

TONGANI TEA COMPANY LIMITED

Annual Report 2013-2014

BOARD OF DIRECTORS

Mr. M. K. Daga, **Non –Executive Director**
Chairman of the Board of Directors
Mr. A.V. Bagree, **Independent Director**
Mr. R.K. Murarka, **Independent Director**
Ms.E.Chakraborty, **Non–Executive Director**

AUDITORS

L.K.Bohania & Co.
Chartered Accountants
Kolkata

BANKER

State Bank of India

REGISTRAR & SHARE TRANSFER AGENT

Niche Technologies Pvt. Ltd.
D-511, Bagree Market, 71, B.R.B. Basu Road,
Kolkata - 700001
Telephone: 2235 7270/7271 ; Fax : 2215 6823
E-mail: nichetechpl@nichetechpl.com

TONGANI TEA COMPANY LIMITED

CIN : L01132WB1893PLC000742

REGISTERED OFFICE & ADMINISTRATIVE OFFICE

15B, Hemanta Basu Sarani, 3rd Floor, Kolkata -700 001
Phone: 2248 7685, Fax: 2210 0541.
E-mail: info@tonganitea.com, Website : www.tonganitea.com

TONGANI TEA ESTATE

P.O.Dhula, Dist.Darrang
Pin-784 146, Assam.

TONGANI TEA COMPANY LIMITED

NOTICE

NOTICE is hereby given that the Annual General Meeting of the Members of the Company will be held at its Registered Office at 15B, Hemanta Basu Sarani, 3rd Floor, Kolkata-700 001, on Friday, the 1st August, 2014, at 10.30 A.M. to transact the following business :

1. To receive, consider and adopt the Statement of Profit & Loss of the Company for the year ended 31st March, 2014 and the Balance Sheet as at that date and the Reports of the Auditors and Directors thereon.
2. To confirm the payment of Interim Dividend and to declare Final Dividend.
3. To appoint a Director in place of Mr. M.K.Daga (holding DIN : 00123386), who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint M/s. L. K. Bohania & Co., Chartered Accountants (F.R. No. 317136E) as Statutory Auditors of the Company and to fix their remuneration.

SPECIAL BUSINESS

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
"RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Ashok Vardhan Bagree (holding DIN: 00421623), Independent Director of the Company who retires by rotation at the Annual General Meeting, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years from the conclusion of this Annual General Meeting till the Annual General Meeting for the Financial Year ended 31st March, 2019."
6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
"RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Ravindra Kumar Murarka (holding DIN: 00823611), Independent Director of the Company who retires by rotation at the Annual General Meeting, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years from the conclusion of this Annual General Meeting till the Annual General Meeting for the Financial Year ended 31st March, 2019."
7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
"RESOLVED that Ms. Esha Chakraborty (holding DIN: 06882504), who was appointed as a Non-Executive Additional Director of the Company by the Board of Directors with effect from 27th May, 2014, in terms of Section 161(1) of the Companies Act, 2013, and Article 80(a) of the Articles of Association of the Company and whose term of office expires at the Annual General Meeting, be and is hereby appointed as a Director of the Company whose period of office shall be liable to determination by retirement of directors by rotation."
8. To consider and if thought fit, to pass with or without modifications, the following Resolution as an Ordinary Resolution:
"RESOLVED that pursuant to section 148 of the Companies Act, 2013 and Rule 14(a)(ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration of Rs. 10,000/- p.a. payable to M/s. Patangi & Co., Cost Accountants of the Company for the financial year 2014-15 be and is hereby ratified by the shareholders of the Company."

By Order of the Board
For **TONGANI TEA COMPANY LIMITED**

Regd. Office :
15B, Hemanta Basu Sarani, 3rd Floor
Kolkata – 700 001

M. K. DAGA
Chairman

Date : 29th May, 2014.

IMPORTANT NOTES:

1. ***Pursuant to the provisions of Section 91 of the Companies Act, 2013 (corresponding to 154 of the Companies Act, 1956), the Register of Members and the Share Transfer books of the Company will remain closed from Monday, 28th July, 2014 to Friday, 1st August, 2014 (both days inclusive) for determining the entitlement of the shareholders to the payment of dividend.***
2. The Explanatory Statement, pursuant to Section 102(2) of the Companies Act, 2013 (corresponding to 173(2) of the Companies Act, 1956), which sets out details relating to Special Business at the meeting, is annexed hereto.
3. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY.

A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company.

The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.
4. Interim Dividend at the rate of Rs.5.00 per Equity Share (i.e.50%) was paid to the members and the beneficial owners whose names appeared in the Register of Members as on 21st February, 2014 being the Record Date, as per details received by the Company from National Securities Depository Limited and Central Depository Services (India) Limited.
5. Final Dividend, as recommended by the Board, if approved at the Annual General Meeting by the Members, will be paid latest by 31st August, 2014, to those persons whose names stand registered in the Company's Register of Members or their mandatees :
 - (a) as Beneficial Owners at the end of business hours on 26th July, 2014, as per names and address to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in electronic form, and
 - (b) as Members of the Company after giving effect to the valid share transfers in physical form lodged with the Company on or before commencement of book closure i.e.28th July, 2014.
6. In terms of the provisions of Section 124 of the Companies Act, 2013 (corresponding to Section 205A of the Companies Act, 1956), the amount of dividend not encashed or claimed within 7 (seven) years from the date of its transfer to the unpaid dividend account, will be transferred to the Investor Education and Protection Fund established by the Government.

Accordingly, the unclaimed dividend in respect of financial year 2006-07 is due for transfer to the said Fund in November 2014. In terms of provisions of Section 124 of the Companies Act, 2013 (corresponding to Section 205C of the Companies Act, 1956), no claim shall lie against the Company or the said Fund after the said transfer.
7. Members who have either neither received nor encashed their dividend warrant(s) for the financial years 2006-07 upto 2012-13, are requested to write to the Company, mentioning the relevant Folio number or DP ID and Client ID, for issuance of duplicate/revalidated dividend warrant(s).
8. Members holding shares in physical form may intimate the Company necessary particulars for ECS credit of the dividend directly to their bank accounts wherever ECS facility is available, or, for printing of their bank account details on the dividend warrants to prevent possibilities of fraud in encashing the warrants.
9. All documents referred to in the notice and the explanatory statement requiring the approval of the Members at the Meeting and other statutory registers shall be available for inspection by the Members at the registered office of the Company during office hours on all working days between 11.00 a.m. and 1.00 p.m. on all days except Saturdays, Sundays and public holidays, from the date hereof up to the date of Annual General Meeting.
10. Members holding shares in physical mode are requested to intimate changes in their address alongwith proof of address/ bank mandate to the Registrar and Share Transfer Agents (RTA), M/s. Niche Technologies Pvt. Ltd. Members holding shares in electronic mode are requested to send the intimation for change of address / bank mandate to their respective Depository Participant.

11. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to write to the Company's RTA, enclosing their share certificates to enable the Company to consolidate their holdings into a single folio.
12. Shareholders are also requested to take immediate action to demat your shares to avail easy liquidity since trading of shares of the Company are under compulsory demat mode as per the regulation of SEBI and also to prevent any loss of physical Share Certificate (if already complied with, please ignore this).
13. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in Securities market. Members are, therefore, requested to submit the PAN details to the Company.
14. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
15. Details under Clause 49 of the Listing Agreement with the Stock Exchange in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
16. Electronic copy of the Notice and Annual Report of the Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
17. Members holding shares in physical form can now avail the facility of nomination in respect of shares held by them pursuant to the Companies Act, 2013. The prescribed Form (Form SH 13) can be obtained from the Share Department of the Company. Members desiring to avail this facility, may send their Nomination Form (in duplicate) duly filled in, to the Company or its Share Transfer Agents M/s. Niche Technologies Pvt. Ltd. of D-511, Bagree Market, 71, B.R.B.B.Road, Kolkata-700001 by quoting their respective Folio Numbers.
18. Members can now get their e-mail address registered with the Company if they want to receive the notices of the Company, for holding general meetings, postal ballot and any other purpose, through electronic mode.

The Government vide Circular No.17/95/2011 CL-V dated 21/04/2011 has taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by the Companies after considering sections 2, 4, 5 and 81 of the Information Technology Act, 2000 for legal validity of compliances under Companies Act through electronic mode.

