

TERAI TEA COMPANY LIMITED



Teraï Tea



36th Annual Report
2008-2009

TERAI TEA COMPANY LIMITED

36th Annual Report Year Ended March 31, 2009

Board of Directors

Dr. Ajit Kumar Agarwala
Chairman & Managing Director
 Smt. Shashikala Agarwala
 Shri Sitaram Sharma
 Shri Rajendra Kanodia
 Shri Kamal Kishore Bihani
 Shri Rajesh Singhania

Company Secretary

Ms. Isha Saraf

Bankers

Central Bank of India
 Bank of India
 Allahabad Bank
 UCO Bank

Auditors

P. K. Shah & Co.
Chartered Accountants
 Hill Cart Road, Siliguri-734 001

Solicitors & Legal Advisors

Jhunhunwala & Co.
 7C, K. S. Roy Road, Kolkata - 700 001

Share Transfer Agent

Maheshwari Datamatics (P) Ltd.
 6, Mangoe Lane, Kolkata - 700 001
 Ph: (91)(33)2243-5029/5809
 Fax: (033) 2248-4787
 E-mail: mdpl@cal.vsnl.net.in

Registered Office

11, Government Place (East)
 1st Floor, Kolkata - 700 069
 Tele : (033)4021 4411-44 (34 Lines)
 Fax:(033)2248-9182
 E-mail: teraitea@gmail.com
 Website: www.teragroup.com

Corporate Office

"Agarwala House"
 Sevoke Road
 Siliguri-734 001
 Tele: (0353) 2543-857/8
 Fax. (0353) 2542-656
 E-mail: slg_teraitea@sancharnet.in

Contents

Notice	1-4
Directors' Report	5-10
Report on Corporate Governance	11-21
Management Discussion & Analysis	22-25
Auditors' Report	26-30
Balance sheet	31
Profit & Loss Account	32
Schedules	33-45
Balance Sheet Abstract & General	
Business Profile	46
Cash Flow Statement	47-48

NOTICE

To The Shareholders of Terai Tea Company Limited

NOTICE is hereby given that the 36th Annual General Meeting of the shareholders of Terai Tea Company Limited will be held on Wednesday 30th September, 2009 at 10.30 A.M. at 11, Govt. Place (East), Kolkata - 700 069 to transact the following business:

ORDINARY BUSINESS

1. To receive and consider the Report of the Directors to the Shareholders and adopt the Audited Accounts for the year ended 31st March 2009.
2. To appoint a Director in place of Shri Sitaram Sharma who retires by rotation but being eligible offers himself for re-election.
3. To appoint a Director in place of Shri Kamal Kishore Bihani who retires by rotation but being eligible offers himself for re-election.
4. To appoint Auditors, M/s. P.K. Shah & Co, Chartered Accountants and to authorize the Board of Directors to fix their remuneration.

SPECIAL BUSINESS

5. To consider and, if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

"RESOLVED that pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956, as amended or re-enacted from time to time, read with Schedule XIII to the Act, the Company hereby approves of the re-appointment of Shri Ajit Kumar Agarwala as the Managing Director of the Company for a period of five years with effect from 1st December 2009 to 30th November 2014 upon the terms and conditions set out in the Explanatory Statement annexed to the Notice convening this Annual General Meeting including the remuneration to be paid in the event of loss or inadequacy of profit in any financial year, with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment in such manner as may be decided by the Board of Directors / Remuneration Committee."

"RESOLVED FURTHER that for the purpose of giving effect to this Resolution, the Board of Directors or any Committee thereof be and are hereby authorized to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, expedient, usual and proper in the best interest of the Company".

Registered & Head Office:
11, Government Place (East)
Kolkata-700 069.
Date: 7th August, 2009

**By Order of the Board
For Terai Tea Company Ltd.**

Ajit Kumar Agarwala
Chairman & Managing Director



NOTES :

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.**
2. The Equity Share Transfer Registers will remain closed from 23rd September, 2009 to 30th September, 2009 (both days inclusive) for the purpose of Annual General Meeting.
3. Members are requested to intimate before hand to the Company query/ies, if any, regarding these accounts/notice at least ten days before the meeting to enable the management to keep the required information readily available at the meeting.
4. The Company's shares are enlisted with NSDL and CDSL for participation into Electronic Depository System operated by them. Its shares are compulsorily to be traded in Electronic Form and the security bears Code ISIN INE 390D1011.
5. Members are requested to notify immediately change of address, if any, to the Company in case shares are held in physical form or to the DPs, where the account is maintained, if held in demat form.
6. Information about the Directors retiring by rotation as required under Clause 49 of the Listing Agreement with the Stock Exchanges is given below separately.
7. As per provisions of the Companies Act, 1956 facility for making nominations is available for members in respect of the shares held by them. Nomination Forms can be obtained from the Company's Registrar and Transfer Agent.

Registered & Head Office :
11, Government Place (East)
Kolkata – 700 069
Date: 7th August, 2009

**By Order of the Board
For Terai Tea Company Ltd.**

Ajit Kumar Agarwala
Chairman & Managing Director

INFORMATION REQUIRED TO BE FURNISHED UNDER THE LISTING AGREEMENT PURSUANT TO CLAUSE 49 VI (A)(C)

As required under clause 49 of the Listing Agreement, the particulars of the Directors who are proposed to be appointed/re-appointed are given below :

Name	:	Mr. Sitaram Sharma
Age	:	65 Years
Qualification	:	B. A.
Expertise	:	Experience in Tea Marketing, Administration
Other Directorships	:	<ol style="list-style-type: none"> 1. East Indian Produce Limited. 2. Jaldacca Tea Plantations Pvt. Ltd. 3. Sayedabad Tea Co. Ltd. 4. Abhijit Tea Company Pvt. Ltd. 5. Terai Infrastructures Ltd. 6. The Kharibari Tea Company Ltd. 7. Terai Dooars Tea Company Pvt. Ltd. 8. Terai Financial Services Pvt. Ltd. 9. Silpam Dealcom Pvt. Ltd. 10. Bagdogra Tea Company Ltd.

Name	:	Mr. Kamal Kishore Bihani
Age	:	45 Years
Qualification	:	B.Com(Hons.), FCA.,
Expertise	:	Expertise in Financial Management, Account Corporate matters.
Other Directorships	:	<ol style="list-style-type: none"> 1. Sayedabad Tea Co. Ltd 2. Abhijit Tea Company Pvt Ltd 3. Jaldacca Tea Plantations Pvt. Ltd. 4. Terai Infrastructures Ltd.

**Explanatory Statement as required under section 173 of the Companies Act, 1956****Item No. 5**

In the shareholders meeting held on 30th September 2004, the shareholders had re-appointed Mr. Ajit Kumar Agarwala as the Managing Director for a period of 5 years effective from 1st December, 2004. The tenure of his appointment expires on 30th November, 2009. During his tenure as Managing Director, the company has increased its operations which have touched to a new horizon. Keeping in view of his age, experience and responsibilities the Board has recommended to the remuneration committee for the following increased remuneration and has fixed other terms and conditions of service which is stated below:-

- A. **Salary** : Not exceeding Rs. 100,000/- per month with the authority granted to the Board of Directors (hereinafter referred to as "the Board" which terms shall include a Committee of Directors) to determine the salary and grant increases from time to time within the aforesaid limit.
- B. **Commission** : Not exceeding 0.50% of net profit in an accounting year as may be decided by the Board from time to time.
- C. **Allowance & Perquisites** : In addition to salary and commission, he will be entitled to allowance, perquisites, benefits, facilities and amenities (collectively "Allowances and perquisites") such as furnished residential accommodation or house rent allowance in lieu thereof, maintenance of such accommodation, gas, electricity & power, water, furnishings, utility allowance, medical reimbursement, foreign travel, leave travel assistance / allowances, membership fees for clubs, hospitalization and accident insurance, security at residence and any other "allowance and perquisites" as per the policy / rules of the company in force and / or as may be approved by the Board from time to time provided that aggregate value of such allowances & perquisites shall not exceed Rs. 12 lacs per annum. "Allowances & Perquisites" to be valued as per the Income Tax Rules, wherever applicable and at actual cost of the company in other cases.

