for which these were obtained/availed.

xvi. During the year under audit, the company has not borrowed any term loan except for an interest free loan of Rs.1,58,00,000/- for 5 years from a body corporate.

xvii. 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.

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

xix. 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.

xx. 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. Subject to above, we report that: -

For GORA & COMPANY
Chartered Accountants
FRN 327183E

Gora Chand Mukherjee
(Partner)
Membership No. 17630

Place: Kolkata
Date: 30th May,2013

ARCUTTIPORE TEA COMPANY LIMITED

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.

6. Recognition of Income & Expenditure:

- a. Income and expenses, unless specified otherwise, are recognised on accrual basis.
- b. Sales of tea and green leaf are inclusive of excise and cess duty ,and are net of VAT.

7. Inventories:

- a) Stores, Spares and Packing materials are valued at cost on FIFO basis.
- b) (i) Finished Goods of Tea as well as green leaf are valued at net realizable value. There is no stock of green leaf at the year end .

ii) The Company has followed valuation of finished goods of tea at net realization value. Pursuant to the Accounting Standard (AS-2) on inventory valuation issued by the Institute of Chartered Accountants of India, inventories are required to be valued at cost or net realizable value whichever is lower. Considering the nature of business the Management has followed the practice of valuation at net realizable value.

c) Shares held as stock in trade are valued at cost

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:

Excise duty and Cess on manufactured tea lying in factory at the year end is 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.

Arcuttipore Tea Company Limited

Cash Flow Statement for the year ended 31st March 2013

	2012-13		2011-12	
	(Figures in ₹)	(Figures in ₹)	(Figures in ₹)	(Figures in ₹)
A Cash Flow from Operating Activities:				
Net Profit/(Loss) before tax and Exceptional/ Non recurring items		(3,093,570.31)		(1,235,822.86)
Adjustments for Depreciation	1,378,694.74		501,875.00	
Expenses Amortised	-		-	
Interest Received	(97,928.00)		(466.00)	
(Profit)/Loss on Sale of Fixed Assets	-		-	
Interest Paid	1,496,280.30		2,792,395.00	
(Profit)/Loss on Sale of Investment	-		-	
Capital work in progress written off	-		543,451.96	
Liability no longer required written back	(1,428,082.03)		(3,658,451.64)	
Surplus on Secured loan settlement	-		(28,714,096.26)	
Loss on Investment Forfeited	-		-	
Sundry Balances Written Off	687,164.40	2,036,129.41	21,430,169.75	(7,105,122.19)
Operating Profit before Working Capital		(1,057,440.90)		(8,340,945.05)
Changes Adjustments for				
Trade & Other Receivables	(545,402.51)		9,349,430.20	
Inventories	1,089,882.46		(413,535.88)	
Unsecured Loan	3,072,701.63		-	
Trade Payables & Other Liabilities	(7,559,355.74)	(3,942,174.16)	(2,460,230.54)	
		(4,999,615.06)		6,475,663.78
Cash generated from Operations				(1,865,281.27)
Direct Taxes Paid		-		-
		(4,999,615.06)		(1,865,281.27)
Cash Flow before Exceptional/Non Recurring Items		-		-
Exceptional/Non Recurring Items		-		-
NET CASH		(4,999,615.06)		(1,865,281.27)
B Cash Flow From Investing Activities				
Purchase of Fixed Assets		(4,981,899.82)		(209,766.00)
Sale of Fixed Assets		-		-
Purchase of Shares as Investments		(4,500,000.00)		-
Sale of Investments converted into stock in trade/ w/off		-		-
Loans From Companies & Others				-
Interest Income Received		97,928.00		466.00
Net Cash used in Investing Activities		(9,383,971.82)		(209,300.00)
C Cash Flow from Financing Activities				
Loans From Companies & Others		16,834,288.00		20,195,191.00
Repayment of Unsecured Loans		-		-
Repayment of Secured Loans		-		(15,800,000.00)
Interest Paid		(1,496,280.30)		(2,792,395.00)
Dividend Paid		-		-
Net Cash from Financing Activities		15,338,007.70		1,602,796.00
Net Changes in Cash & Cash Equivalents(A+B+C)		954,420.82		(471,785.27)
Opening Balance of Cash & Cash Equivalents		1,005,423.96		1,477,209.23
Closing Balance of Cash & Cash Equivalents		1,959,844.78		1,005,423.96

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

8/2 Kiran Shankar Roy Road,
Kolkata, The 30th day of May 2013

Directors

For GORA & COMPANY
Chartered Accountants

(G.C. Mukherjee)
Partner

ARCUTTIPORE TEA COMPANY LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2013

(Figures in ₹)