For this purpose, members are requested to fill in the form appended to Annual Report and send the filled in form to the Company.
19. Members may also note that the Notice of the Annual General Meeting and the Annual Report for 2014 will also be available on the Company's website www.tonganitea.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Kolkata for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: investorcare@tonganitea.com.
20. Voting through electronic means
 - I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services Limited (CDSL):

TONGANI

The instructions for members for voting electronically are as under:-

A. In case of members receiving e-mail:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the Electronic Voting Sequence Number - "140620004" along with "TONGANI TEA COMPANY LIMITED" from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID (For CDSL: 16 digits beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID, Members holding shares in Physical Form should enter Folio Number registered with the Company and then enter the Captcha Code as displayed and Click on Login.
- (v) If you are holding shares in Demat form and had logged on to www.evotingindia.com and cast your vote earlier for EVSN of any company, then your existing password is to be used. If you are a first time user follow the steps given below.
- (vi) Now, fill up the following details in the appropriate boxes:

	For Members holding shares in Demat Form	For Members holding shares in Physical Form
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)	
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.	
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.	

*PAN: It has to be 10 characters only. Only alphabets and numbers are allowed, no special characters allowed. If PAN is left blank the system will Insert following in that case : First 2 alphabets from First Holder Name field + 8 characters from right of BOID / Folio Number (If the BOID / Folio Number is shorter than 8 characters then the system will insert "0"(zero) to fulfill the 10 character requirements). No special character will be taken from the name.

Bank Account Details: If the Date of Birth & Bank Account Details both are left blank then the system will record BOID / FOLIO NO. in the Bank Account Details.

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then reach directly the EVSN selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the relevant EVSN on which you choose to vote.
- (xi) On the voting page, you will see Resolution Description and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
- (xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) If Demat account holder has forgotten the changed password then Enter the User ID and Captcha Code click on Forgot Password & enter the details as prompted by the system.
- (xvii) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates. After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

- B. In case of members receiving the physical copy:**
(i) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- C.** The voting period begins on 25th July, 2014 (9:00 am) and ends on 27th July, 2014 (6:00 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 20th June 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- D.** In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.
- II. As the voting would be through electronic means, the members who do not have access to e-voting, may requisite a Physical Ballot Form from the Company. You are required to fill in the ballot form and enclose it in a sealed envelope and send it to the Scrutinizer. Unsigned, incomplete or incorrectly ticked forms shall be rejected. The ballot must be received by the Scrutinizer on or before **27th July, 2014 (6.00 pm)**. The Scrutinizer's decision on the validity of the forms will be final. Members are required to vote only through the electronic system or through ballot only and in no other form. In the event a member casts his votes through both the processes, the votes in the electronic system would be considered and the ballot vote would be ignored.
- III. You can also update your mobile number and email id in the user profile details of the folio which may be used for sending future communication(s).
- IV. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 20th June 2014.
- V. Ms.Swati Bajaj, of P.S. & Associates, Practising Company Secretaries, (Membership No. ACS:13216) (Address: 225D, AJC Bose Road, 3rd Floor, Kolkata - 700020) has been appointed as the Scrutinizer to scrutinize the e-voting process (including the physical ballots received from members who don't have access to the e-voting process) in a fair and transparent manner.
- VI. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- VII. The Results shall be declared at the AGM of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.tonganitea.com and on the website of CDSL within two(2) days of passing of the resolutions at the AGM of the Company and communicated to CSE Limited.
22. MEMBERS HOLDING EQUITY SHARES IN ELECTRONIC FORM, AND PROXIES THEREOF, ARE REQUESTED TO BRING THEIR DP ID AND CLIENT ID FOR IDENTIFICATION AT THE MEETING.

ATTENDANCE WILL START AT 10.00 A.M.

Regd.Office :
15B, Hemanta Basu Sarani, 3rd Floor
Kolkata – 700 001

Date : 29th May, 2014.

By Order of the Board
For **TONGANI TEA COMPANY LIMITED**

M. K. DAGA
Chairman

I. EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO.5

Mr. Ashok Vardhan Bagree is an Independent Director of the Company. He joined the Board of Directors of the Company on 31st October, 2009.

Mr. Bagree is the Chairman of the Audit Committee and Nomination & Remuneration Committee and Member of Stakeholders Relationship Committee, Review Committee and Share Transfer Committee of the Board of Directors of the Company.

Mr. A. V. Bagree is Bachelor of Commerce with Honours in Accountancy. He is an eminent share broker in Kolkata and is also associated with various Companies as Director.

He is a director in Ori Finance Limited, Deshapriya Estates Ltd., Duroplas India (P) Ltd., and Ori Resorts Pvt. Ltd. He is a member of Ori Finance Limited and Ori Resorts Pvt. Ltd. Mr. Bagree holds 200 Equity shares of the Company. He does not hold for any other person on a beneficial basis, any shares in the Company.

Mr. Bagree is an Independent Director whose period of office was liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act 2013, Mr. Bagree, being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years from the conclusion of this Annual General Meeting to the Annual General Meeting for the Financial Year ended 31st March, 2019.

In the opinion of the Board, Mr. Bagree fulfils the conditions specified in the Companies Act, 2013 and Rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr. Bagree as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Bagree as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Bagree as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. Bagree, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item 5. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

ITEM NO.6

Mr. Ravindra Kumar Murarka is an Independent Director of the Company. He joined the Board of Directors of the Company on 21st March, 2011.

Mr. Murarka is the Member of the Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee, Review Committee and Share Transfer Committee of the Board of Directors of the Company.

Mr. Murarka is a Bachelor of Commerce with Honours in Accountancy. He has vast & varied experience in finance and management field.

He is a director and member of Century Oils Ltd. Mr. Murarka does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

Mr. Murarka is an Independent Director whose period of office was liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act 2013, Mr. Murarka, being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years from the conclusion of this Annual General Meeting to the Annual General Meeting for the Financial Year ended 31st March, 2019.

In the opinion of the Board, Mr. Murarka fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr. Murarka as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Murarka as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Murarka as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. Murarka, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item 6. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

ITEM NO.7

The Board of Directors at their meeting held on 27th May, 2014 appointed Ms. Esha Chakraborty as Non-Executive Additional Director of the Company with effect from 27th May 2014.

Ms. Chakraborty is Member of the Audit Committee and Share Transfer Committee of the Board of Directors of the Company.

Ms. Chakraborty is a Bachelor of Commerce with Honours in Accountancy, an Associate member of The Institute of Company Secretaries of India and is pursuing Masters in Business Laws (MBL) from National Law School, Bengaluru. She is presently working with M/s. Vinod Kothari & Company as an Associate.

Under Section 161(1) of the Companies Act, 2013 read with Article 80(a) of the Articles of Association of the Company, Ms. Chakraborty holds office only up to the date of this Annual General Meeting of the Company.

Ms. Chakraborty does not hold by herself or for any other person on a beneficial basis, any shares in the Company.

She is not a Director or a Member in any other Company in India.

The Board considers that the appointment of Ms. Chakraborty as a Non-Executive Additional Director of the Company would be of immense benefit to the Company. Accordingly, the Board of Directors recommends her appointment as a Non-Executive Director of the Company whose period of office is liable to determination by retirement of directors by rotation.

Except Ms. Chakraborty being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.7. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

ITEM NO.8

M/s. Patangi & Co., Cost Accountants holding F.R.No.101919 represented by Mr. Sharad Patangi (Proprietor), having Membership No. 30818, has been appointed as the Cost Auditors of the Company at a remuneration of Rs.10,000/- p.a. at the Board of Directors Meeting held on 27th May 2014 after the same was recommended by the Audit Committee at its meeting held on 27th May 2014.

As per section 148 of the Companies Act, 2013 and Rule 14(a)(ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration recommended by the Audit Committee shall be considered and approved by the Board of Directors and ratified subsequently by the shareholders.

The Board recommends the Ordinary Resolution set out at item no. 8 of the accompanying Notice for the approval of the Members.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 8.

II. DETAILS OF DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT AS REQUIRED UNDER CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGE:

Re-appointment of Mr. M.K.Daga (Item No. 3)

In terms of Section 149, 152 and any other applicable provisions of the Companies Act, 2013, effective from 1st April, 2014, for the purpose of determining the directors liable to retire by rotation, the Independent Directors shall not be included in the total number of directors of the Company.

Mr. M.K.Daga shall accordingly retire at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment. Mr. Daga joined the Board of Directors as a Non-Executive Director from 31st July,1998.

Mr. Daga is the Chairman of the Stakeholders Relationship Committee, Review Committee and Share Transfer Committee and Member of Nomination & Remuneration Committee of the Board of Directors of the Company.

He has been working in the Tea Industry for more than 30 years. He is a Bachelor of Commerce with Honours in Accountancy.

Mr. Daga is Director in Norben Tea & Exports Ltd., Joonkollie Tea & Industries Ltd.,Cowcoody Builders Pvt Ltd. and Daga & Co Pvt. Ltd. and Member in Norben Tea & Exports Limited. He holds by himself 52250 Equity Shares in the Company. He does not hold for any other person on a beneficial basis, any shares in the Company.