In addition to the above, he will also be entitled to the following benefits as per policy/ rules of the company in force or as may be approved by the Board from time to time.:

Company maintained car(s) with drivers(s); (ii) Telephone(s) and fax at residence; (iii) company's contribution to Provident Fund and Super – Annuation Fund; (iv) Payment of Gratuity and other retail benefit; (v) Encashment of Leave and (vi) Long service award, (vii) Key Men Insurance Premium. The Board is authorized to fix actual remuneration and revise it from time to time within the aforesaid ceilings.

- D. The total remuneration including allowances and perquisites shall not exceed the limits specified in Schedule XIII to the Companies Act, 1956.
- E. **Minimum Remuneration** : Notwithstanding anything to the contrary herein where in any financial year, during the currency of the tenure of the appointees, the company has no profits or its profits are inadequate, the company will pay remuneration to the appointees by way of salary, perquisites, allowances and incentives remuneration as specified above.

The above may please be treated as abstract of the terms and conditions of appointment of Mr. Ajit Kumar Agarwala as required under section 302 of the Companies Act, 1956. Your directors recommend the acceptance of these resolutions by the shareholders. None of the Directors except Shri Ajit Kumar Agarwala and Smt. Shashikala Agarwala wife of Shri Ajit Kumar Agarwala are concerned or interested in the said resolution.

**By the Order of the Board
For Terai Tea Company Ltd.**

Place : Kolkata
Date : 7th August, 2009

Ajit Kumar Agarwala
Chairman & Managing Director

DIRECTORS' REPORT

To

The Members,

We are delighted to present 36th Annual Report on our business and operations for the year ended 31st March, 2009.

1) FINANCIAL PERFORMANCE:

The performance of the Company for the financial year ended March 31, 2009 is summarized below :

		(Rs. in lacs)
Particulars	31st March, 2009	31st March, 2008
Sales and other Income	4426.02	3401.55
Gross profit for the year	509.37	539.83
Interest(Net of Subsidy)	236.94	267.46
Depreciation	216.37	232.07
Profit before taxation	56.06	40.30
Provision for current taxation(Including earlier year payments)	3.92	4.15
Provision for fringe benefit tax	4.50	3.50
Provision for deferred tax	7.00	7.00
Profit for the year after taxes	40.64	25.65
Profit and Loss Balance brought forward	977.04	951.39
Profit available for appropriation	1017.69	977.04
Balance Profit carried forward	1017.69	977.04

The only subsidiary namely Madhukamal Tea Industry Pvt Ltd was disposed off by way of sale of 100% shareholding during the year. Therefore, results for the financial year 2008-09 are on 'Stand Alone' basis.

2) OPERATIONS :

Total production at Bagdogra Tea Estate was marginally higher at 15.72 lacs kgs compared to the last year production of 15.47 lacs kgs. The whole India production was 981 million kg of tea in 2008 compared to 945 M kgs in 2007. Weather conditions were generally favourable. There were all round increase in prices of tea of all varieties with quality teas getting attractive premiums. This was due to rising domestic



demands and exports. Your company achieved better realization of Rs.73.50 per kg. against Rs.51.25 per kg. in the last year due to emphasis on quality production.

The company has four bought leaf factories namely Terai Tea Factory unit, Karjeepara Tea Factory unit, Adhikari Tea Factory unit and Sevoke Tea Factory unit. Total production at Bought Leaf Factories was 46.54 lacs kgs as against 42.67 lacs kgs in the last year.

In the litigations filed by your company against Ministry of Defence, Government of India against acquisition of land in the year 1962, the Hon'ble High Court, Calcutta has passed an order for appointment of an Arbitrator to ascertain the quantum of compensation to be received by your company against acquisition of land and grown standing crops/ trees at Bagdogra Tea Estate. Your company expects to receive several crores towards such compensation.

Export of tea is showing improving trend and your company is hopeful of making significant exports in the current financial year.

The Tea Estate of your company continued to improve upon the quality standard by way of regular uprooting and replanting / rejuvenating of old bushes. Various measures have been taken to ensure hygienic atmosphere at the factory premises. The Bought Leaf Factories are renovated with installation of latest sophisticated machines which shall help the company to maximize capacity utilization and achieve cost efficiency.

3) INDUSTRY OUTLOOK:

The Tea Board's incentive / subsidy schemes particularly SPTF for quality up gradation and replanting / rejuvenation should increase production and reduce cost. Initiatives are being taken to introduce electronic Auction System and cash and carry system for streamlining the existing settlement system in Auction Sale by the Tea Board of India.

The industry has started the year 2009 with second consecutive year of lower carry over stock. The drought in the beginning of the season has made the production behind by 25% compared with last year. Domestic consumption is increasing every year and exports are improving further. Tea is now being considered as a "health drink". The price level has crossed the level of 1998-99 particularly due to shortage of tea. Overall the industry is gradually coming out of an acute tea recession it has witnessed for the past several years.

4) SUBSIDIARY:

The only subsidiary company namely Madhukamal Tea Industry Private Limited which was also 100% subsidiary of your Company was disposed off as "slump sale" during the year in order to strengthen company's profitability. Appropriate resolutions under section 293(1)(a), 192A and other applicable provisions under the Companies Act, 1956 were passed for such sale of Subsidiary Company.

5) PROPOSED PROJECTS:

Your company has planned to give emphasis on Steel manufacturing as well as trading business, which is expected to start in the next financial year. Priority has been made to resume the export of teas to Russia where your Company was the leader once upon a time.

In addition, construction of Multiplex cum commercial complex is still under consideration and shall depend upon recovery in the infrastructure sector and improvement in market sentiments.

Your Company is looking for taking over closed and sick tea gardens as being approached by state / Central Government being the leader in the Tea Industry in North Bengal.

Your company is also pursuing with the Government of India, Ministry of Tourism for development of Hotel cum Resort at Bagdogra Tea Estate under their 'Tea with Tourism' scheme due to its nearness to Bagdogra Airport, which has become international Airport very recently and also this being gateway to Darjeeling, Bhutan, Sikkim and entire North Eastern States of India

6) FINANCE :

The company enjoys Credit facilities from Central Bank of India, Bank of India, Allahabad Bank and UCO Bank. The Directors put on record their sincere appreciation of the co-operation and assistance provided by all the four banks.

7) DIRECTORS :

The term of appointment of Dr Ajit Kumar Agarwala as Managing Director expires on 30.11.2009. However, resolution for his re-appointment for a period of 5 years w.e.f. 1.12.2009 pursuant to the provisions of section 198, 269, 309 and other applicable provision if any of the Companies Act, 1956 including schedule XIII to the Act and subject to the approval of the shareholders in the Annual General Meeting.

Sri Kamal Kishore Bihani and Sri Sitaram Sharma retire by rotation at the ensuing annual general meeting subject to section 256 of the Companies Act, 1956 and being eligible, offer themselves for re-appointment. Brief resumes of the above Directors, nature of their expertise in specific functional areas and names of other companies in which they hold Directorship and Membership/Chairmanship of committees of the Board and their shareholding in the Company, as stipulated under Clause 49 of the Listing Agreement, are given in the Report of Corporate Governance elsewhere in the Annual Report.

8) DIRECTOR'S RESPONSIBILITY STATEMENT :

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 with respect to Director's Responsibility Statement, it is hereby confirmed:

- 1) That in the preparation of the accounts for the financial year ended 31st March, 2009, the applicable accounting standards have been followed along with proper explanation relating to materials departures;
- 2) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for the year under review;
- 3) That the Director's have taken proper and sufficient care for the maintenance of adequate accounting records in accordance of the provision of the Company Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- 4) That the Directors have prepared the accounts for the financial year ended 31st March, 2009 on a 'going concern' basis.

**9) AUDITORS :**

M/s. P.K. Shah & Co., Chartered Accountants, Siliguri, retire at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

10) AUDITORS' REPORT :

The remarks of the Auditors regarding non-provision of disputed Agricultural Income Tax liabilities pending for rectification or reduction with appropriate authorities are self-explanatory and dose not require any elaboration.