Particulars	Note	As at 31.03.2013	As at 31.03.2012
I. EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	1	53,083,650.00	53,083,650.00
(b) Reserves and surplus	2	(27,524,938.23)	(23,816,321.92)
Non-current liabilities			
(a) Long-term borrowings	3	19,929,779.00	18,603,031.00
(b) Deferred tax liabilities (Net)	4	830,546.00	830,546.00
Current liabilities			
(a) Short-term borrowings	5	20,007,540.00	4,500,000.00
(b) Trade payables	6	17,342,818.51	18,245,375.28
(c) Other current liabilities	7	14,417,742.57	22,502,623.57
(d) Long-term provisions	8	2,648,547.00	2,648,547.00
TOTAL		100,735,684.85	96,597,450.93
II. ASSETS			
Non-current assets			
Non-current assets			
(a) Fixed assets	9		
(i) Tangible assets		78,750,837.45	75,658,788.39
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		-	103,890.00
(iv) Intangible assets under development		-	-
		78,750,837.45	75,762,678.39
(b) Non-current investments		4,500,000.00	-
(c) Deferred tax assets (net)	10	830,546.00	830,546.00
(d) Long-term loans and advances	11	6,484,370.30	6,159,916.33
(e) Other non-current assets		-	-
Current assets			
(a) Current investments		-	-
(b) Inventories	12	6,377,211.74	7,467,094.20
(c) Trade receivables	13	1,116,910.56	571,508.05
(d) Cash and cash equivalents	14	1,959,844.80	1,005,423.96
(e) Short-term loans and advances	15	418,957.00	4,503,277.00
(f) Other current assets	16	297,007.00	297,007.00
TOTAL		100,735,684.85	96,597,450.93

Significant accounting policies:

Notes on Financial Statements

1 to 33

As per our Report of even date annexed

For GORA & Company
Chartered Accountants

8/2 Kiran Shankar Roy Road
Kolkata, the 30th day of May 2013

Gora Chand Mukherjee
Partner
Membership No 17630

DIRECTORS

ARCUTTIPORE TEA COMPANY LIMITED

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

(Figures in ₹)

	Particulars	Note	2012-2013	2011-2012
I.	Revenue from operations	17	43,472,220.53	25,910,938.61
II.	Other income	18	1,544,927.88	32,404,781.40
III.	Total Revenue (I+II)		45,017,148.41	58,315,720.01
IV.	Expenses:			
	Cultivation Expenses	19	9,425,611.59	10,943,928.92
	Purchases of Stock-in-Trade		-	-
	Changes in inventories of finished goods work-in-progress and Stock-in-Trade	20	2,226,100.00	-
	Employee benefits expense	21	8,818,997.74	8,757,514.43
	Finance costs	22	1,496,280.30	2,792,395.00
	Depreciation and amortization expense	23	1,378,694.76	501,875.00
	Other expenses	24	24,765,034.33	36,555,829.52
	Total Expenses		48,110,718.72	59,551,542.87
V.	Profit before exceptional and extraordinary items and tax (III - IV)		(3,093,570.31)	(1,235,822.86)
VI.	Exceptional items		-	-
VII.	Profit before extraordinary items and tax (V-VI)		(3,093,570.31)	(1,235,822.86)
VIII.	Extraordinary items		-	-
IX.	Profit before tax (VII-VIII)		(3,093,570.31)	(1,235,822.86)
X.	Tax expense:			
	(1) Current tax		-	-
	(2) Deferred tax		-	-
XI.	Profit (Loss) for the period from continuing operations (VII-VIII)		(3,093,570.31)	(1,235,822.86)
XII.	Profit/(loss) from discontinuing operations		-	-
XIII.	Tax expense of discontinuing operations		-	-
XIV.	Profit/(loss) from discontinuing operations (after tax) (XII-XIII)		-	-
XV.	Profit (Loss) for the period (XI+XIV)		(3,093,570.31)	(1,235,822.86)
XVI.	Earnings per equity share:	25		
	(1) Basic		(0.62)	(0.25)
	(2) Diluted		(0.62)	(0.25)

Significant accounting policies:

Notes on Financial Statements

1 to 33

For GORA & Company

Chartered Accountants

As per our Report of even date annexed8/2 Kiran Shankar Roy Road
Kolkata, the 30th day of May 2013Gora Chand Mukherjee
Partner
Membership No 17630

DIRECTORS

ARCUTTIPORE TEA COMPANY LIMITED

Notes on Financial Statements for the Year ended 31st March, 2013

	(Figures in ₹)	(Figures in ₹)
	<u>As at</u>	<u>As at</u>
1 Share Capital	31st March, 2013	31st March, 2012
Authorised:		
70,00,000 (Previous year 70,00,000) Ordinary Shares of Rs.10/- each	<u>70,000,000.00</u>	<u>70,000,000.00</u>
Issued :		
56,00,900 (Previous year 56,00,900) Ordinary Shares of Rs.10/- each	<u>56,009,000.00</u>	<u>56,009,000.00</u>
Subscribed & Paid-Up:		
50,16,380 (Previous year 50,16,380) Ordinary Shares of Rs.10/- each fully paid up	<u>50,163,800.00</u>	<u>50,163,800.00</u>
Add: Shares Forfeited	<u>2,919,850.00</u>	<u>2,919,850.00</u>
Total	<u>53,083,650.00</u>	<u>53,083,650.00</u>

1.1 70,000 (Previous year 70,000) shares out of issued, subscribed and paid up share capital were issued and allotted as fully paid up Bonus shares by capitalisation of Reserves.