Upon his re-appointment as a director, Mr. Daga shall continue to hold office as a Non-Executive Director subject to retirement by rotation.

Accordingly, the Board recommends his re-appointment.

Except Mr. Daga, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in agenda Item No. 3.

Appointment of other Directors (Item Nos. 5 to 7)

For the details of Mr.A.V.Bagree, Mr.R.K.Murarka and Ms. Esha Chakraborty please refer to the respective Explanatory Statements as above in respect of the Special Business set out at Item Nos. 5 to 7 of the Notice of Annual General Meeting pursuant to Section 102 of the Companies Act, 2013.

Regd.Office :
15B, Hemanta Basu Sarani, 3rd Floor
Kolkata – 700 001

Date : 29th May, 2014.

By Order of the Board
For **TONGANI TEA COMPANY LIMITED**

M. K. DAGA
Chairman

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

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

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

For shareholders holding shares in demat form

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

For shareholders holding shares in physical form

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

RTA : Niche Technologies Pvt Ltd.
Address : D-511, Bagree Market, 71, B.R.B. Basu Road, Kolkata – 700 001

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

We shall be thankful if our valued Shareholders take necessary action positively by 26th July, 2014.

Regd.Office :
15B, Hemanta Basu Sarani, 3rd Floor
Kolkata – 700 001

Date : 29th May, 2014.

By Order of the Board
For **TONGANI TEA COMPANY LIMITED**

M. K. DAGA
Chairman

TONGANI TEA COMPANY LIMITED

DIRECTORS' REPORT

Your Directors have pleasure in presenting their report together with the Audited Accounts for the year ended 31st March, 2014.

FINANCIAL RESULTS

	(Rs. in '000)	
	Current Year	Previous Year
Total Revenue	76,241	70,391
Profit before Finance Cost, Depreciation & Taxation	11,147	14,667
Less : Finance Cost	<u>2,572</u>	<u>3,784</u>
Profit before Depreciation and Tax	8,575	10,883
Less : Depreciation	<u>2,823</u>	<u>2,879</u>
Profit before Tax	5,752	8,004
Less : <u>Provision for Taxation</u>		
Current Tax	1,262	1,998
MAT Credit	(297)	(610)
Deferred Tax	(48)	(511)
Income Tax for earlier years	<u>258</u>	<u>1,559</u>
Profit after Tax	4,577	5,568
Add : Balance brought forward from Previous Year	<u>7,426</u>	<u>8,572</u>
Surplus available for appropriation	12,003	14,140

APPROPRIATIONS :

Interim Dividend on Equity Shares	1,229	–
Corporate Tax on Interim Dividend	209	–
Proposed Final Dividend on Equity Shares	983	1,475
Corporate Tax on Proposed Final Dividend	67	239
Corporate Dividend Tax for earlier years written back	(679)	–
Transferred to General Reserve	3,500	5,000
Balance carried to Balance Sheet	6,694	7,426

DIVIDEND

The Company paid an interim dividend of Rs.5.00 per Equity Share during the year.

Your Directors are pleased to recommend a final dividend of Rs.4.00 per Equity Share for the year ended 31st March, 2014.

Thus the total dividend for the year ended 31st March, 2014 including the interim dividend will be Rs.9.00 per Equity Share of face value Rs.10/- each.

OPERATIONS & PROSPECTS

In the year 2013-14 the revenue from operations has increased and also there is increase in manufacturing expenses and employee expenses, keeping margins under pressure.

TONGANI

The current season has started with bad weather conditions. The Company has taken all possible steps to achieve optimum performance amid adverse conditions, and it will be a challenging year.

Rossell India Limited (formerly Rossell Tea Limited) committed breach of their obligations under the Agreement for Sale dated September 14, 1999 in relation to Nagrijuli Tea Estate that had been agreed to be sold by the Company to Rossell India Limited and has repudiated the Agreement for Sale. The Company has, therefore, initiated legal proceedings against Rossell India Limited for recovery of possession of Nagrijuli Tea Estate and such proceedings are pending.

DIRECTORS

Mr. M.K.Daga, Non-Executive Director retires by rotation at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment.

Mr. A.V.Bagree is an Independent Director whose period of office liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. Mr. Bagree being eligible and offering himself for appointment, is proposed to be appointed as an **Independent Director** for five consecutive years from the conclusion of this Annual General Meeting to the Annual General Meeting for the Financial Year ended 31st March, 2019.

Mr. R.K.Murarka is an Independent Director whose period of office liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. Mr. Murarka being eligible and offering himself for appointment, is proposed to be appointed as an **Independent Director** for five consecutive years from the conclusion of this Annual General Meeting to the Annual General Meeting for the Financial Year ended 31st March, 2019.

Ms. Esha Chakraborty was appointed as a Non-Executive Additional Director of the Company at the Board of Directors meeting held on 27th May, 2014.

Under Section 161(1) of the Companies Act, 2013 read with Article 80(a) of the Articles of Association of the Company, Ms. Chakraborty holds office only up to the date of this Annual General Meeting of the Company.

Accordingly, the Board of Directors recommends her appointment as a **Non-Executive Director** of the Company whose period of office is liable to determination by retirement of directors by rotation.

DIRECTORS' RESPONSIBILITY STATEMENT

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

1. Applicable accounting standards have been followed in the preparation of the Annual Accounts for the year ended 31st March, 2014.
2. Accounting policies have been selected and applied consistently and judgements and estimates which are reasonable and prudent have been applied so as to give a true and fair view of the state of affairs of the Company in respect of the year ended 31st March, 2014 and of the profit of the Company for that period.
3. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. Annual Accounts for the year ended 31st March, 2014 have been prepared on the basis of a going concern.

COMPLIANCE CERTIFICATE

Compliance Certificate pursuant to Section 383A of the Companies Act, 1956, obtained from Mrs. Swati Bajaj, partner of M/s. PS & Associates, Company Secretaries in practice is attached herewith and forms part of our report.

AUDITORS

Messers L.K.Bohania & Co., Chartered Accountants retire as Auditors of the Company at the ensuing Annual General Meeting and are eligible for re-appointment.

AUDITORS' REPORT

The report of the Auditors in respect of the accounts for the year ended 31st March, 2014 is self explanatory and has been also explained in the Notes on Accounts.

PARTICULARS OF EMPLOYEES

The information as required under section 217(2A) of the Companies Act, 1956 read with Companies (particulars of employees) Rules 1975 (as amended) is not required to be furnished since no employee of the Company has been in receipt of yearly remuneration of Rs. 60.00 lacs or more or monthly remuneration of Rs.5.00 lacs or more in respect of the year ended 31st March, 2014.

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

Pursuant to Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988, the required particulars as included in prescribed form A & B are annexed.

LISTING OF SHARES

The Company's shares are listed with Calcutta Stock Exchange and the listing fees for the year 2014-2015 have been paid.

APPRECIATION

Your Directors record their appreciation for the devoted services rendered by the Executives, Staff Members and Workers of the Company.

By Order of the Board
For **TONGANI TEA COMPANY LIMITED**

Regd.Office :
15B, Hemanta Basu Sarani, 3rd Floor
Kolkata – 700 001

M. K. DAGA
Chairman

Date : 29th May, 2014.