11) DIVIDEND :

Your Director do not recommend any dividend during the year with a view to the need to conserve its resources.

12) PUBLIC DEPOSIT :

Your Company has not accepted any fixed deposits and, as such, no amount of principal or interest was outstanding on the date of the Balance Sheet.

13) CORPORATE GOVERNANCE :

A separate section on Corporate Governance forming part of the Directors' Report and the certificate from the Company's auditors confirming compliance of Corporate Governance norms as stipulated in Clause 49 of the Listing Agreement with the Indian Stock Exchanges is included in the Annual Report.

14) MANAGEMENT DISCUSSION AND ANALYSIS REPORT :

In accordance with the guidelines on Corporate Governance ,the 'Management Discussion and Analysis Report' is given in the Annexure.

15) LISTING OF EQUITY SHARES :

Your company's shares are listed on various stock exchanges of India .Trading in shares resumed at Bombay Stock Exchange w.e.f. 30th April 2008 after a long interval. There have been regular trading in shares at Bombay Stock Exchange and your shares are traded under 'B' Group.

16) PERSONNEL :

During the year under review the relations between management and employees have remained cordial and industrial harmony was maintained at all units. This was achieved in spite of disturbed political condition in some of the tea areas. There was no employee of the Company who received remuneration during the period under review in excess of the limit prescribed under Section 217 (2A) of the Companies Act, 1956. Your directors acknowledge the dedication shown by all employees at the garden and all other establishments of the company.

17) CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO :

Information in accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988, regarding conservation of energy, technology absorption and foreign exchange earnings and out go is given in the Annexure "A".

18) CORPORATE SOCIAL RESPONSIBILITY :

As a tea company, your company's desire is to extend beyond 'Tea' for achieving leadership in the social and economic areas. The infrastructures at garden include hospitals, schools, creches etc. Since global warming and environmental pollution are major concern, your company is engaged actively to lessen adverse impact through afforestation, control on energy wastage. Your directors have established public charitable trust, a project for socially and economically deprived section of people under the name of 'Amit Agarwala Foundation' in the memory of Sri Amit Agarwala ,your beloved director. Measures are being taken for Solar Power Energy Generation and also to obtain 'Carbon Credit' by reducing Coal Consumption in the drying process of teas.

19) ACKNOWLEDGEMENT :

Your directors are thankful to Central Bank of India, Bank of India, Allahabad Bank and UCO bank and other public sector and private sector banks for meeting long term and working capital needs of the company's expanding operations. The directors are grateful to West Bengal Industrial Development Corporation Ltd (WBIDC), Tea Board of India and other state and Central Government Agencies for their continuous support. Your directors are thankful to the esteemed shareholders for their support and encouragement.

Registered Office:
11, Government Place (East)
Kolkata- 700 069
Dated: 22nd June, 2009

For and on behalf of the Board
Terai Tea Company Limited

Ajit Kumar Agarwala
Chairman & Managing Director

**ANNEXURE 'A' TO THE DIRECTORS' REPORT**

Particulars of Conservation of energy and technology absorption in terms of Section 217(1)(e) of the Companies Act, 1956

A) CONSERVATION OF ENERGY**Energy Conservation Measures Taken**

- (i) Stove Tubes of the Coal Fired Heaters are cleaned on regular basis,
- (ii) Nozzles and Fuel Injectors are cleaned regularly,
- (iii) Bearings of the Machines are checked and greased regularly,
- (iv) Fuel Filters and Mobil Filters are replaced regularly.

B) TECHNOLOGY ABSORPTION

Trials were carried out on pruning cycles, growth regulators, optimal fertilizer use etc. The company is adopting the general expert advices published by TRA.

C) FOREIGN EXCHANGE EARNINGS AND OUTGO

- a) Sales (FOB Value) : Rs.Nil (Rs. Nil)
- b) Expenditure(Others) : Rs. 1.23Lacs (Rs.Nil)

FORM OF DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY, POWER & FUEL CONSUMPTION

	CURRENT YEAR	PREVIOUS YEAR
1. ELECTRICITY		
(a) Purchased (units KWH)	48,29,992	46,31,005
Total Amount (Rs.)	2,46,94,026	2,37,62,081
Rates/unit (Rs./KWH)	5.11	5.13
(b) Own Generation (Unit KWH)	16,090	32,560
2. COAL		
Quantity (Tonnes)	4,421.968	4,032.763
Total Amount (Rs.)	2,13,27,672	1,21,33,400
Average-rate (Rs./tonne)	4,823.12	3,008.71
3. FURNACE OIL/H.S.D.		
Quantity (ltrs)	3,59,860	4,70,232
Total Amount (Rs.)	1,18,03,668	1,41,97,129
Average rate (Rs./ltr)	32.80	30.19

**CONSUMPTION PER UNIT OF PRODUCTION
PRODUCT-TEA****Unit-Quintal**

Electricity (KWH/Qtls.)	77.57	79.63
Coal (Qtls./Qtls.)	0.71	0.69
Furnace Oil / HSD (Ltr/Qtls.)	5.78	8.09

ANNEXURE "B" TO THE DIRECTORS' REPORT
REPORT ON CORPORATE GOVERNANCE

(AS PER CLAUSE 49 OF THE LISTING AGREEMENT WITH STOCK EXCHANGE)

(A) COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE :

The Corporate Governance philosophy of your Company is to ensure transparency in all dealings and in the functioning of the management and the Board. These policies seek to focus on enhancement of long-term shareholder value without compromising on integrity, social obligations and regulatory compliances. The Company operates within accepted standards of propriety, fair play and justice and aims at creating a culture of openness in relationships between itself and its stake-holders. It has set up a system which enables all its employees to voice their concerns openly and without any fear or inhibition.

As a national player the corporate governance practices followed by your company are compatible with highest standards and best practices. As a responsible corporate citizen, your Company had established systems to encourage and recognize employee participation and volunteering in environmental and social initiatives that contribute to organizational sustainability, systematic training, learning and personal growth, conservation of energy and other scarce resources, promoting safety and health of its employees and of the neighbouring community, conservation of wildlife in and around the estate etc. These actions have become integral part of your company's operating plans and are not meant for building of image or publicity. The Company is complying with the mandatory provisions of Clause 49 of the Listing agreement with the Stock Exchanges.

(B) BOARD OF DIRECTORS :

Composition & Category of Directors, Attendance of each Director at the Board Meetings and the last AGM, Number of other Boards or Board Committees in which he/she is a Member or Chairperson, Number of Board Meetings held, dates on which held for the year ending on 31st March, 2009.

The Company has 6 directors and the composition of the Board of Directors is given in the table below. 66% of the Board comprises of non-executive and independent directors which in conformity with the Code of Corporate Governance under the listing Agreement with the Indian Stock Exchanges. The Board of Directors consists of optimum combination of Executive and non-executive directors. The Details of the Board of Directors and their directorships/Memberships in Committees of other Companies are as under

Name of the Directors	Category	FY 2008-09 Attendance at		No. of Directorships in other Companies		No. of Committee positions held in other Companies*
		BM	Last AGM	Chairman	Member	Chairman/Member
Shri A. K. Agarwala (Chairman)	Promoter Executive Not-Independent	20	Yes	-	12	-
Smt. S.K.Agarwala	Promoter Non- Executive Not-Independent	20	Yes	-	8	-



Shri R. Kanodia	Non-Executive Independent	20	Yes	-	13	-
Shri K. K. Bihani	Non-Executive Independent	20	Yes	-	4	-
Shri R. Singhania	Non-Executive Not-Independent	20	Yes	-	10	-
Shri S. R. Sharma	Non-Executive Independent	20	Yes	-	10	-

* Represents Membership/Chairmanship of Audit Committee, Investor Grievance Committee and Remuneration Committee.

Shri Sitaram Sharma and Shri Kamal Kishore Bihani are liable to retire by rotation and being eligible, offer themselves for re- appointment. Information as required under clause 49(VI) of the Listing Agreement is annexed to the Notice of the Annual General Meeting.