1.2 The details of shareholders holding more than 5% shares :

<u>Name of the Share holder</u>	<u>As at</u>		<u>As at</u>	
	31st March, 2013		31st March, 2012	
	<u>No of</u>	<u>shares - % held</u>	<u>No of</u>	<u>shares - % held</u>
Devesh Trade Credit Private Limited	832600	16.60	832600	16.60
Durgesh Trade Credits Private Limited	499200	9.95	499200	9.95
Almet Pharmaceutical Limited	261500	5.21	261500	5.21
Mega Resources Limited	-	-	300000	5.98
Fastrack Credits Private Limited	-	-	293700	5.85
Shakalya Trading & Investment Pvt. Ltd.	487605	9.72	-	-

1.3 The reconciliation of the number of shares outstanding is set out below :

<u>Name of the Share holder</u>	<u>As at</u>		<u>As at</u>	
	31st March, 2013		31st March, 2012	
	<u>No of shares</u>		<u>No of shares</u>	
Ordinary shares at the beginning of the the year	5016380		5016380	
Add:- Shares Issued during the year	-		-	
Less : Shares cancelled during the year	-		-	
Ordinary shares at the end of the year	<u>5016380</u>		<u>5016380</u>	

	<u>As at</u>		<u>As at</u>	
2 Reserves And Surplus	31st March, 2013		31st March, 2012	
Capital Reserve				
As per Last Account	57,350.00		57,350.00	
Share Premium Account				
As per Last Account	37,404,750.00		37,404,750.00	
Revaluation Reserve				
As per Last Account	55,364,721.00		55,768,463.00	
Less : Transfer to Profit & Loss account on account of Depreciation	(615,046.00)		(403,742.00)	
	<u>54,749,675.00</u>		<u>55,364,721.00</u>	
General Reserve				
As per Last Account	3,627,297.06		3,627,297.06	
Profit and Loss Account				
As per Last Account	(120,270,439.98)	(119,034,617.12)	(120,270,439.98)	(119,034,617.12)
Add :- Profit / (Loss) for the year	<u>(3,093,570.31)</u>	<u>(123,364,010.29)</u>	<u>(1,235,822.86)</u>	<u>(120,270,439.98)</u>
Total	<u>(27,524,938.23)</u>		<u>(23,816,321.92)</u>	

ARCUTTIPORE TEA COMPANY LIMITED

Notes on Financial Statements for the Year ended 31st March, 2013

	<u>As at</u> <u>31st March, 2013</u>	<u>As at</u> <u>31st March, 2012</u>
3 Long Term Borrowings		
Secured Loan		
From Tea Board	2,803,031.00	2,803,031.00
From a bank	840,272.00	-
From a Finance Company	486,476.00	-
	<u>4,129,779.00</u>	<u>2,803,031.00</u>
Unsecured		
From a Body Corporate	15,800,000.00	15,800,000.00
Total	<u><u>19,929,779.00</u></u>	<u><u>18,603,031.00</u></u>

3.1 Loan taken from Tea Board are secured by hypothecation of Machinery purchased under Hire purchase scheme and guaranteed by Directors and its repayment are delayed by more than 8 years.

3.2 Secured Loan from Tea Board includes Rs.15,20,820/- Previous year Rs. 15,20,820/-) as Interest Accrued and due thereon.

3.3 Secured loans taken from a bank are against purchase of vehicles and the loan amount are repayable over 5 years.

3.4 Secured loans taken from a financial company are against purchase of machineries and the same are repayable over 3 years.

3.5 Secured loans from a financial company include loan Rs.285138/- (Previous year rs. Nil) against purchase of tractor and the same are repayable over 3 and 1/2 years.

3.6 Unsecured Loan taken from a Body Corporate is interest free and is repayable within remaining 4 years.

	<u>As at</u> <u>31st March, 2013</u>	<u>As at</u> <u>31st March, 2012</u>
4 Deferred Tax Liability		
As Per last Account	830,546.00	830,546.00
Depreciation (Charge)		
Total	<u><u>830,546.00</u></u>	<u><u>830,546.00</u></u>

4.1 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 assets and liabilities as on 31st March, 2013 are as above.

	<u>As at</u> <u>31st March, 2013</u>	<u>As at</u> <u>31st March, 2012</u>
5 Short Term Borrowings		
Secured		
From a bank	377,316.00	-
From a financial company	349,452.00	-
	<u>726,768.00</u>	<u>-</u>
Unsecured		
Other Loans		
From Bodies Corporate	19,180,772.00	4,500,000.00
From Others	100,000.00	-
Total	<u><u>20,007,540.00</u></u>	<u><u>4,500,000.00</u></u>

5.1 Other Unsecured Loans includes Rs.97,49,519/- as interest bearing loans and the balance amount Rs.95,31,243/- are without bearing interest. Loan amounts are repayable on demand.

	<u>As at</u> <u>31st March, 2013</u>	<u>As at</u> <u>31st March, 2012</u>
6 Trade Payables		
Micro, Small and Medium Enterprises	15,060,487.71	15,361,972.28
Others	2,282,330.80	2,883,403.00
Total	<u><u>17,342,818.51</u></u>	<u><u>18,245,375.28</u></u>

6.1 Details of amounts outstanding to Micro, Small and Medium Enterprise are not readable available with the company

	<u>As at</u> <u>31st March, 2013</u>	<u>As at</u> <u>31st March, 2012</u>
7 Other Current Liabilities		
Advance from Customers	2,185,979.13	7,867,151.87
Other payable	12,231,763.44	14,635,471.70
Total	<u><u>14,417,742.57</u></u>	<u><u>22,502,623.57</u></u>