TONGANI

ANNEXURE TO DIRECTORS' REPORT

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

(A) CONSERVATION OF ENERGY :

	FORM 'A'		
		For the year ended 31.03.2014	For the year ended 31.03.2013
I. POWER AND FUEL CONSUMPTION			
1. Electricity :			
a) Purchased Units (KWH)		248110	244370
Total Amount (Rs.)		2016074	2014572
Rate/Unit (Rs.)		8.13	8.24
b) Own Generation :			
Through Diesel Generator			
Units (KWH)		152171	145222
Unit per litre of Diesel		2.82	2.73
Cost/Unit (Rs.)		21.08	16.80
2. Coal :			
Quantity (Tonnes)		55.940	75.840
Total Cost (Rs.)		430746	543773
Average Rate (Rs./Tonnes)		7700	7170
3. F.O./HSD (Ltrs.)			
		83060	104867
4. Other / Internal Generation :			
		Nil	Nil
II. CONSUMPTION PER UNIT OF PRODUCTION			
Production Tea (Kgs.)		429174	443268
Electricity (KWH)		0.93	0.88
Furnace Oil (Litres)		0.19	0.24
Coal (Kg.)		0.13	0.17

(B) TECHNOLOGY ABSORPTION :

	FORM 'B'
I. Research & Development	
The Company has no R & D Unit.	
II. Technology absorption, adaptation and innovation :	
1. Constant efforts are made towards absorption of technology by maintaining close contact with the Tea Research Association. We adopt their recommendations and also carry out required modifications/innovations where required.	
2. Increase in yield and improvement in quality resulting in corresponding cost control and improved price realisation.	
3. Imported Technology	: NIL

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO (Rs. in '000) :

a) Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans	:	Export potentialities are being explored
b) Total Foreign Exchange used	:	95
c) Total Foreign Exchange earned (on realization basis)	:	NIL

COMPLIANCE CERTIFICATE

To
**The Members of
Tongani Tea Company Limited**
15B, Hemanta Basu Sarani, 3rd Floor
Kolkata -700 001

CIN: L01132WB1893PLC000742
Paid-up Capital: Rs. 24, 57,750/-

I have examined the registers, records, books and papers of **Tongani Tea Company Limited** as required to be maintained under the Companies Act, 1956 and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on **31st March, 2014**. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and agents, I certify the following clauses as set out in Form specified under The Companies (Compliance Certificate) Rules, 2001 to the extent relevant to the said Company in respect of the aforesaid financial year:

01. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made there under and all entries therein have been duly recorded.
02. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, which were required to be filed with the Registrar of Companies within the time prescribed under the Act and the rules made there under.
03. The Company, being a public limited Company, has the minimum prescribed paid up capital.
04. The Board of Directors duly met **7 (Seven)** times on **25/05/2013, 29/06/2013, 08/08/2013, 12/08/2013, 18/09/2013, 11/11/2013 and 10/02/2014**, in respect of which meetings proper notices were given and proceedings were properly recorded and signed in the Minutes Book maintained for the purpose. No circular resolution was passed during the year under review.
05. The Company has closed its register of Members from **26/07/2013 to 30/07/2013** (both days inclusive) during the financial year.
06. The Annual General Meeting for the financial year ended on 31st March 2013 was held on **30th July, 2013** after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose;
07. No extra ordinary general meetings were held during the year under consideration.
08. No loan of the nature specified in section 295 of the Companies Act was made; hence no comments are required on the compliance of the provisions of the said section.
09. No contracts of the nature specified in section 297 of the Companies Act 1956 have been entered in to by the Company during the year with any of the persons stated in the said section.
10. The Company has made necessary entries in the register maintained under section 301 of the Act.
11. The Company was not required to obtain any approval from the Board of Directors, members or from the Central Government pursuant to Section 314 of the Act as the provisions of the said section was not relevant to the Company during the said year.
12. The Company has not issued duplicate certificates during the financial year.
13. The Company has:
 - i. Delivered all the certificates on lodgment thereof for transfer/transmission or any other purpose in accordance with the provisions of the Act. There was no allotment of securities during the financial year.
 - ii. Deposited the amount of final dividend for f.y. ended 31/03/2013, within five days from the date of declaration (declared on 30/07/2013) by 31/07/2013 in the Bank Account.
Deposited the amount of Interim dividend, within five days from the date of declaration (declared on 10/02/2014) by 15/02/2014 in the Bank Account.
 - iii. Paid/posted warrants for dividends to all the members within a period of 30 (Thirty) days from the date of declaration for both final and interim dividend.

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The unclaimed/unpaid dividend has been transferred to Unpaid Dividend Account of the Company as required by section 217 of the Act.

- iv. Transferred the amounts in dividend account which has remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund.
 - v. Duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the Company is duly constituted.
 15. The Company has not appointed any Managing Director/ Whole- time Director/ Manager in the year under consideration.
 16. No appointment of sole-selling agents was made by the Company. There was no appointment of additional directors, alternate directors and/or directors to fill casual vacancies.
 17. The Company was not required to obtain any specific approval of the Central Government, Company Law Board, Regional Director, Registrar or any other authorities as may be prescribed under any of the provisions of the Act.
 18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under and necessary entries have been done in the register maintained for the purpose.
 19. The Company has not issued any shares, debentures or other securities during the financial year.
 20. The Company has not bought back any shares during the financial year ending 31st March 2014.
 21. The Company does not have any Preference Shares or Debentures in its capital structure.
 22. The Company was not required to keep in abeyance any rights to dividend, rights shares and bonus shares (no bonus or right issue was made by the Company during the year under consideration).
 23. The Company has not accepted any deposits as contemplated u/s 58A and 58AA and as such was not required to comply with the provisions of said section read with Companies (Acceptance of -Deposit) Rules, 1975 the applicable directions issued by the Reserve Bank of India/any other authority in respect of deposits accepted including unsecured loans taken, or raised by a Company.
 24. The amount borrowed by the Company from directors and others during the financial year is within the limits of the Company permitted under section 293 of the Companies Act.
 25. The Company has made investments in the shares of body corporate but it does not attract section 372A of the Act because the investment made are well below the first limit specified in the section and no entries were therefore required to be passed in the register kept for the purpose.
 26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one state to another during the year.
 27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year.
 28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year.
 29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year.
 30. The Company has not altered its articles of association during the year under scrutiny.
 31. As per information furnished and explanation given to me no prosecution was initiated against or show cause notice received by the Company for any alleged offence under the Act.
 32. The Company has not received any amount as security from its employees during the year under certification requiring deposit as per provisions of section 417(1) of the Act;
 33. The Company has fully deposited employee's and employer's contribution to Provident Fund with prescribed authorities pursuant to section 418 of the Act.

Place: Kolkata
Date: 29/05/2014

For P.S. & Associates
Sd/- (SWATI BAJAJ)
(Partner)
C.P. No.3502

ANNEXURE 'A'

Registers and Books as maintained by the Company

1. Register & Index of Members u/s 150/ 151
2. Register of director's etc u/s 303.
3. Register of disclosure u/s 301(3) read with section 299.
4. Register of directors' shareholdings u/s 307
5. Register of Contracts u/s 301
6. Register of Charges u/s 143.
7. Register of investments u/s 372A (5)
8. Register of Application & Allotment
9. Register of Transfers.
10. Minutes books for minutes of meetings of the Board & Shareholders, separately.

ANNEXURE 'B'

Form and Returns as filed by the Company with Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending on 31st March, 2014.

Sl. No.	Form No.	Filed under section	Purpose	Date of Filing	Whether filed within prescribed time	if delay in filing, whether requisite additional fee paid (Yes/No)
1	23C	–	Appointment of Cost Auditor for the F.Y.2012-13	18/07/2013	No	Yes
2	66	383A	For the F.Y. 2012-2013	12/08/2013	Yes	NA
3	8	124	Modification of charge dt. 08/08/2013	16/08/2013	Yes	NA
4	8	124	Modification of charge dt. 08/08/2013	16/08/2013	Yes	NA
5	20B	159	For AGM held on 30/07/2013	26/08/2013	Yes	NA
6	23AC & ACA XBRL	220	For the F.Y. 2012-2013	28/08/2013	Yes	NA
7	5 INV	Rule 3	For the F.Y. 2012-2013	09/09/2013	Yes	NA
8	Form 1XBRL	Cost Audit Report	For the F.Y. 2012-2013	26/09/2013	Yes	NA
9	23C	–	Appointment of Cost Auditor for the F.Y.2013-14	26/10/2013	Yes	NA
10	1 INV	Rule 3	The IEPF Rules 2001	26/10/2013	Yes	NA

INDEPENDENT AUDITOR'S REPORT

To the Members of

TONGANI TEA COMPANY LIMITED

Report on Financial Statement

We have audited the accompanying financial statements of Tongani Tea Company Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) in the case of Statement of Profit and Loss, of the **Profit** for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter :

We draw attention to Note No. 12 to the financial statements, that in respect of long term non-current quoted investments no provision has been made for shortfall in value of the said investments as compared to their market value amounting to Rs.1,14,91,876/-, as the same is temporary in nature as per management comment. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government

of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, we report that:
- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e) on the basis of written representations received from the Directors as on March 31, 2014, and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2014, from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For **L. K. BOHANIA & CO.**
Chartered Accountants

Place : Kolkata

Date : 29th May, 2014

VIKASH MOHATA
Partner
Membership No.304011
Firm Registration No.317136E

The Annexure referred to in paragraph 1 of the Our Report of even date to the members of Tongani Tea Company Limited. on the accounts of the company for the year ended 31st March, 2014.

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

- 1)
 - a) The Company has maintained proper records to show full particulars including quantitative details and situation of its fixed assets.
 - b) The fixed assets 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 off any substantial part of its Fixed Assets during the year so as to affect its going concern status.
- 2)
 - a) Physical verification of stock of finished goods, stores & spare parts and food stuffs has been carried out by the management during the year at reasonable intervals.
 - b) In our opinion, the procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and the nature of it's business.
 - c) In our opinion, the Company is maintaining proper records of inventory. As explained to us, no material discrepancies were noticed on physical verification of inventories as compared to books record.
- 3)
 - a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.