Number of Board Meeting held and the dates on which held

Twenty Board Meetings were held during the year 2008-09. The dates on which the meetings were held are given below:-

27.06.2008, 30.06.2008, 11.07.2008, 15.07.2008, 30.07.2008, 01.08.2008, 12.09.2008, 26.09.2008, 29.09.2008, 30.09.2008, 31.10.2008, 05.01.2009, 06.01.2009, 16.01.2009, 29.01.2009, 30.01.2009, 03.02.2009, 13.03.2009, 24.03.2009, 27.03.2009

(C) AUDIT COMMITTEE

1. Brief description of the terms of reference

A qualified and independent audit committee has been set up by the Board in compliance with the requirements of Clause 49 of the Listing Agreement with Stock Exchanges read with Section 292A of the Companies Act, 1956. The terms of reference of the Audit Committee include :

a) Review of the quarterly and half yearly financial results with the management and the statutory auditors;
b) Review with the management and statutory auditors of the annual financial statements before submission to the Board;
c) Review with the management, statutory auditors and the internal auditors about the nature and scope of audits and of the adequacy of internal control systems;
d) Consideration of the reports of the internal auditors and discussion about their findings with the management and suggesting corrective actions wherever necessary;
e) Review of the financial reporting process and disclosure of financial information;
f) Review of the adequacy of the internal audit function;
g) Look into the reasons for any substantial defaults in payment to the depositors, debenture-holders, shareholders (in case of non-payment of declared dividend) and creditors, if any;
h) Recommending the appointment and removal of External Auditors, fixation of audit fee and approval for payment for any other services;
i) Authority to investigate into any matter covered by section 292A of the Companies Act, 1956;.
j) Reviewing the company's financial and risk management policies.

2. Composition, names of members and Chairperson

All the members of the Audit Committee are Non-Executive Independent Directors. All the members of the Audit committee are financially literate as defined in clause 49.II.(A).(ii) of the Listing agreement. Mr. R Kanodia, the Chairman of the Committee, has expert knowledge of finance and accounting and was present at the last Annual General Meeting of the Company held on 28th September 2008. The composition of the Committee as on 31st March, 2009 and particulars of attendance by the members is given in the table below :

Name	Category	No of meetings during 2008-09	
		Held	Attended
Mr. R. Kanodia	Independent, Non-Executive	4	4
Mr. K. K. Bihani	Independent, Non-Executive	4	4
Mr. S. R. Sharma	Independent, Non-Executive	4	4

3. Meetings and attendance during the year

The Committee met 4 times on 01.07.2008,30.09.2008,31.12.2008, and 31.03.2009 during the year 2008-09. The Statutory Auditor and Executive Directors/ other persons are invited to the meeting as and when required. The Chairman of the Audit Committee was also present at the last Annual General Meeting of the Company.

(D) REMUNERATION COMMITTEE

1. Brief description of terms of reference

The Board has set up a Remuneration Compensation committee. This Committee is responsible for recommending to the Board, the remuneration package of Managing and Whole-time Directors including their annual increment and commission after reviewing their performance.

2. Composition, name of members and Chairperson

The Remuneration Compensation Committee consists of 3 non-executive Directors with Mr. K. K. Bihani as Chairman and Mr. R. Kanodia and Mr.S. R. Sharma as members.

3. Attendance during the year

The Remuneration Committee met once during 2008-09 on 31 st March 2009 which was attended by all the members.

4. Remuneration policy

The remuneration policy followed by the Company takes into consideration performance of the company during the year and of the Managing and Whole-time Directors on certain parameters, such as condition of the industry, achievement of budgeted targets, growth & diversification, remuneration in other companies of comparable size and complexity, performance of the directors at meetings of the Board and of the Board committees etc.

**5. Details of remuneration to Executive Director**

Dr. Ajit Kumar Agarwala	Rs.6 Lacs p.a
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(E) SHAREHOLDERS' COMMITTEE**1. Shareholders'/ Investors' Grievance Committee**

Shareholders Grievance Committee has been for redressal of Investors complaints like transfer of Shares, Non-Receipts of Annual Report, Non-Receipts of declared Dividend, Issue of Duplicate Certificates, Transfer & Transmission (with or without legal representation) of shares & allied transactions.

Shareholders' complaints/ grievance are redressed by Registrar and Transfer Agent M/s Maheshwari Datamatics Pvt. Ltd.. The Board also constituted the Shareholders'/ Investors' Grievance Committee. Mr.R.Kanodia, Mr. Sitaram Sharma and Mr. K.K.Bihani, three non-executive Directors are the members of the Shareholders'/ Investor's Grievances Committee and is headed by Mr.R.Kanodia.

Two meetings were held during the year on 31.07.2008 and 31.01.2009 and was attended by all the three members of the Committee and reviewed the grievance / complaints received from shareholders and the proper action were taken on. Shri R. Singhania, Director, acts as the Compliance Officer. Complaints were received during the year, out of which all were solved to the satisfaction of the share holders and no case is pending for share transfer (lodged in last two weeks of March 09.)

2. Share Transfer Committee

To expedite the process of share transfer, the Board has delegated the powers of share transfers to a committee comprising of Chairman cum Managing Director, and a Director. The share transfer committee attends to the share transfer formalities at least once in a fortnight. The business transacted at the Share Transfer Committee meetings is placed before the Board & Shareholders' Grievance Committee.

All valid share transfers during the year ended 31.3.2009 have been acted upon and the number of pending share transfers as on 31.3.2009 were NIL.

(F) GENERAL BODY MEETINGS**1. Location and time, where last three AGMs held, Whether any special resolutions passed in the previous 3 AGMs**

The last three Annual General Meetings of the Company were held as under :-

Year	Location	Date	Time	No. of Special Resolutions approved at the AGM
2005-06	11 .Government Place (East), Kolkata-700069	27th September 2006	11 a.m.	Nil
2006-07	Same as above	29th September 2007	11 a.m.	Nil
2007-08	Same as above	26th September 2008	11 a.m.	Nil

The resolutions at the above Annual General Meetings were passed by the requisite majority unanimously.

2. Whether any special resolution passed last year through postal ballot-details of voting pattern.

During 2008-09 no special resolution was approved by the shareholders through Postal Ballot. However Ordinary Resolution pursuant to section 293(1)(a) of the Companies Act, 1956 for sale of only subsidiary company namely Madhukamal Tea Industry Pvt. Ltd was passed by Postal Ballot under provisions of section 192A of the Companies Act, 1956.

3. Person who conducted the postal ballot exercise.

Mr. M. R. Goenka.

4. Whether any special resolution is proposed to be conducted through postal ballot.

At present there is no such proposal.

5. Procedure for postal ballot.

The Postal Ballot is carried out following the procedure set out in section 192A of the Companies Act, 1956 read with the Companies (The Passing of the Resolutions by Postal Ballot) Rules, 2001.

(G) DISCLOSURES

1. Disclosures on materially significant related party transactions that may have potential conflict with the interest of company at large. Details of transactions of a material nature with any of the related parties as specified in Accounting Standard 18 of the Companies (Accounting Standards) Rules, 2006 have been reported in the Notes to the Accounts. **There was no transaction of a material nature with any of the related parties which was in conflict with the interest of the company.**
2. Details of non-compliance by the company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets during the last three years.

There was no such instance except re-instatement fee of Rs. 6.60 lacs paid to BSE for revocation of suspension in Trading of Shares.

3. Secretarial Audit

A qualified Company Secretary carried out Secretarial Audit under Clause 55 and Shares Transfer Audit under Clause 47 of the Listing Agreement and that the same are being filed to the Stock Exchanges quarterly and bi-annually, after being duly audited and certified.

(H) MEANS OF COMMUNICATION

1. Quarterly results

Quarterly results are published in news papers however no half yearly results are sent to shareholders.

2. Newspapers wherein results normally published.

The quarterly results are generally published in "Eco of India" in English language and "Arthik Lipi" in Bengali language.