7.1 Other payables include statutory dues, Cess, P.F. dues, temporary bank book overdraft and unclaimed dividend.

7.2 The Company has defaulted in payment of P.F. dues with appropriate Authorities in earlier years. The aggregate amount of default amount as on 31.03.2013 as per the records of the Company is Rs.50,77,943/- (previous year Rs.57,94,426/-) which includes Rs. 79,525/- (previous year Rs.68,938/-) for the year 2012-13 which has since been paid. The P.F dues amounts are the aggregate of both Employers and Employees contributions and net of P.F. collection and P.F. Advance. The Company has paid during the year the old defaulted amounts as under :-

ARCUTTIPORE TEA COMPANY LIMITED

Notes on Financial Statements for the Year ended 31st March, 2013

i) Rs.3,25,000/- (previous year Rs.4,00,000/-) in aggregate have been paid for P.F. dues against P.F. Bakijai case no.02/07-08/PF

ii) Rs.3,25,000/- (previous year Rs.2,00,000/-) in aggregate have been paid for P.F. dues against P.F. Bakijai case no.09/09-10/PF

iii) No provision for Rs. 8,00,245/- (previous year Rs. 8,00,245/-) has been made in respect of interest demand on delayed deposit of P.F. dues for the period from 28.05.2002 to 27.01.2003 on the said account vide letter no PF/L/2011/C-5/7260-61 dated 21.05.2011 of Additional P.F. Commissioner, Guwahati.

7.3 Necessary steps are being taken to regularise payment of certain statutory non-compliance in regard to Profident Fund dues , Excise Duty,Cess on land revenue etc.Interest and Levies due on due to such delay shall be accounted for as and when ascertained. The Company has however regularly depositing Tax Deducted at Source and Profident Fund contributions for the year with the concerned authorities.

7.4 The Company has not been providing for interest on loan borrowed from Tea Board since 8 last years. The aggregate amount of interest not provided upto 31st March, 2013 is not ascertained.

8 Long Term Provisions	<u>As at</u> <u>31st March, 2013</u>	34,409,108.08	<u>As at</u> <u>31st March, 2012</u>
Provisions for Income Tax	2,648,547.00		2,648,547.00
Other Provisions	-		-
Total	<u>2,648,547.00</u>		<u>2,648,547.00</u>

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

8.2 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.

10 Deferred Tax Assets (Refer no 4.1)	<u>As at</u> <u>31st March, 2013</u>	<u>As at</u> <u>31st March, 2012</u>
As Per last Account		
Unabsorbed depreciation & Carried forward Losses	-	-
Expenses allowable on Payment basis (credit)	830,546.00	830,546.00
	<u>830,546.00</u>	<u>830,546.00</u>

11 Long Term Loans and Advances (Unsecured, Considered good)	<u>As at</u> <u>31st March, 2013</u>	<u>As at</u> <u>31st March, 2012</u>
Deposits	18,399.00	74,599.00
Loan to a body corporate	500,000.00	500,000.00
Advance Income Tax	4,153,872.98	3,213,216.00
Other Loan and Advances *	1,812,098.32	2,372,101.33
Total	<u>6,484,370.30</u>	<u>6,159,916.33</u>

* includes Advances to employees and advances to other parties

11.1 Loan given to a company is without bearing interest and is repayable on demand.

12 Inventories	<u>As at</u> <u>31st March, 2013</u>	<u>As at</u> <u>31st March, 2012</u>
Stores & Spares **	2,433,311.74	1,297,094.20
Stock in Trade - shares	3,585,000.00	6,170,000.00
Stock of Green Leaf	-	-
Stock of Tea made	358,900.00	-
Total	<u>6,377,211.74</u>	<u>7,467,094.20</u>

** includes stores in transit Rs. 38,201/- (Previous year Rs. 2,26,928/-)

ARCUTTIPORE TEA COMPANY LIMITED

Notes on Financial Statements for the Year ended 31st March, 2013

12.1 Details of Stock in trade - shares as at 31st March, 2013

(On Conversion from Investment)

Un Quoted : (Fully Paid-up)

No. of shares

40,000 (previous year 40000) Equity share of Rs. 10/- each of Rajhans Vincom Private Limited

**As at
31st March, 2013**

**As at
31st March, 2012**

420,000.00

420,000.00

19,300 (previous year 19,300) Equity share of Rs. 10/- each of Atlantica Exim Limited

965,000.00

965,000.00

Nil (previous year 20,580) Equity share of Rs 125/- each of Deeleep(India) Grains Private Limited

-

2,585,000.00

4,400 (previous year 4,400) Equity share of Rs 500/- each of MNJ Solution Pvt.Ltd

2,200,000.00

2,200,000.00

3,585,000.00

6,170,000.00

12.2 Investment in Unquoted shares held as Stock-in -trade on conversion in the earlier years were taken at book cost and investment of 40,000 equity shares of Rajhans Vincom Pvt Ltd has converted into stock-in-trade are yet to be transferred in the name of the Company.

12.3 The company has finished stock of tea ,shares as stck in trade and stores as at year end . There in no stock of green leaf as on that date .The company has consistently followed valuation of finished goods at net realisable 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 the shares and stores are valued and taken at book cost.

12.4 No provision for diminution in value of share held as Stock-in trade, if any, has been accounted for in the accounts and the same is considered to be of temporary in nature.

12.5 Shares held as Stock-in-trade could not be made available to Auditors for their verification.

12.6 The company has not identified slow/non moving and absolute stores during the year.

**13 Trade Receivables
(Unsecured, Considered Good)**

**As at
31st March, 2013**

**As at
31st March, 2012**

Over six Months

121,392.55

509,615.55

Others

995,518.01

61,892.50

Total

1,116,910.56

571,508.05

13.1 Trade receivables include Debtors amounting Rs.1,21,393/-(previous year Rs.1,88,030/-) are overdue for recovery. In view of the persuasiv steps being taken for recovery, these balances have been considered goods and fully recoverable.