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Consequently, the provisions of clauses iii (b), iii(c) and iii (d) of the order are not applicable to the Company.

- (e) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not taken loans from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Thus sub clauses (f) & (g) are not applicable to the company.
- 4) In our opinion, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventories and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system.
 - 5) In our opinion and according to the information and explanations given to us, there are no contracts and arrangements, the particulars of which needed to be entered into the Register maintained under section 301 of the Companies Act, 1956. Consequently, the requirement of Clause V(b) of paragraph 4 of the Order is not applicable to the Company.
 - 6) The Company has not accepted any deposit from the public under Section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed thereunder.
 - 7) In our opinion, the Company has an adequate internal audit system commensurate with the size and nature of its business.
 - 8) The Company is maintaining proper cost records as prescribed by the Central Government of India under Section 209(1)(d) of the Companies Act, 1956 for its products, so for it appears from a prima facie review.
 - 9)
 - a) In our opinion and according to the information and explanations given to us and as it appears from the examination of books and records, the Company has generally been regular in depositing undisputed statutory dues including Provident Fund, Cess, Investor Education & Protection Fund, Income Tax, Sales Tax, Excise Duty, ESI, Custom Duty, Wealth Tax, Service Tax and other Statutory dues with the appropriate authority.
 - b) According to the records of the Company and as per the information and explanations given to us there were no disputed statutory dues which have not been deposited.
 - 10) The Company has neither accumulated losses as at 31st March, 2014 nor it has incurred any cash loss either during the financial year ended on that date or in the immediately preceding financial year.
 - 11) According to the records of the Company and as per the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institution or bank.
 - 12) As explained to us, the Company has not granted any loans or advances on the basis of security by the way of pledge of shares, debentures and other securities.
 - 13) The provisions of any special statute applicable to Chit Fund / Nidhi / Mutual Benefit Fund / Societies are not applicable to the Company.
 - 14) In our opinion and according to the information and explanations given to us, the Company is not a dealer or trader in securities, and dealing and trading thereto is not their principal business. However, the company has invested funds in shares and securities and proper records have been maintained of the transactions and contracts and timely entries have been made therein. All investments in shares and securities have been held by the Company in its own name.
 - 15) According to the records of the Company and as per information and explanations given to us, the Company has not given any guarantee for loans taken by Others from banks or financial institutions.
 - 16) According to the information and explanations given to us the term loans availed by the Company have been applied for the purpose for which they were obtained.
 - 17) On the basis of review of utilisation of fund which is based on overall examination of Balance Sheet of the

Company, related informations as made available to us and as represented to us by the management, funds raised on short term basis have not been used for long term investment.

- 18) The Company has not made any preferential allotment of shares to parties and Companies covered in the Register maintained under Section 301 of the Companies Act, 1956 during the year.
- 19) The Company has not issued any debentures during the year and accordingly the question of creation of securities in this regard does not arise.
- 20) The Company has not raised any money by way of public issue during the year.
- 21) During the course of our examination of books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us we have neither come across any instance of fraud on or by the Company noticed or reported during the year nor have we been informed of such case by the Management.

For L. K. BOHANIA & CO.
Chartered Accountants

VIKASH MOHATA
Partner

Membership No.304011
Firm Registration No.317136E

Place : Kolkata
Date : 29th May, 2014

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BALANCE SHEET AS AT 31ST MARCH, 2014

		(Rs. in '000)	
	Note No.	As at 31.03. 2014	As at 31.03. 2013
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	2458	2458
Reserves and Surplus	3	152773	150639
Non-Current Liabilities			
Long Term Borrowings	4	5857	6552
Deferred Tax Liabilities (Net)	5	5026	5074
Long Term Provisions	6	6138	5943
Current Liabilities			
Short Term Borrowings	7	23062	20408
Trade Payable	8	1665	2057
Other Current Liabilities	9	1491	1239
Short Term Provisions	10	1970	3115
TOTAL		200440	197485
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	11	102579	104023
Non Current Investments	12	21780	21780
Long Term Loans and Advances	13	14171	12188
Current Assets			
Investments	14	21620	21620
Inventories	15	7444	5824
Trade Receivables	16	1405	1021
Cash and Bank Balance	17	3132	1169
Short Term Loans and Advances	18	28307	29858
Other Current Assets	19	2	2
TOTAL		200440	197485

Significant Accounting Policies and
Notes to the Financial Statements 1 to 35
See accompanying notes to the financial statements
As per our Report of even date

For **L. K. BOHANIA & CO.**
Chartered Accountants

VIKASH MOHATA
Partner

Membership No.304011
Firm Registration No.317136E

M. K. DAGA
Chairman

A.V.BAGREE
Independent Director

ESHA CHAKRABORTY
Non-Executive Director

Place : Kolkata
Date : 29th May, 2014

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

		(Rs. in '000)	
	Note No.	For the Year ended 31.03.2014	For the Year ended 31.03.2013
INCOME			
Revenue from operations	20	75818	69962
Less : Excise/Cess on Tea		219	228
		75599	69734
Other Income	21	642	657
Total Revenue		76241	70391
EXPENSES			
Cost of Materials Consumed	22	-	-
Changes in inventories of Finished Goods	23	331	(1525)
Employee Benefit Expense	24	25613	22181
Finance Costs	25	2572	3784
Depreciation and Amortization Expense	26	2823	2879
Other Expenses	27	39150	35068
Total Expenses		70489	62387
PROFIT BEFORE TAX		5752	8004
TAX EXPENSES			
Current Tax		1262	1998
MAT Credit		(297)	(610)
Deferred Tax		(48)	(511)
Income Tax for earlier years		258	1559
PROFIT FOR THE YEAR		4577	5568
Earning per equity share:(Basic / Diluted)	28	18.62	22.65

Significant Accounting Policies
Notes to the Financial Statements 1 to 35
See accompanying notes to the financial statements
As per our Report of even date

For **L. K. BOHANIA & CO.**
Chartered Accountants

VIKASH MOHATA
Partner

Membership No.304011
Firm Registration No.317136E

M. K. DAGA
Chairman

A.V.BAGREE
Independent Director

ESHA CHAKRABORTY
Non-Executive Director

Place : Kolkata
Date : 29th May, 2014

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

(Rs. in '000)

	For the Year ended 31.03.2014	For the Year ended 31.03.2013
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit/(Loss) before tax	5,752	8,004
Adjustments for :		
Depreciation	2,823	2,879
Interest Expenses (Net)	1,922	3,138
(Profit)/Loss on Sale of Fixed Assets	(18)	(17)
Operating Profit before Working Capital Changes	<u>10,479</u>	<u>14,004</u>
Adjustments for :		
(Increase)/Decrease in Trade and Other Receivables	335	(763)
(Increase)/Decrease in Inventories	(1,619)	(2,488)
Increase/(Decrease) in Trade and Other Payables	(1,993)	(1,215)
Income Tax Paid/Refund during the year (Net)	(258)	(1,559)
Net Cash generated from Operating Activities	(A) <u>6,944</u>	<u>7,979</u>
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	(2,091)	(405)
Purchase of Investments	-	(420)
Sale of Fixed Assets	97	381
Net Cash used in Investing Activities	(B) <u>(1,994)</u>	<u>(444)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds of Loan from Other Parties	-	(1,500)
Proceeds from cash credit	2,654	(157)
Auto Loan for purchase of vehicles	(660)	(703)
Dividend Paid	(2,705)	(1,463)
Corporate Dividend Tax paid	(448)	(239)
Interest (Net)	(1,828)	(3,123)
Net Cash used in Financing Activities	(C) <u>(2,987)</u>	<u>(7,185)</u>
Net increase/(Decrease) in cash and cash equivalents (A+B+C)	1,963	350
Cash and Cash Equivalents as at 31-03-2013	1,169	819
Cash and Cash Equivalents as at 31-03-2014	<u>3,132</u>	<u>1,169</u>

Note :

1 The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 on Cash flow Statement issued by the Institute of Chartered Accountants of India.

2 Cash and Cash Equivalents :

Cash in hand	1,158	785
Balances with banks	1,869	277
Balances with banks *	105	107
	<u>3,132</u>	<u>1,169</u>

* Rs.105 (2012-13 Rs.107) on Dividend accounts which are not available for use by the company.
This is the Cash Flow Statement referred to in our report of even date.