**3. Any Website, where displayed ?**

The quarterly results of the Company are put on the web-site of the Company after these are submitted to the Stock Exchanges. Our web site address is **www.teraigroup.com**

4. Whether it also displays official news releases?

No.

5. Any presentations made to institutional investors or to the analysts?

No.

6. Whether MD&A (Management Discussion & Analysis) is a part of Annual Report?

Yes.

(I) GENERAL SHAREHOLDER INFORMATION**1) AGM - Date, time and venue, Financial year, Date of Book Closure, Dividend payment date.**

Annual General Meeting	Wednesday, 30th September, 2009 at 10.30a.m.at 11, Government Place (East), Kolkata-700 069	
Financial Calendar (tentative)	Board Meetings for approval of : Annual Accounts 2008-09	22nd June, 2009
	Financial results for 1st Quarter 2009-10	Last week of July, 2008
	Financial results for 2nd Quarter 2009-10	Last week of October, 2008
	Financial results for 3rd Quarter 2009-10	Last week of January, 2009
	Annual Accounts 2009-10	Last week of June, 2009
Book Closure Period	23 rd September to 30 th September'2009 (Both days inclusive)	

2) Listing on Stock Exchanges & Stock code**Listing on Stock Exchanges :****a. Equity Shares**

- (1) The Calcutta Stock Exchange Association Ltd.
7, Lyons Range, Kolkata - 700 001
- (2) Bombay Stock Exchange Ltd
Phiroze Jeejeebhoy Towers, Dalai Street,
Mumbai-400 001
- (3) Jaipur Stock Exchange Ltd
Indra Place, J.L.N. Marg.
Malviya Nagar
Jaipur-302 017.

- (4) Stock Exchange, Ahmedabad
Kamdhenu Complex
Opp : Sahjanand College
Panjaraple Ahmedabad – 380 015

b. Depositories

- (1) National Securities Depository Ltd.
Trade World, 4th Floor,
Kamala Mills Compound,
Senapati Bapat Marg,
Lower Parel, Mumbai –400 013.
- (2) Central Depository Service (India) Limited
Phiroza Jeejeebhoy Towers
28th Floor, Dalai Street, Mumbai 400 023.

c. Stock Code

Calcutta Stock Exchange 30105
Bombay Stock Exchange 530533

d. Demat ISIN Numbers

National Securities Depository Ltd. – INE390D1011
Central Depository Services Ltd. – INE 390D1011

e. Listing Fees

Annual listing fees for 2008-09 have been paid to the Stock Exchanges where the securities of the Company are traded.

3) Market price data - High, low during each month in the last financial year

MONTH	BSE		CSE	
	High Rs.	Low Rs.	High Rs.	Low Rs.
Apr-2008	375.00	99.45	—	—
May-2008	126.45	94.50	—	—
Jun-2008	127.00	109.00	—	—
July-2008	114.00	63.25	—	—
Aug-2008	63.10	49.25	—	—
Sep-2008	58.20	49.25	—	—
Oct-2008	50.90	39.55	—	—
Nov-2008	47.45	39.50	—	—
Dec-2008	41.40	36.70	—	—
Jan-2009	40.00	35.10	—	—
Feb-2009	37.30	30.85	—	—
Mar-2009	30.00	26.15	—	—



BSE: Bombay Stock Exchange Ltd; CSE: The Calcutta Stock Exchange Association Ltd; During 2008-09 there was no trading in the shares of the Company at The Calcutta Stock Exchange.

4) Distribution of Shareholding as on 31st March, 2009

Range of Ordinary Shares	No. of Shareholders	%to Shareholders	No. of Shares	% of Capital
1 to 500	1284	93.72	2,10,410	3.02
501 to 1000	47	3.43	36,788	0.53
1001 to 2000	15	1.10	24,712	0.36
2001 to 3000	3	0.22	7,250	0.10
3001 to 4000	3	0.22	11,140	0.16
4001 to 5000	1	0.07	4,500	0.06
5001 to 10000	1	0.07	5,800	0.08
Above 10000	16	1.17	66,73,200	95.69
Total	1370	100	69,73,800	100

5) Shareholding pattern as on 31st March, 2009

Holders category	No. of shares	Percentage to shares
Indian Promoters Promoter group	51,03,100	73.18
Mutual Funds & UTI	5,800	0.08
Banks, Financial Institution	40,000	0.57
Private Corporate Bodies	15,14,718	21.72
Indian Public	3,10,182	4.45
Total	69,73,800	100

6) Share Transfer System:

Shares in the physical form for transfer, should be lodged with the office of the Company's Registrar & Share Transfer Agent, Maheshwari Datamatics Pvt. Ltd office at the addresses given below or at the registered office of the Company. The transfers are processed if technically found to be in order and complete in all respects. As per directives issued by SEBI, it is compulsory to trade in the Company's equity shares in dematerialized form.

7) Dematerialization of Shares & liquidity

The process of conversion of shares from physical form to electronic form is known as dematerialization. For dematerializing the shares the shareholders should open a demat account with the Depository Participant (DP). The shareholder is required to fill in a Demat Request Form and submit the same along with the original share certificates to his DP. The DP will allocate a demat request no. and shall forward the request physically and electronically through NSDL/CDSL to Registrar & Transfer Agent. On receipt of the demat request both physically and electronically and after verification, the shares are dematerialized and an electronic credit of the shares is given in the account of the shareholder.

1.80% of the paid up Share Capital of the Company are in Dematerialized form in NSDL and 0.31 % of paid-up share capital are in CDSL as on 31st March, 2009.

8) Outstanding GDRs / ADRs / Warrants or any Convertible instruments, conversion date and likely impact on equity : Not Applicable.

9) Plant location:

- i) Bagdogra Tea Estate, P.O. Bagdogra, Dist. Darjeeling, West Bengal
- ii) Tea Manufacturing Unit (Expansion), P.O. Adhikari, Dist. Darjeeling, West Bengal
- iii) Tea Factory Unit, Sevoke Road, Siliguri, West Bengal
- iv) Sevoke Tea Factory, Sevoke Road, Siliguri, West Bengal
- v) Karjeepara Tea Factory, P.O. Karjeepara, District Jalpaiguri, West Bengal

10) Address for correspondence:

(i) Investors correspondence for transfer/Dematerialization of shares, payment of dividend on shares, and any other query relating to the shares of the company :

(1) 11, Govt. Place (East), Kolkata -700 069

(2) Maheshwari Datamatics Pvt. Ltd
6, Mangoe Lane, Kolkata -700 001

(ii) Any query on Annual Report:
11, Govt. Place (East), Kolkata- 700 069.

(J) OTHER DISCLOSURES

(i) Details of Non Compliance relating to Capital markets

The Company has complied with all the requirements of regulatory authorities. No penalties/structures were imposed on the Company by Stock Exchanges or SEBI or any Authority on any matter related to capital market since the listing of the Company's equity shares except for re-instatement fee for lifting suspension on trading in shares as BSE for Rs. 6,60,000/-

(ii) Code of conduct

The Board of Directors of the Company has laid down two separate Codes of Conduct one for Directors and other for Senior Management and Employees. All Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year under review. Declaration to this effect is annexed to this report.

(iii) Code of Prevention of Insider-Trading Practices

In compliance with the SEBI regulation on prevention of insider trading, the Company has instituted a comprehensive Code of Conduct for Prevention of Insider Trading for its designated employees. The Code lays down guidelines, which advises them on procedures to be followed and disclosures to be made while dealing with shares of the Company and cautioning them of the consequences of violations.

(iv) CEO/CFO Certification

The Managing Director and Chief Financial Officer of the Company have given a certificate to the Board of Directors as prescribed under clause 49 of the Listing Agreement for the year ended 31st March, 2009.

**(v) Risk Assessment and Minimization :**

Procedure are in existence and re-reviewed periodically

(vi) Auditors' certificate on Corporate Governance :

As required under clause 49 of the Listing Agreement, the Auditors' Certificate on Compliance with the Corporate Governance norms is attached

Declaration regarding compliance by Board Members and Senior Management personnel with the Company's code of conduct.