14 Cash and bank Balance

**As at
31st March, 2013**

**As at
31st March, 2012**

Balance with Banks

655,243.82

104,456.73

Cash on Hand

1,279,600.98

875,967.23

Fixed Deposit with bank

25,000.00

25,000.00

Total

1,959,844.80

1,005,423.96

**15 Short Term Loans and Advances
(Unsecured , Considered Good)**

**As at
31st March, 2013**

**As at
31st March, 2012**

Loans and advances

-

4,500,000.00

Others

415,680.00

-

Deposits with Excise Authority

3,277.00

3,277.00

Total

418,957.00

4,503,277.00

16 Other Current assets

**As at
31st March, 2013**

**As at
31st March, 2012**

Replanting Subsidy Receivable

297,007.00

297,007.00

Insurance Claim receivable

-

-

Total

297,007.00

297,007.00

ARCUTTIPORE TEA COMPANY LIMITED**Notes on Financial Statements for the year ended 31st March, 2013**

	(Figures in ₹) 2012-13	(Figures in ₹) 2011-12
17 Revenue from Operations		
Sale of Tea Made	28,503,936.03	-
Sale of Products	14,947,604.50	25,910,938.61
Sale of Shares	20,680.00	-
Total	43,472,220.53	25,910,938.61
18 Other Income	2012-13	2011-12
Interest on Income tax Refund	-	466.00
Interest received	97,928.00	-
Surplus on Settlement of secured loan dues	-	28,714,096.26
Liabilities no longer written back	1,428,082.03	3,658,451.64
Miscellaneous Receipts	18,917.85	31,767.50
Total	1,544,927.88	32,404,781.40
19 Cultivation Expenses	2012-13	2011-12
Crop Expenses	4,222,179.45	3,612,197.64
Nursery Expenses	671,599.30	757,487.70
Old Cultivation	3,687,922.91	5,255,008.59
Rejuvenation	48,474.64	163,963.02
Replanting & Replacement	296,657.07	673,888.90
Other planting expenses	43,729.37	225,349.88
Teak / Nursery Expenses	455,048.85	256,033.19
Total	9,425,611.59	10,943,928.92

ARCUTTIPORE TEA COMPANY LIMITED
Notes on Financial Statements for the year ended 31st March, 2013

20 Changes in Inventories	2012-13	2011-12
Inventories (at close)		
Finished Goods - Tea (3589 kgs)	358,900.00	-
Stock in Process	-	-
Stock in Trade - Shares	3,585,000.00	6,170,000.00
Sub Total	<u><u>3,943,900.00</u></u>	<u><u>6,170,000.00</u></u>
Inventories (at commencement)		
Finished Goods - Tea	-	-
Stock in Process	-	-
Stock in Trade - Shares	6,170,000.00	6,170,000.00
Sub Total	<u><u>6,170,000.00</u></u>	<u><u>6,170,000.00</u></u>
Total	<u><u>(2,226,100.00)</u></u>	<u><u>-</u></u>
21 Employees Benefits Expenses	2012-13	2011-12
Salary, Wages & Gratuity	6,065,811.15	6,111,165.74
Contribution to Provident & Other funds	883,290.16	884,157.27
Staff Welfare Expenses	859,959.30	750,422.66
Loss on Food Stuffs	1,009,937.13	1,011,768.76
Total	<u><u>8,818,997.74</u></u>	<u><u>8,757,514.43</u></u>
22 Finance Costs	2012-13	2011-12
Interest on Loans	1,496,280.30	97,192.00
Interest on delayed payments of Cess	-	2,695,203.00
Total	<u><u>1,496,280.30</u></u>	<u><u>2,792,395.00</u></u>

ARCUTTIPORE TEA COMPANY LIMITED
Notes on Financial Statements for the year ended 31st March, 2013

23 Depreciation	2012-13	2011-12
Depreciation on Fixed Assets	1,993,740.76	905,617.00
Less : Transferred from Revaluation Reserve	615,046.00	403,742.00
Total	<u>1,378,694.76</u>	<u>501,875.00</u>
24 Other Expenses	2012-13	2011-12
Manufacturing Expenses		
Cess on Green Leaf	670,700.85	653,206.50
Electricity Charges	626,044.06	594,560.10
Manufacturing expenses	7,640,125.86	-
Machinery Hire Charges	100,000.00	100,000.00
Mechanical Vehicles	1,524,905.87	-
Repairs to Electricity	561,828.21	-
Repairs to Building	1,009,141.57	9,212,511.56
Repairs to Machinery	2,280,322.92	905,170.42
Establishment Expenses		
Excise Duty on Tea made	127,047.00	-
Professional Fees	609,011.00	127,818.00
General Charges	1,872,346.65	880,957.21
Rent	99,000.00	98,450.00
Insurance	46,506.00	20,171.00
Rates & Taxes	72,671.00	45,333.00
Expenses on Sales	3,124,152.12	-
Listing Fees to Exchanges / Registrar	1,685,794.00	710,479.00

ARCUTTIPORE TEA COMPANY LIMITED**Notes on Financial Statements for the year ended 31st March, 2013**