For **L. K. BOHANIA & CO.**
Chartered Accountants

VIKASH MOHATA
Partner

Membership No.304011
Firm Registration No.317136E

M. K. DAGA
Chairman

A.V.BAGREE
Independent Director

ESHA CHAKRABORTY
Non-Executive Director

Place : Kolkata
Date : 29th May, 2014

NOTES TO FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of Preparation

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual and prudent basis, except for certain tangible assets which are being carried at revalued amounts.

These financial statements have been prepared to comply, in all material aspects, with the applicable accounting standards notified under Section 211 (3C) [Companies (Accounting Standards) Rules, 2006, as amended] and the other relevant provisions of the Companies Act, 1956.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Revised Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non current classification of assets and liabilities.

1.2 Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

1.3 Tangible Assets

Fixed Assets are stated at cost, except for revaluation of land development, building, machinery and electrical installation done by approved valuer at the then current replacement cost. Subsequent acquisition of the above assets and other assets are stated at cost of acquisition including appropriate incidental expenses.

Assets acquired on hire purchase for which ownership will vest at a future date, are capitalised at cash cost.

Profit or Loss on disposal of fixed assets is recognised in Statement of Profit & Loss and calculated as the difference between the realised and the book value.

1.4 Depreciation and Amortisation

Depreciation is provided at the rates prescribed and in accordance with Schedule XIV of the Companies Act, 1956 on Written Down Value Method on assets acquired upto 31st March, 1981 and on Straight Line Method on assets acquired after 31st March, 1981 except land. Freehold and Lease hold Land are not depreciated.

In respect of revalued assets other than land development on which no depreciation is charged, depreciation on incremental amount, is transferred from capital reserve created on revaluation.

1.5 Leases

Where the company is lessee

Leasehold land, which effectively transfer to the company substantially all the risks and benefits incidental to ownership of the leased item. Are capitalized at the inception of the lease term at the lower of the fair value of the leased property and present value of minimum lease payments.

1.6 Borrowing Cost

Interest and other costs on borrowed funds including term loan used to finance the acquisition of fixed assets, upto the date the assets are ready for use are estimated and capitalised under respective fixed assets.

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

1.7 Impairment of tangible assets

At each Balance Sheet date, the Company reviews the carrying amount of its Fixed Assets to determine whether there is any indication that those assets suffered any impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an assets net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the assets and from its disposal are discounted to their present value using a Predetermined rate that reflects the current market assessments of time value of money and the risks specific to the asset Reversal of impairment loss is recognised immediately as income in the Statement of Profit & Loss.

1.8 Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as Non Current Investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchanged for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquire, whichever is more clearly evident.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long Term Investments are stated at cost. Provision is made for diminution, other than temporary, in the value of investments, wherever applicable.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

1.9 Inventories

Inventories are valued as under :

Raw materials – At weighted average cost.

Stock of Tea – at cost or net realisable value whichever is lower.

Stock of stores & spare parts – At cost (net of modvat credit) or net realizable value whichever is lower.

Other Stocks – At cost or net realisable value whichever is lower.

Obsolete, slow-moving and defective stocks are identified at the time of physical verification of stocks and where necessary provision is made for such stocks.

1.10 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized :

Sale of goods

Sales represents invoiced value of goods sold including excise duty but excluding sales tax.

Income from Investment

Income from Investment other than investment in shares of companies is included, together with related tax deducted at source in the Statement of Profit & Loss on an accrual basis. Income from investment in shares of companies is recognized on actual realisation.

Income from Rent

Rent income is recognized taking into account the amount outstanding.

Dividends

Dividend income is recognized when the company's right to receive dividend is established by the reporting date.

1.11 Retirement and other employee benefits

The Company has created in earlier year an approved gratuity fund and made initial contribution. The gratuity liability at the year end is determined on the basis of actuarial valuation which is provided for in the accounts. However gratuity paid to retired employees is accounted for on cash basis. The Company's contributions to Provident Fund during the year is charged to Statement of Profit & Loss.

1.12 Income taxes

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Provision for deferred taxation is made using the liability method, at the enacted rates of taxation, on all timing differences to the extent that it is probable that a liability or asset will crystallise. When there is unabsorbed depreciation or carry forward loss, deferred tax assets are recognised only, if there is virtual certainty of realisation of such assets. Deferred tax assets/liabilities are reviewed at each Balance Sheet date based on development during the year to reassess realisation/liabilities.

1.13 Segment reporting

The Company is engaged in cultivation, manufacture and sale of tea having only one tea estate and only in domestic market. Hence, the Company's operation comprises of only one segment as defined in Accounting Standard 17 on "Segment Reporting" issued by the Institute of Chartered Accountants of India.

1.14 Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split

(consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

1.15 Provisions

A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Where the company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

1.16 Cash and cash equivalents

Cash and cash equivalents includes Cash on Hand and Cash at Bank and other short-term highly liquid investments with an original maturity of three months or less.

Note No.	(Rs. in '000)			
	As at 31.03. 2014		As at 31.03.2013	
02 SHARE CAPITAL				
	Number	Rs.('000)	Number	Rs.('000)
Authorised				
Equity Shares of Rs.10/- each	800000	8000	800000	8000
13% Redeemable Cumulative Preference Shares of Rs.100/- each	20000	2000	20000	2000
		<u>10000</u>		<u>10000</u>
Issued, Subscribed & fully paid up				
Equity Shares of Rs.10/- each fully paid	245775	2458	245775	2458
		<u>2458</u>		<u>2458</u>

Of the above shares 1,09,500 Equity Shares of Rs.10/- each fully paid up were allotted for a consideration otherwise than in cash pursuant to a contract and 81,925 Equity Shares of Rs.10/- each were allotted as fully paid up bonus shares by capitalisation of General Reserve.

The Company has issued only one class of shares referred as Equity Shares having a par value of Rs.10/- each holder of Equity Shares is entitled to one vote per share.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

Reconciliation of the number of shares outstanding

Equity Shares at the beginning of the year	245775	245775
Shares issued during the year	0	0
Shares bought back during the year	0	0
Shares outstanding at the end of the year	245775	245775

Details of Shareholders holding more than 5% shares

Name of the shareholder	No.of shares	% held	No.of shares	% held
Manoj Kumar Daga	52250	21.26	52250	21.26
Shanti Devi Daga	56600	23.03	56600	23.03
Jyoti Devi Daga	54825	22.31	54825	22.31
Visioncraft Industries(India) Pvt.Ltd.	20400	8.30	20400	8.30

NOTES TO FINANCIAL STATEMENT (Contd.)

(Rs. in '000)

Note No.	As at 31.03. 2014	As at 31.03.2013
03 RESERVES AND SURPLUS		
Capital Reserve	60	60
Securities Premium Reserve	56	56
Revaluation Reserve		
On account of Revaluation of Assets in earlier years		
Balance as per last Balance Sheet	25573	26207
Less:Withdrawal during the year on account of depreciation	<u>634</u>	<u>634</u>
	24939	25573
Agriculture Development Reserve	52301	52301
<i>(Created out of realisation of agricultural assets in earlier year)</i>		
General Reserve :		
As per last Balance Sheet	65223	60223
Add : Transferred from Statement of Profit & Loss	<u>3500</u>	<u>5000</u>
	68723	65223
Surplus in Statement of Profit & Loss		
Opening Balance	7426	8572
Add : Profit for the year	<u>4577</u>	<u>5568</u>
	12003	14140
Less : Appropriations		
Transfer to General Reserve	3500	5000
Interim Dividend on Equity Shares	1229	-
Corporate Tax on Interim Dividend	209	-
Proposed Final Dividend on Equity Shares	983	1475
Corporate Tax on Proposed Final Dividend	67	239
Corporate Dividend Tax for earlier years written back (Refer Note No. 34)	<u>(679)</u>	<u>-</u>
	<u>6694</u>	<u>7426</u>
	<u>152773</u>	<u>150639</u>
04 LONG-TERM BORROWINGS		
Deferred Payment Liabilities (Secured)		
Vehicles under Auto Loan Scheme of Banks/Institution (Hire Purchase loan are secured against hypothecation of vehicles)	1183	1878
Maturity Profile of Secured Vehicles Loan are set out below:		
	Maturity Profile	
	1-2 years	2-3 years
Banks/institutions	638	545
Other Loans & Advances (Secured)		
Hire Purchase Loan		
Machinery under Tea Board Hire Purchase Scheme (Secured by Hypothecation of the related assets acquired) (The loan consist of Interest amounting to Rs.2734508/- and the balance is Principal. The entire amount is overdue)	4674	4674
	<u>5857</u>	<u>6552</u>

NOTES TO FINANCIAL STATEMENT (Contd.)