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

I confirm that the Company has in respect of the financial year ended March 31st, 2009, received from the Senior Management Team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them. I further confirm that the rules of Insider Trading Regulation has been duly complied with.

For the purpose of this declaration, Senior Management Team means the Chief Financial Officer, employees in the Executive Vice President cadre and the Company Secretary as on 31st March, 2009.

Place : Kolkata

R. Kanodia

Date : 22nd June, 2009

Director

Auditors' Certificate on Compliance with the conditions of Corporate Governance under Clause 49 of the Listing Agreement(s)**To the Members of Terai Tea Co. Ltd.**

We have examined the compliance of conditions of Corporate Governance by Terai Tea Co. Ltd. (the Company) for the year ended 31st March, 2009 as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

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

For P. K. Shah & CO.
Chartered Accountants

Hill Cart Road
Siliguri - 734 001
Dated : 22nd June, 2009

(P. K. Shah)
Partner
Membership No. 14740

CEO AND CFO CERTIFICATION

We, Ajit Kumar Agarwala, Managing Director & C.E.O. and R. Singhania, C.F.O. certify that:-

- a) We have reviewed the financial statements and cash flow statement for the year ended 31st March, 2009 and to the best of our knowledge and belief:
 - i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading:
 - ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- b) To the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2009 are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware have been disclosed to the auditors and the Audit Committee and steps have been taken to rectify these deficiencies.
- d)
 - i) There has not been any significant change in internal control over financial reporting during the year under reference;
 - ii) There has not been any significant change in accounting policies during the year requiring disclosure in the notes to the financial statements: and
 - iii) We are not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Registered Office :

11, Government place (East)

Kolkata - 700 069

Dated: 22nd June, 2009

Ajit Kumar Agarwala
Managing Director & CEO

R. Singhania
CFO

ANNEXURE "C" TO THE DIRECTORS' REPORT**MANAGEMENT DISCUSSION AND ANALYSIS (MDA)****1. THE INDIAN ECONOMY - AN OVERVIEW**

During 2007 India Inc. recorded a second year of 9%+ GDP growth, escalated cross border acquisitions, enhanced inflow of dollars through stock offerings by way of public issues and robust economic performance. Growth rates in 2008 did not meet expectation and was down to 6.7%.

Signals of slowdown in economic performance metrics in India commenced with the New Year, aggravated by global demand factors, currency appreciation, higher interest rates and steadily increasing oil prices. Our high savings and investment rate and rising corporate productivity would suggest that a recovery of the growth of the Indian economy will be apparent later in 2009, even though the overall growth rate for the year will trail the preceding two years. Economic drivers of inflation were leading to higher inflation during the year, despite interventions of the RBI and the government to intervene and reduce its impact. However, inflation was checked upon enforcing measures by Government and now the same is running into negative territory. Rising food prices and oil price impact are now key metrics that drive action by the Government and the RBI to limit its impact on the economy. India is now a trillion dollar economy and in the current year FDI in India is expected at around \$ 25 billion. This amount is about five times of what it was only two years ago.

These key economic indicators tend to impact agro product prices. The overall supply demand situation for black tea continues to show signs of strengthening since late 2007. While there is some time lag in terms of impact of commodity prices reaching consumers as the supply chain of the trade and market competitors absorb cost escalation, the overall scenario is conducive to enhanced price recovery from the market, to mitigate to some extent, the impact of cost increases during 2008.

2. INDUSTRY STRUCTURE AND DEVELOPMENT

Indian Tea production in 2008 was higher at 981 m kgs compared to 945 m kgs in 2007 i.e an increase of around 36 m kgs. This was mainly due to higher crop in South India. The world crop was higher by around 18 m kgs due to increase of crop in India and Sri Lanka. Your Company produced 62.26 lacs kgs against 58.14 lacs kgs tea. The production was higher because of favourable weather conditions and improved agricultural practices.

The value growth rate of other teas or what is considered as 'tea' in consumer minds is significantly ahead of black tea. Green tea formats, fruits and herbals, functional teas with enhanced well being delivery ingredients, are welcomed by consumers and are reshaping perceptions of tea amongst consumers. Natural ingredient awareness, sustainability and environmental concerns, impact on human health and well being are now entering the realm of basic requirements for fulfillment of new age lifestyle beverage delivery norms amongst consumers across geographies and segments. The interaction of youth across key markets in the beverage arena drives convergence of several requirements towards consumer facing solutions, in terms of formats, occasions for consumption, on-the-go, taste delivery and enhanced convenience innovations.

3. OPPORTUNITIES, THREATS AND RISKS

Your Company's focus on both quality and quantity remains unabated despite vagaries of climatic conditions, unpredictability of market behavior, both domestic and international and shifting consumer preference in CTC and Orthodox. The risk analysis report is reviewed covering entire operations and necessary corrective actions as suggested by the Audit Committee are taken. Various Risk Management Procedures, as laid down are being monitored from time to time.

4. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company's Internal Audit Department is responsible for periodically carrying out audit of the transactions of the Company in order to ensure that recording and reporting are adequate and proper. The audit program is planned in such manner that over a period of time all units/offices of the Company are covered by internal audit. The Internal Audit also verifies whether internal controls and checks & balances in the system are adequate, proper and up to date. They also periodically verify safeguarding of Company's assets and ensure that there is no unauthorized use.

The Audit Committee of the Board regularly meets and reviews Internal Audit. The Audit Committee also discusses all important Internal Audit reports and suggests corrective actions for the management to implement. The company has developed a risk register, which is updated annually based on feedbacks from respective functional heads. The Audit committee and the Board reviews annually the risk management and mitigation system. The Internal Audit team also verifies Statutory and legal compliance at different units and any non-compliance is highlighted in the audit report. Actions are taken by the concerned managers to rectify the instances of non-compliance at the earliest opportunity.

5. FINANCIAL & OPERATING PERFORMANCE

The financial performance of the Company in 2008-09 has marginally improved over the last year. While turnover was up by 30% to 4426 lacs in 2008-09 against 3402 lacs in 2007-08, PAT was up in 2008-09 to 40.64 lacs against 25.65 lacs in 2007-08.

Your Company remain invested in various schemes of mutual fund(s) and due to turmoil in the market, there was no dispose off/sale. However the investment profile is well balanced and market value of the portfolio should improve in years to come and long term investment strategy should give reasonable returns in future.

6. TREASURY AND LIQUIDITY

The debt equity ratio (DER) of the Company as on 31st March 2009 was 0.15 compared with 0.31 on 31st March 2008. There was adequate liquidity in the company financials and in fact the secured loans have decreased to 1684.20 lacs from 2186.46 lacs in the last year.

7. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/THE INDUSTRIAL RELATIONS FRONT

The industrial relation in the tea estates and factories continued to be cordial. The company carries out various programmes for the development of its executives at all levels. The company is in process of restructuring exercise at all the levels for improvement in overall corporate performances.

8. CAUTIONARY STATEMENT

Certain statements made in this Report relating to company's objectives, projections, outlook, expectations, estimates etc. may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ from such expectations, projections etc., whether express or implied. Several factors could make a significant difference to the company's operations. These include climatic conditions, economic conditions affecting demand and supply, Government regulations and taxation, natural calamity, currency rate changes etc. over which the company does not have any direct control.

9. MARKET SCENARIO AND OUTLOOK

The year started with lower carryover stock and with rising domestic demand and exports, firmer prices were sustained throughout the season. With dry spell prevailing throughout the country, the production so far is down. The crop of Kenya and Sri Lanka is also lower. With demand increasing every year by around 3%, there is going to be mismatch in demand/supply equation. This indicates that the tea market should be very strong in the current year. The Cash and Carry system introduced by the Tea Board in auction should help in timely realization of sale proceeds and more tea being sold through auction mechanism.

The North Indian average price has shown improvement in 2008 at Rs. 94.34 compared to Rs. 73.56 last year. The price level has crossed the 1998 price of Rs. 80.22 after nine long years during which period there were all round increases in input cost. The movement of auction prices over the last four years is given below:-
(in Rs. per kg.)