Travelling and Conveyance Expenses (Including Foreign Travel expenses Rs.168526.00)	802,852.50	212,961.00
Vehicle Running Expenses	220,420.32	889,841.98
Consultancy Charges	985,000.00	600,000.00
Auditors' Remuneration		
i) Audit Fee	15,000.00	15,000.00
ii) Tax Audit Fee	5,000.00	5,000.00
Sundry Balances written off	687,164.40	21,430,169.75
Donations & Subscriptions		54,200.00
Total	24,765,034.33	36,555,829.52
25 Earnings Per Share	2012-13	2011-12
i) Net Profit/(Loss) after Tax (Rs.) (as per statement of Profit & Loss account)	(3,093,570.31)	(1,235,822.86)
ii) Provisions for Tax earlier year (Rs.)	0.00	0.00
iii) Net Profit attributable to Ordinary Shareholders (Rs.)	(3,093,570.31)	(1,235,822.86)
iv) Weighted average no of ordinary shares	5,016,380	5,016,380
v) Basic & Diluted earnings per ordinary share (Rs.)	(0.62)	(0.25)
vi) Face value per ordinary shares (Rs.)	10.00	10.00

ARCUTTIPORE TEA COMPANY LIMITED
Note 9 - Fixed Assets of Financial Statements for the year ended 31st March, 2013

(Figures in ₹)

Particulars	GROSS BLOCK					DEPRECIATION					NET BLOCK	
	Cost as on 31.03.2012	Revaluation	Addition	Deductions/Adjustment	As on 31.03.2013	Upto 31.03.2012	Provided during the year	Provided on Re-Valued Assets	Deductions/Adjustment	Upto 31.03.2013	As on 31.03.2013	As on 31.03.2012
Tangible Assts												
Own assets												
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	-	-	10,206,096	5,471,883	191,562	155,722	-	5,819,167	4,386,929	4,734,213
Other Building	7,461,943	7,938,973	-	-	15,400,916	4,573,605	121,227	129,405	-	4,824,237	10,576,679	10,827,311
Machinery**	13,262,262	4,448,504	2,300,795	-	20,011,561	14,906,543	604,720	211,304	-	15,722,567	4,288,994	2,804,223
Electric Installation	2,064,809	2,497,161	133,092	-	4,695,062	3,988,923	97,869	118,615	-	4,205,407	489,655	573,047
Furniture & Fittings	-	-	249,260	-	249,260	-	12,463	-	-	12,463	236,797	-
Computer	528,982	-	-	-	528,982	422,106	11,588	-	-	433,694	95,288	106,876
Motors Vehicles**	4,244,457	-	1,754,461	-	5,998,918	4,147,204	319,432	-	-	4,466,636	1,532,283	97,254
Tractor**	-	-	544,292	-	544,292	-	4,250	-	-	4,250	540,042	-
Transformer	-	-	103,890	-	103,890	-	15,584	-	-	15,584	88,306	-
	43,418,098	65,750,953	5,085,790	-	114,254,841	33,510,264	1,378,695	615,046	-	35,504,005	78,750,837	75,658,788
Capital Work-in-Progress Transformer											-	103,890
											78,750,837	75,762,678
Previous Year	43,312,222	65,750,953	105,876	-	109,169,051	32,604,647	501,875	403,742	-	33,510,264	75,658,787	

NOTE:

9.1. 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.

9.2. Machinery includes Rs.28,85,622/- (Previous Year 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.

9.3. 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.

9.4. Machinery includes Rs.29,39,834/- (Previous year Rs.29,39,834/-) acquired under Hire Purchase Agreements against the vehicles . There is no outstanding at the year end.

9.5. No provision for Depreciation Rs.18,09,840/- (Previous year Rs.18,09,840/-) in aggregate on machineries for the year 2010-11 & 2011-12 have been provided in the accounts and corresponding Rs.4,22,604/- (Previous year Rs.2,11,204/-) on account of revalued machinery amount for the said years has not been adjusted in Revaluation Reserve account.

9.6. **

i) Machineries include Rs. 4,96,500/- (Previous year Rs.Nil) which are secured by hypothecation to a finance company against which the outstandings as on 31.03.2013 are Rs.3,63,194/- (Previous year Rs. Nil)

ii) Motor vehicles include Rs.16,98,984/- (Previous year Rs.Nil) which are secured by hypothecation to a bank against which the outstandings as on 31.03.2013 are Rs.1217588/-

iii) Tractor Rs.5,44,292/- (Previous year Rs.Nil) represents secured by hypothecation to a finance company against which outstanding as on 31.03.2013 is Rs.472734/-

9.7 Title deeds of the lease hold land of the Company 's Tea Estate " Arcuttipore Tea Estate " are yet to be delivered by the said Central Bank of India , Kolkata through the intermediary Messers ASREC (India) Limited, Kolkata.

- 26) 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 one primary business Segment having two divisions: -
i. Tea Division
ii. Trading Division including insurance service
The Tea Division of the Company is engaged in the business of cultivation manufacturing, Sale of Tea & Green leaf. The Company's Trading Division is engaged in purchase & sale of shares and service charges on insurance business.