(Rs. in '000)

Note No.	As at 31.03. 2014	As at 31.03. 2013
05 DEFERRED TAX LIABILITIES (NET)		
Deferred Tax Liability		
Difference between net block value of depreciable Capital Assets as per books vis a vis written down value as per Tax Law	5074	6090
Deferred Tax Assets		
Disallowance under Section 43B of the Income Tax Act, 1961	(48)	(1016)
	<u>5026</u>	<u>5074</u>
06 LONG-TERM PROVISIONS		
Provision for employee benefits	6138	5943
	<u>6138</u>	<u>5943</u>
07 SHORT-TERM BORROWINGS		
Loans repayable on demand from Banks (Secured)	23062	20408
	<u>23062</u>	<u>20408</u>
Nature of Security		
Secured by way of hypothecation of Company's entire stock of tea crops, green leaves, stores, spares, book debts, unencumbered moveable machinery & other Fixed Assets, both present and future pertaining to Company's Garden. Equitable mortgage over Tea Estate measuring about 235.67 hectares and personal guarantee of the Director.		
The aggregate amount of loan guaranteed by Director is Rs.245 lacs		
08 TRADE PAYABLE	<u>1665</u>	<u>2057</u>
There are no Micro, Small and Medium Enterprises, to whom the company owes dues, which are outstanding for more than 45 days as at 31 st March, 2014. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.		
09 OTHER CURRENT LIABILITIES		
Current Maturity of long term debt		
Vehicles under Auto Loan Scheme of Banks / Institution	697	662
Other Current Liabilities		
Unpaid dividends	114	116
Advances from Customers	109	8
Salaries / Wages Payable	250	212
Statutory Dues	321	241
	<u>794</u>	<u>577</u>
	<u>1491</u>	<u>1239</u>
10 SHORT-TERM PROVISIONS		
Provision for employee benefits	920	910
Others		
Provision for Income Tax (Net of advances and TDS)	-	491
Proposed Final Dividend	983	1475
Provision for Tax on Proposed Final Dividend	67	239
	<u>1050</u>	<u>2205</u>
	<u>1970</u>	<u>3115</u>

NOTE NO. 11											(Rupees in '000)	
FIXED ASSETS – TANGIBLE ASSETS												
PARTICULARS	GROSS BLOCK AT COST / VALUATION				D E P R E C I A T I O N					N E T B L O C K		
	As at 31-03-2013	Additions / Adjustment During the Year	Disposal / Adjustment During the Year	As at 31.03.2014	Upto 31-03-2013	For the Year	On revaluation	Deduction / Adjustment on account of disposal etc.	Upto 31.03.2014	As at 31-03-2014	As at 31-03-2013	
LAND												
Land-Freehold	141	—	—	141	—	—	—	—	—	141	141	
Land-Leasehold	232	—	—	232	—	—	—	—	—	232	232	
Land Development Expenditure	41,918	—	—	41,918	—	—	—	—	—	41,918	41,918	
BUILDING												
Buildings	58,954	—	—	58,954	23,739	720	601	—	25,060	33,894	35,215	
Bridges	15,615	—	—	15,615	3,721	252	—	—	3,973	11,642	11,894	
PLANTS & EQUIPMENTS												
Ring & Tubewell	423	—	—	423	248	6	—	—	254	169	175	
Machinery	20,168	1,667	—	21,835	11,842	939	—	—	12,781	9,054	8,326	
Electrical & Installation	1,776	—	—	1,776	1,647	12	32	—	1,691	85	129	
Laboratory & Other Equipments	770	—	24	746	554	38	—	3	589	157	216	
Furniture & Fittings	1,920	—	—	1,920	1,513	97	—	—	1,610	310	407	
Motor Vehicles	8,987	364	391	8,960	3,769	719	—	333	4,155	4,805	5,218	
OFFICE EQUIPMENTS												
Computer	549	60	—	609	397	40	—	—	437	172	152	
Total as at 31-03-14	151,453	2,091	415	153,129	47,430	2,823	633	336	50,550	102,579	104,023	
Total as at 31-03-13	153,813	405	2,765	151,453	46,318	2,879	634	2,401	47,430	104,023	—	

NOTES ON FIXED ASSETS :

1. Compensation in respect of 12.78 hectares of land surrendered to the Government of Assam in earlier years is yet to be received.
2. Land Development was revalued on 4th December, 1978 which had resulted in increase in value of such assets by Rs.59,18,565/-. As at 31st March, 1993, buildings (Rs.3,20,33,859/-), machinery (Rs.41,83,879/-) and electrical installation (Rs.6,76,256/-) of Tea Estate have been revalued by an approved valuer at their replacement cost and the net increase of Rs.3,68,93,994/- on revaluation has been transferred to Capital Reserve.
3. Land Leasehold includes the sum of Rs.40,754/- in respect of which lease deed have not yet been executed.
4. Machinery includes the sum of Rs.36,29,798/- acquired under Hire Purchase Agreement.
5. Vehicles includes Rs.42,83,495/- acquired under Auto Loan Scheme.

NOTES TO FINANCIAL STATEMENT (Contd.)

		(Rs. in '000)	
		As at	As at
		31.03. 2014	31.03. 2013
Note No.			
12	NON-CURRENT INVESTMENTS		
	Investments in Equity Instruments (Valued at Cost)		
	Other than Trade		
	Quoted Investment (Fully paid up)		
	22,60,650 (22,60,650) Equity Shares of Norben Tea & Exports Ltd. of Rs.10/- each	21778	21778
	Other non-current investments		
	National Defence Certificates	<u>2</u>	<u>2</u>
		<u>21780</u>	<u>21780</u>
	Market Value of Quoted Investments	10286	11529
13	LONG-TERM LOANS AND ADVANCES		
	<u>Unsecured - Considered good</u>		
	Security Deposits	4164	4158
	<u>Other Loans and Advances</u>		
	Advances recoverable in cash or in kind or for value to be received	7800	6800
	MAT credit entitlement	1528	1230
	Corporate Dividend Tax for earlier Years receivable (Excess paid) (Refer Note No. 34)	679	-
		<u>14171</u>	<u>12188</u>
14	CURRENT INVESTMENTS		
	Investments in Equity Instruments (Valued at Cost)		
	Other than Trade		
	Unquoted Investment (Fully paid up)		
	1,10,000 (110000) Equity Shares of Trupati Balaji Constructions (P) Ltd. of Rs.10/- each	1100	1100
	1,00,000 (100000) Equity Shares of Calcutta Gears (P) Ltd. of Rs.10/- each	5000	5000
	50,000 (50000) Equity Shares of Newar Securities Pvt. Ltd. of Rs.10/- each	2500	2500
	12,000 (12000) Equity Shares of Sudipta Traders Pvt. Ltd. of Rs.10/- each	2520	2520
	50,000 (50000) Equity Shares of Kanpur Agra Transport Pvt. Ltd. of Rs.10/- each	500	500
	30,000 (30000) Equity Shares of Satyam Ores Pvt. Ltd. of Rs.10/- each	6000	6000
	20,000 (20000) Equity Shares of Auckland Trading Pvt.Ltd. of Rs.10/- each	1000	1000
	3,00,000 (300000) Equity Shares of Rhea Tradecom Pvt.Ltd. of Rs.10/- each	3000	3000
		<u>21620</u>	<u>21620</u>
15	INVENTORIES		
	Finished goods	2570	2901
	Stores and spares	4874	2923
		<u>7444</u>	<u>5824</u>
	<u>Method of Valuation</u>		
	1 Stock of Finished Goods – at cost or net realisable value whichever is lower.		
	2 Stock of stores & spare parts– At cost (net of modvat credit) or net realisable value whichever is lower.		
16	TRADE RECEIVABLES		
	<u>Unsecured and considered good</u>		
	Debts outstanding for a period exceeding six months	140	10
	Other debts	1265	1011
		<u>1405</u>	<u>1021</u>

NOTES TO FINANCIAL STATEMENT (Contd.)