Auction Centres	2008	2007	2006	2005
Kolkata	103.05	82.38	79.76	70.14
Guwahati	91.73	69.63	68.09	60.57
Siliguri	85.27	65.92	64.90	58.38

The average prices at the global auction centres have shown a mixed trend as follows:

Country	Average Auction Price (in US\$)	
	2008	2007
India (Kolkata)	2.26	1.93
Kenya (Mombasa)	2.35	1.75
Sri Lanka (Colombo)	2.89	2.47
Malawi (Limbe)	1.38	1.05
Bangladesh (Chittagong)	1.62	1.17

Quality continues to remain in focus and the Company's Gardens were prominent in attracting the higher prices in the respective tea districts in which they are located.

10. CORPORATE GOVERNANCE & INTERNAL CONTROL SYSTEM

The Company is complying with the requirements of Clause 49 of Corporate Governance Norms. Some of the key mandatory compliances in place are:-

The audit committee consists of only non-executive Directors, the Chairman being one. The Chairman has the requisite financial management expertise. The other members are well versed in financial aspects of business.

The Board of Directors meets the minimum criterion for independent non-Executive Directors.

A Code of Conduct has been laid down by the Board. This has been accepted by Directors and Senior Executives. Declaration of compliance thereof from the C. E.O. has been incorporated in the Annual Report.

The audit committee had met regularly throughout the year. It had interaction with the chief internal auditor and external Auditors, reviewed the quarterly and annual financial statements and analyzed the adequacy of internal controls and carried out other roles as laid down.

In respect of non-mandatory clauses, the Company has a Remuneration Committee of non-executive Directors in place.

11. RISK ANALYSIS

The Risk Analysis Report was reviewed covering the entire operation at the garden, marketing, financial, regulatory, locational risk and others. Based on this analysis, necessary corrective actions were suggested by the Audit Committee. Risk Management procedures have also been laid down therein. These are being monitored from time to time to ensure that all identified risks are provided for adequately.

12. HUMAN RESOURCE DEVELOPMENT

Tea industry is labour intensive and human resources form the core of the operation. In spite of having an employee strength of over 2,000 persons, the garden operations were conducted without any disruptions. Initiatives continued in areas of corporate social responsibility, particularly in the areas of health, safety and environment. Emphasis on afforestation and health has provided cleaner environment and lower diseases at the garden level. Regular in-house and external trainings were organized during the year.

13. FINANCIALS

Major items of Capital expenditure, particularly extension/modernization of the factories, were undertaken essentially from internal resources. Due to higher interest rate regimes, cost of borrowings has increased but the quantum of borrowing was kept under control. The Company is availing of the replatation / rejuvenation subsidy under the Special Purpose Tea Fund of the Tea Board of India.

14. GENERAL

It is earnestly hoped that the revival of tea prices in 2008, after a gap of several years, will be sustained. This will neutralize the cost escalation of essential inputs and provide much needed funds for modernization of the factories, extension planting, worker' housing, hospitals and others.

Registered office :
11, Government Place (East)
Kolkata -700 069
Dated : 22nd June, 2009

On behalf of the Board
For Terai Tea Company Ltd.
Ajit Kumar Agarwala
Managing Director & CEO

AUDITORS' REPORT

TO THE SHAREHOLDERS OF TERAI TEA COMPANY LIMITED

1. We have audited the attached Balance Sheet of **TERAI TEA COMPANY LIMITED** as at **31st March, 2009**, and also the Profit and Loss Account for the year ended on that date and the Cash Flow Statement for the year ended on that date both annexed thereto, both of which we have signed under reference to this report. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of sub-section 4A of Section 227 of the Companies Act, 1956, of India (the Act) and on the basis of such checks of the books and records of the company as we consider appropriate and according to the information and explanations given to us we enclose in the Annexure a statement on the matters specified in Paragraphs 4 & 5 of the said Order to the extent applicable.
4. Further to our comments in the Annexure referred to in Paragraph (3) above we report that-
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit, and have found them to be satisfactory.
 - b) In our opinion, the company has kept proper books of account as required by Law so far it appears from our examination of those books.
 - c) The Balance Sheet and Profit and Loss account and Cash Flow Statement dealt with by the report are in agreement with the books of account.
 - d) In our opinion, Balance sheet and Profit and Loss account and Cash Flow Statement dealt with by this Report comply with accounting standards referred to in sub-section 3C of Section 211 of the Companies Act, 1956 excepting those reported in Schedule XVII - "Significant Accounting Policies".
 - e) On the basis of written representations received from the directors, as on 31st March 2009 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2009 from being appointed as a director in terms of clause (g) of subsection (1) of section 274 of the Companies Act, 1956.

- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, subject to the Note 7 regarding non-provision of Agricultural Income Tax liability, the impact of which on the company's profit / reserves has been indicated in the said Note.

And read together with the Notes appearing thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view-

- a. In the case of the Balance Sheet of the State of affairs of the company as at 31st March, 2009.
- b. In the case of Profit and Loss account of the Profit for the year ended 31st March, 2009.
- c. In the case of the Cash Flow Statement of the cash flows for the year ended on that date.

Hill Cart Road
Siliguri - 734 001
Dated : June 22, 2009

For P. K. Shah & Co.
Chartered Accountants
(P. K. Shah)
Partner
Membership No. 14740

Annexure to the Auditors' Report

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

- i. In respect of its fixed assets-
 - a. The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b. Some of the fixed assets have been physically verified by the management in accordance with a program of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us no material discrepancies have been noticed on such verification.
 - c. No fixed assets were disposed off during the year,
- ii. In respect of its inventories:
 - a. As explained to us, the stock of finished products and stores materials of the company have been physically verified by the management during the year except for stock of tea lying at warehouse or consignment agents which has been verified by subsequent sales.
 - b. In our opinion, the procedure of physical verification of stocks followed by the management is reasonable and adequate in relation to the size of the company and the nature of its business.
 - c. On the basis of our examination of the inventory records, in our opinion the Company is maintaining proper records of inventory. The discrepancies between the physical stocks and the book stocks have been dealt with properly and were not material.
- iii.
 - a. The company has granted interest free unsecured loans / advances against contracts to fourteen parties covered in the register maintained under Section 301 of the Act. The maximum amount involved during the year and the year-end outstanding balance of such loans/ advances aggregates to Rs.21.92 Crores and Rs. 23.20 Crores respectively.
 - b. The company has taken interest free unsecured loans / advances against contracts from four parties covered in the register maintained under Section 301 of the Act. The maximum amount involved during the year and the year-end outstanding balance of such loans/ advances aggregates to Rs. 2.75 Crores and Rs. 1.89 Crores respectively.
 - c. In our opinion, considering the nature of transactions, the terms and conditions on which such loans/advances have been granted to and taken from such parties are not, prima facie, prejudicial to the interest of the company.
 - d. In respect of the loans/advances granted and taken as aforesaid, there is no stipulation for repayment on fixed intervals.
- iv. In our opinion and in accordance with the information and explanation given to us, the internal control procedures for the purchase of inventory, raw materials, stores and fixed assets and for the sale of goods & services are adequate and commensurate with the size of the company and

the nature of its business. During the course of our audit, we have not observed any continuing failure to correct major weakness in the internal control system.