Information about Business Segments :- Primary

Particulars	Tea Division		Trading Division		Total	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
	(Figures in ₹)	(Figures in ₹)	(Figures in ₹)	(Figures in ₹)	(Figures in ₹)	(Figures in ₹)
1. Revenue						
External Sales	43,451,540.53	25,910,938.61	20,680.00	-	43,472,220.53	25,910,938.61
Internal Segment Sales					-	-
Other Income	1,544,927.88	32,404,781.40	-	-	1,544,927.88	32,404,781.40
Unallocated Income					-	-
Total Revenue	44,996,468.41	58,315,720.01	20,680.00	-	45,017,148.41	58,315,720.01
2. Results						
Segment Results	869,101.99	1,556,106.14	(2,564,320.00)	-	(1,695,218.01)	1,556,106.14
Unallocable Income/(Loss) net of Expenses	-	-	-	-	-	-
Operating Profit	869,101.99	1,556,106.14	(2,564,320.00)	-	(1,695,218.01)	1,556,106.14
Interest Expenses	(1,496,280.30)	(2,792,395.00)	-	-	(1,496,280.30)	(2,792,395.00)
Interest Income	97,928.00	466.00	-	-	97,928.00	466.00
Profit from Ordinary Activities	(529,250.31)	(1,235,822.86)	(2,564,320.00)	-	(3,093,570.31)	(1,235,822.86)
Extra Ordinary Loss	-	-	-	-	-	-
Irrecoverable Expenses W/Off	-	-	-	-	-	-
Net Profit/(Loss)	(529,250.31)	(1,235,822.86)	(2,564,320.00)	-	(3,093,570.31)	(1,235,822.86)
3. Other Information						
Segment Assets	91,223,753.00	87,243,993.53	8,093,030.00	6,952,816.40	99,316,783.00	94,196,809.93
Unallocable Corp. Assets					1,418,902.00	1,617,825.00
Total Assets					100,735,685.00	95,814,634.93
Segment Liability	96,860,990.85	92,284,737.32	-	-	96,860,990.85	92,284,737.32
Unallocable Corp. Liability					3,874,694.00	4,312,713.61
Total Liability					100,735,684.85	96,597,450.93
Capital Expenditure	4,980,900.00	209,766.00	-	-	4,980,900.00	209,766.00
Depreciation	1,378,694.76	501,875.00	-	-	1,378,694.76	501,875.00
Non Cash Expenses other than depreciation	687,164.40	21,430,169.75	-	-	687,164.40	21,430,169.75

27) 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) Anadi Trading & Investment Private Ltd
 - d) Pusha Steels Limited
 - e) Shakalya Trading & Investment Pvt Ltd
 - f) Fastrack Realestate Consultant Pvt Ltd
 - g) Almet Pharmaceuticals Ltd
 - h) Devesh Financial Services Pvt Ltd
 - i) Devesh Trade Credit Pvt.Ltd.
- iii) Key Management personnels and Relatives
 - a) Mr. H.K.Bajoria (Managing Director)
 - b) Mr. Shalakya Bajoria (Director, Relative of Managing Director)
 - c) Mr.Naresh Shah (Director,)
 - d) Mr.Chandi Prasad Poddar (Director,)
 - e) Harsh Kumar Bajoria (HUF)
- iv) Enterprises over which key management personnels and relatives have significant influence.
 - a) Star Textiles & Industries Ltd.

B) Transactions with related parties :

Sl. No	Nature of Transactions	Key Management Personnels & Relatives	Enterprise Over which Key Management Personnels and Relatives have Significant influence	Associate
		(Figures in ₹)	(Figures in ₹)	(Figures in ₹)
	Advance Given			
	Almet Pharmaceuticals Ltd			600,000.00
	Fastrack Realestate Consultant Pvt Ltd			20,680.00
	Deeleep (India) Grains Pvt Ltd			708,750.00
	Advance Given Refunded			
	Almet Pharmaceuticals Ltd			555,000.00
	Pusha Steels Limited			28,97,000.00
	Deeleep (India) Grains Pvt Ltd			2,08,750.00
	Advances Taken			
	Anandi Trading & Investment Pvt Ltd			725,000.00
	Cholan Construction & Invst Pvt Ltd			1,254,600.00
	Devesh Trade Credit Pvt.Ltd.			13,932,000.00
	Pusha Steels Limited			3,511,000.00
	Shakalya Trading & Invst Pvt Ltd			220,000.00
	Devesh Financial Services Pvt Ltd			18,300.00
	Harsh Kumar Bajoria(Huf)	100,000.00		
	Advances taken Refunded			
	Anandi Trading & Investment Pvt Ltd			1,04,621.00
	Cholan Construction & Invst Pvt Ltd			3,74,900.00
	Devesh Trade Credit Pvt.Ltd.			7,697,000.00
	Pusha Steels Limited			2,897,000.00
	Shakalya Trading & Invst Pvt Ltd			1,95,836.00
	Devesh Financial Services Pvt Ltd			18,300.00
	Advances given Outstanding			
	Deeleep (India) Grains Pvt Ltd			500,000.00
	Fastrack Realestate Consultant Pvt Ltd			20,680.00
	Almet Pharmaceuticals Ltd			45,000.00
	Advance Taken Outstanding			
	Anadi Trading & Investment Private Ltd			620,379.00
	Cholan Construction & Invst Pvt Ltd			8,79,700.00
	Devesh Trade Credit Pvt.Ltd.			6,235,000.00
	Pusha Steels Limited			714,000.00
	Shakalya Trading & Invst Pvt Ltd			24,164.00
	Harsh Kumar Bajoria(Huf)	100,000.00		
	Hire Charges Paid			
	Pusha Steels Limited			1,00,000.00