		(Rs. in '000)	
Note No.		As at 31.03. 2014	As at 31.03. 2013
17	CASH AND BANK BALANCE		
	Cash and Cash Equivalent		
	Balance with banks	1869	277
	Cash in hand	1158	3027
	Others - Unclaimed Dividend Accounts	<u>105</u>	<u>785</u>
		<u>3132</u>	<u>1169</u>
18	SHORT-TERM LOANS AND ADVANCES		
	<u>Unsecured and considered good</u>		
	<u>Other Loans and advances</u>		
	Loans to others	3580	3700
	Interest Receivable	122	216
	Advances recoverable in cash or in kind or for value to be received	23607	25815
	Prepaid Expenses	120	119
	Advance Income Tax & TDS (Net of provision for taxation)	873	-
	Balance with Excise Authorities	<u>5</u>	<u>8</u>
		<u>28307</u>	<u>29858</u>
	Above Advances are treated as short term as certified by the management.		
19	OTHER CURRENT ASSETS		
	Interest Accrued on Investments	<u>2</u>	<u>2</u>
		<u>2</u>	<u>2</u>
20	REVENUE FROM OPERATIONS	For the year ended 31.03.2014	For the year ended 31.03.2013
	Sale of Products		
	- Manufactured Goods - Tea	74445	69815
	Other operating revenues		
	- Tea Claims	<u>1373</u>	<u>147</u>
		<u>75818</u>	<u>69962</u>
21	OTHER INCOME		
	Interest (Gross)	540	556
	Rent	84	84
	Profit from Sale of Fixed Asset	<u>18</u>	<u>17</u>
		<u>642</u>	<u>657</u>
22	COST OF MATERIALS CONSUMED	-	-
	Value of Consumption of Raw materials represents only Green Leaf purchased from third parties.		
23	CHANGES IN INVENTORIES OF FINISHED GOODS		
	Opening Stock of Tea	2901	1376
	Less: Closing Stock of Tea	<u>2570</u>	<u>2901</u>
	(Increase) / Decrease	<u>331</u>	<u>(1525)</u>
24	EMPLOYEE BENEFIT EXPENSE		
	Salaries, Wages and Bonus	18361	13989
	Contribution to Provident and Allied Funds	1932	2427
	Labour & Staff Welfare	5125	5122
	Gratuity	<u>195</u>	<u>643</u>
		<u>25613</u>	<u>22181</u>

NOTES TO FINANCIAL STATEMENT (Contd.)

		(Rs. in '000)	
Note No.		For the year ended 31.03.2014	For the year ended 31.03.2013
25	FINANCE COST		
	Interest Expenses	2462	3694
	Other Borrowing Cost	110	90
		2572	3784
26	DEPRECIATION AND AMORTIZATION EXPENSES		
	Depreciation on Tangible Assets	2823	2879
27	OTHER EXPENSES		
	Manufacturing Expenses		
	Consumption of Stores and Spare Parts	13209	10677
	Power & Fuel	10360	10384
	<u>Repairs</u>		
	- Buildings	2338	1582
	- Plant & Machinery	1382	1172
	- Others	1569	2049
	Rent, Rates & Taxes	221	471
	Green Leaf Cess	692	716
	Selling & Distribution Expenses		
	Transportation Charges	1098	1065
	Brokerage on Sales	1962	1500
	Tea Sales Expenses	2306	1473
	Establishment Expenses		
	Director Fees	28	24
	<u>Auditor Remuneration</u>		
	- Statutory Audit	51	51
	- Tax Audit	11	11
	- Other Fees	34	41
	Insurance	172	148
	Professional and Legal charges	1275	1069
	Miscellaneous Expenses	2442	2635
		39150	35068
28	EARNING PER SHARE (EPS)		
	Net Profit after tax, attributable to the equity share holders (Rs.)	4577	5568
	Basic number of equity shares outstanding during the year	245775	245775
	Basic / diluted Earning per share (Rs.)	18.62	22.65
	Nominal value of Equity Share (Rs.)	10.00	10.00
29.	Related Party Disclosures		
	Names of related parties and description of relationship		
	<u>Relationship</u>	<u>Name</u>	
	Enterprises over which Key management Personnel have significant influence	Norben Tea & Exports Limited	
	Individuals having significant influence over the reporting enterprise	Mrs. Jyoti Devi Daga Mrs. Shanti Devi Daga	
	Key Management Personnel (Director)	Mr. M.K.Daga Mr. A.V.Bagree Mr. R.K.Murarka	

TONGANI

NOTES TO FINANCIAL STATEMENTS (Cont..)

Particulars of transactions and closing balances during the year :

Nature of transactions	(Rs. in '000)				
	Enterprises over which key management Personnel have significant influence	Individuals having significant influence	Key Management Personnel	Relatives of Key Management Personnel	Balance as on 31-03-2014
Dividends paid	—	1226	577	130	—
	(—)	(669)	(315)	(71)	(—)
Directors Sitting fees	—	—	28	—	—
	(—)	(—)	(24)	(—)	(—)
Agricultural Purchase	1575	—	—	—	—
	(1530)	(—)	(—)	(—)	(—)
Assets Sold	75	—	—	—	—
	(—)	(—)	(—)	(—)	(—)

Note : Related party relationship is as identified by the Company and relied upon by the Auditors.

30. There are no undisputed statutory dues remained outstanding as at 31-03-2014 for a period more than six months from the date they became payable. No provision has been made in books of account relating to municipal taxes payable to local municipal office for the 31-03-2014 as the amount is unidentifiable.
31. Balance confirmation from some of the Sundry Creditors, Sundry Debtors, Loans & Advances given to/accepted from parties are still awaited.
32. Foreign Currency transaction and translation :

	(Rs. in '000)	
	2013-14	2012-13
i) CIF Value of Import	NIL	NIL
ii) Expenditure in Foreign Currency Travel (Purchase of travelers cheque / foreign currencies)	95	NIL
iii) Amount remitted during the year in foreign currency on account of dividend	NIL	NIL
iv) Earning in foreign exchange (on realization basis) - Export of Tea (FOB)	NIL	284

33. Current Tax charge for the year has been reckoned after taking into account deduction u/s.80IE of Income Tax Act, 1962, due to substantial expansion in the value of Plant and Machinery in the Financial Year 2011-2012. In view of the same, the Company has provided Central Income Tax on Book Profit u/s 115JB and Agriculture Income Tax as per Assam Agriculture Income Tax Act.
34. In view of favourable order from Hon'ble Supreme Court in case of other tea company, the liability for dividend distribution tax has been provided to the extent of 40% of the proposed dividend. Furthermore provision of dividend tax amounting to Rs.678596 in excess of 40% of the proposed dividend as made in earlier years has been reversed during the year.
35. Previous year's figures have been re-arranged and re-grouped wherever necessary.

Signature to Notes 1 to 35

In terms of our attached report of even date.

For **L. K. BOHANIA & CO.**
Chartered Accountants

VIKASH MOHATA
Partner

Membership No.304011
Firm Registration No.317136E

M. K. DAGA
Chairman

A.V.BAGREE
Independent Director

ESHA CHAKRABORTY
Non-Executive Director

Place : Kolkata
Date : 29th May, 2014

TONGANI TEA COMPANY LIMITED

CIN : L01132WB1893PLC000742

Regd. Office : 15B, Hemanta Basu Sarani, 3rd Floor, Kolkata 700 001

Phone : 033 2248 7685 • Website : www.tonganitea.com

PROXY FORM (FORM NO.MGT-11)

Name of the member (s):

Registered Address:

E-mail ID:

Folio No. / Client Id: DP ID:

I/We, being the member (s) of shares of the Tongani Tea Company Limited, hereby appoint.

1. Name : Address :

Email Id : Signature :

2. Name : Address :

Email Id : Signature :

3. Name : Address :

Email Id : Signature :

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the Company, to be held on Friday, August 1, 2014 at 10:30 a.m. at 15B, Hemanta Basu Sarani, 3rd Floor, Kolkata - 700 001 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No. 1..... 2..... 3..... 4.....

5..... 6..... 7..... 8.....

Signed this day of 2014.

Signature of Shareholder:

(Affix Revenue Stamp)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, at 15B, Hemanta Basu Sarani, 3rd Floor, Kolkata 700 001, not less than FORTY EIGHT HOURS before the meeting.

TONGANI TEA COMPANY LIMITED

CIN : L01132WB1893PLC000742

Regd. Office : 15B, Hemanta Basu Sarani, 3rd Floor, Kolkata 700 001

Phone : 033 2248 7685 • Website : www.tonganitea.com

ATTENDANCE SLIP

(To be handed over at the entrance of the Meeting hall)

Annual General Meeting – August 1, 2014

I hereby record my presence at the ANNUAL GENERAL MEETING of the Company at 15B Hemanta Basu Sarani, 3rd Floor, Kolkata - 700 001 on Friday, August 1, 2014 at 10.30 a.m.

Full name of the member (In BLOCK LETTERS) :

Folio No. DP ID No. Client ID No.

No. of Shares held

Full name of proxy (In BLOCK LETTERS) :

Member's/Proxy's Signature :

BOOK POST

If undelivered please return to
TONGANI TEA COMPANY LIMITED
15B, Hemanta Basu Sarani, 3rd Floor
Kolkata - 700 001