- 28) Confirmations for Credit and Debit balances including Secured Loan and Unsecured Loans, Sundry Debtors, Sundry Creditors, Advances received from customers loans and advances are to be obtained. Necessary consequential adjustments will be made as and when ascertained.
- 29) Unprovided estimated gratuity liability Rs. 628517/- (previous year Rs.9,78,806/-) for the year and the total unprovided gratuity as on 31.03.2013 as estimated by the Management amounts to Rs.10650382/- (previous year Rs.93,71,660/-) including in respect of employees retired till 31.03.2013. However, the company has paid gratuity of Rs.461800/- (previous year Rs.12,45,969) to its employees during the year and charged to this statement of Profit and Loss. Moreover, the company has paid amount Rs.318500/- (previous year Rs Nil) to the retired employees on account against their gratuity dues and the same are shown as advances at the year -end.

30) Contingent Liabilities not provided in respect of :-	2012-2013 (Figures in ₹)	2011-2012 (Figures in ₹)
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/-	3,92,841/-
iii) Income Tax demands pending in appeals for Rs. 240.97 Lacs	3,11,90,000/-	2,40,97,433/-

31) Income & Expenditure in Foreign Currency: -	2012-2013	2011-2012
Expenses in Foreign Currency, Travelling And Staff Training	168526/-	-

32) Other information :

	2012-2013 Rs.	Rs.	2011-2012 Rs.	Rs.
A. Production of :				
Green Leaf Plucked from Own Garden Kgs. (As Certified by the management)	1,916,325	-	1,867,639	-
B. Turnover :				
Green Leaf - kgs	890,275	14947604.50	1,867,639	25,910,939
Tea made	245076	28503936.03		
C. Stock of Traded Goods				
Stock Of Tea				
Opening Stock (kgs)	-	-	-	-
Tea made	254055		-	-
Sold during the year	244976	28,503,936	-	-
Closing Stock (Nos.)	3589	358,900	84380	6,170,000
Stock Of Shares				
Opening Stock (Nos.)	84380	6,170,000	84380	6,170,000
Purchase during the year	-	-	-	-
Sold during the year	20680	20,680	-	-
Closing Stock (Nos.)	63700	3,585,000	84380	6,170,000

32.1) 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 1668/- to staff (Previous year Rs.71180/-) and Tea waste 3822 kgs (previous year nil)

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

For GORA & COMPANY
Chartered Accountants

8/2, Kiran Shankar Roy Road
Kolkata.
30.05.2013

Gora Chand Mukherjee
(Partner)
Membership No. 17630

ARCUTTIPORE TEA CO. LTD.

Manufacturers of Quality Teas

Registered Office :
4A, COUNCIL HOUSE STREET
M.M.S. CHAMBERS, 1ST FLOOR
KOLKATA-700 001
Phone : 91-33-3259 1972/6548 8041
E-mail : arcutipore008@rediffmail.com
kolkataho@arcutiporetea.com

FORM B

1.	Name of the Company	Arcutipore Tea Company Limited
2.	Annual financial statements for the year ended	31 st March 2013
3.	Type of Audit observation	Qualified
4.	Frequency of observation	A) In respect of observation A) – Repetitive from the financial year ended on 31 st March, 2012 B) In respect of observation B) – Repetitive from the financial year ended on 31 st March, 2011 C) In respect of observation C) – Repetitive from the financial year ended on 31 st March, 2012 D) In respect of observation D) - Repetitive from the financial year ended on 31 st March, 2002 E) In respect of observation E) - Repetitive from the financial year ended on 31 st March, 2002 F) In respect of observation F) - Repetitive from the financial year ended on 31 st March, 2002
	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report:	Observations: A) Regarding preparation of accounts of the Company on Going Concern basis subject to the observations/qualifications as responded in Directors Report as under Refer Note no. 7.2 (iii) regarding non-provision of interest of Annual Report (Page 31 of Annual Report) B) Regarding non-provision of depreciation on machineries (Refer Note no. 9.5 of Annual Report (Pages 35 of Annual Report)

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kolkataho@arcuttiporetea.com

		<p>C) Regarding non-provision/non-ascertainment of diminution (Refer Note no. 12.4 of Annual Report (Page 33 of Annual Report)</p> <p>D) Regarding non-availability of shares (Refer Note no.12.5 of Annual Report (Pages 33 of Annual Report)</p> <p>E) Regarding Sundry receivables (Refer Note no.13.1 of Annual Report (Pages 33 of Annual Report)</p> <p>F) Regarding non-provision of gratuity liability (Refer Note no.29 of Annual Report) (Pages 38 of Annual Report)</p>
	Additional comments from the board / committee chair:	<p>During the year, there was no change in the management of the Company.</p> <p>The management is exploring all the available opportunities in order to rebuild the Company's net worth and to regularize the operations of the Company.</p>
5.	To be signed by	
	<ul style="list-style-type: none"> Managing Director 	<p>ARCUTTIPORE TEA CO. LTD.</p> <p><i>[Signature]</i> Managing Director</p>
	<ul style="list-style-type: none"> CFO 	There is no CFO in the Company.
	<ul style="list-style-type: none"> Auditor of the Company 	<i>[Signature]</i>
	<ul style="list-style-type: none"> Audit Committee Chairman 	<i>[Signature]</i>