- v. In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956 and to the best of our knowledge & belief and according to information and explanations given to us:
 - a. The particulars of the contracts/ transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956, have been so entered.
 - b. In our opinion and having regards to our comments in paragraph (iv) above, the transactions (excluding loans/ advances reported in paragraph (iii) above) exceeding the value of Rs. 5 lakhs in respect of any party during the period, have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time.
- vi. In our opinion and according to the explanations given to us, the company has not accepted Deposits from the public to which provisions of section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 are applicable.
- vii. In our opinion the company has internal audit system commensurate with the size and nature of its business.
- viii. The Central Government has not prescribed maintenance of the cost records under Section 209(1) (d) of the Companies Act, 1956 for the product of the company.
- ix. In respect of statutory dues:
 - a. According to the information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including provident fund, income tax, sales tax, service tax, excise duty, cess and other material statutory dues applicable to it with the appropriate authorities during the year.
 - b. According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, service tax, sales tax, custom duty, excise duty, cess and other material statutory dues applicable to it were in arrears as at 31st March, 2009, excepting Agricultural Income Tax liability of Rs. 15.57 lakhs. (Refer note no. 7 of notes on accounts)
 - c. According to the information and explanations given to us and in our opinion, there are no dues of customs duty, Wealth Tax, Service Tax, Excise Duty, Cess and Income Tax which have not been deposited on account of any dispute.
- x. The Company does not have any accumulated losses and has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xi. In our opinion and according to the explanations given to us, the company has not defaulted in repayment of dues to financial institution, bank or debenture holders.
- xii. The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

- xiii. The company is not a chit fund or a nidhi/ mutual benefit fund/society.
- xiv. The company has not entered in to transactions of dealing or trading in shares, securities, debentures and other investments.
- xv. The company has given guarantees of Rs. 653.91 Lakhs for loans taken by others from banks or financial institutions. According to the information and explanations given to us, we are of the opinion that the terms and conditions thereof are not prima facie prejudicial to the interests of the company.
- xvi. To the best of our knowledge and belief and according to the information and explanations given to us, in our opinion, term loans availed by the Company were, prima facie, applied by the Company during the year for the purposes for which the loans were obtained.
- xvii. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the company, we are of the opinion that there are no funds raised on short-term basis that have been used for long-term investment.
- xviii. The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- xix. The company has not issued any debentures.
- xx. The Company has not raised any money by way of public issue during the year.
- xxi. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

Hill Cart Road
Siliguri - 734 001
Dated : 22nd June, 2009

For P.K. Shah & CO.
Chartered Accountants
(P. K. Shah)
Partner
Membership No. 14740

BALANCE SHEET AS AT 31st MARCH 2009

	SCHEDULE	CURRENT YEAR RS	PREVIOUS YEAR RS
I. SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
SHARE CAPITAL	I	6,90,07,796	6,89,01,025
RESERVES & SURPLUS	II	30,32,28,356	29,84,94,645
LOAN FUNDS			
SECURED LOANS	III	16,84,20,146	21,86,46,874
UNSECURED LOANS		7,95,04,000	5,62,66,741
		<u>62,01,60,298</u>	<u>64,23,09,285</u>
II. APPLICATION OF FUNDS			
FIXED ASSETS	IV	24,87,79,429	25,61,93,183
INVESTMENTS	V	7,48,52,669	10,78,65,875
CURRENT ASSETS, LOANS AND ADVANCES			
INVENTORIES	VI	10,32,07,766	6,63,56,008
SUNDRY DEBTORS	VII	4,79,81,184	8,13,11,790
CASH & BANK BALANCES	VIII	42,32,471	43,93,789
LOANS AND ADVANCES	IX	20,62,58,211	21,10,01,972
		<u>36,16,79,632</u>	<u>36,30,63,559</u>
LESS: CURRENT LIABILITIES & PROVISIONS X			
LIABILITIES		5,46,11,902	7,57,43,802
PROVISIONS		1,14,79,000	1,00,09,000
		<u>6,60,90,902</u>	<u>8,57,52,802</u>
NET CURRENT ASSETS		29,55,88,730	27,73,10,757
MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)			
PRE-OPERATIVE EXPENDITURE		9,39,470	9,39,470
		<u>62,01,60,298</u>	<u>64,23,09,285</u>
NOTES ON ACCOUNTS	XVI		
SIGNIFICANT ACCOUNTING POLICIES	XVII		

The Schedules referred to above form an integral part of the Balance Sheet
In terms of our Report of even date

For P. K. Shah & Co.
Chartered Accountants

P. K. Shah
Partner
Membership No. 14740
Hill Cart Road
Siliguri-734 001
Dated : June 22, 2009

For and on behalf of the Board of Directors
Terai Tea Company Limited

Shashikala Agarwala
Director

Ajit Kumar Agarwala
Managing Director

Isha Saraf
Company Secretary

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2009**

	SCHEDULE	CURRENT YEAR RS.	PREVIOUS YEAR RS.
INCOME			
SALES		44,26,01,562	30,39,45,005
OTHER INCOME	XI	42,83,215	3,62,10,405
CLOSING STOCK		9,49,71,327	6,07,40,340
TOTAL		54,18,56,104	40,08,95,750
EXPENDITURE			
OPENING STOCK		6,07,40,340	5,76,49,082
RAW MATERIALS CONSUMED		29,44,37,396	17,16,97,793
PERSONNEL EXPENSES	XII	3,28,60,886	3,04,30,910
POWER & FUEL		5,79,46,301	4,93,39,434
STORES & SPAREPARTS CONSUMED		1,53,37,453	1,41,15,338
EXCISE DUTY		18,67,752	18,47,674
PACKING & SELLING EXPENSES	XIII	92,78,968	68,26,042
REPAIRS & MAINTENANCE	XIV	30,65,356	24,18,066
ADMINISTRATIVE EXPENSES	XV	1,53,83,972	1,25,88,184
INTEREST (NET OF SUBSIDY)		2,36,94,402	2,67,45,889
DEPRECIATION		2,16,36,930	2,32,07,426
TOTAL		53,62,49,756	39,68,65,838
PROFIT BEFORE TAXATION		56,06,348	40,29,912
LESS: PROVISION FOR INCOME TAX		—	4,15,000
LESS: FRINGE BENEFIT TAX		4,50,000	3,50,000
LESS: PROVISION FOR DEFERRED TAX		7,00,000	7,00,000
LESS: INCOME TAX FOR EARLIER YEARS		3,91,678	—
PROFIT AFTER TAXATION		40,64,670	25,64,912
ADD: BALANCE BROUGHT FORWARD		9,77,04,792	9,51,39,880
BALANCE CARRIED TO BALANCE SHEET		10,17,69,462	9,77,04,792
NOTES ON ACCOUNTS	XVI		
SIGNIFICANT ACCOUNTING POLICIES	XVII		

The Schedules referred to above form an integral part of the Profit & Loss Account

In terms of our Report of even date

For P. K. Shah & Co.

Chartered Accountants

P. K. Shah

Partner

Membership No. 14740

Hill Cart Road

Siliguri-734 001

Dated: June 22, 2009

For and on behalf of the Board of Directors
Terai Tea Company Limited

Shashikala Agarwala

Director

Ajit Kumar Agarwala

Managing Director

Isha Saraf

Company Secretary

SCHEDULES FORMING PART OF BALANCE SHEET : 31st MARCH 2009

SCHEDULE I	CURRENT YEAR	PREVIOUS YEAR
SHARE CAPITAL	RS.	RS.
AUTHORISED		
10,000,000 EQUITY SHARES OF RS.10/- EACH	10,00,00,000	10,00,00,000
	<u>10,00,00,000</u>	<u>10,00,00,000</u>
ISSUED, SUBSCRIBED & PAID UP		
6973800 EQUITY SHARES OF RS.10/- EACH		
Fully Paid up in Cash	6,97,38,000	6,97,38,000
Less: Allotment Money in Arrears	7,30,204	8,36,975
	<u>6,90,07,796</u>	<u>6,89,01,025</u>
<i>(Notes: Of the above shares, 4862200 Equity Shares of Rs. 10/- each are issued as fully paid Bonus shares by way of Capitalisation of Preference Redemption Reserve, Investment Allowance Reserve, Revaluation Reserve and Free Reserves)</i>		
SCHEDULE II		
RESERVES & SURPLUS		
i) GENERAL RESERVE		
As per last Balance Sheet	1,11,17,148	1,50,08,148
Less : Provision for Gratuity Liability for earlier years	—	38,91,000
	<u>1,11,17,148</u>	<u>1,11,17,148</u>
ii) REVALUATION RESERVE		
Original Reserve Created	6,47,21,896	6,47,21,896
Less: Depreciation on revaluation		
Upto last year	2,40,69,928	2,33,85,182
During the year	8,45,645	6,84,746
	<u>3,98,06,323</u>	<u>4,06,51,968</u>
iii) SHARE PREMIUM ACCOUNT		
Against Public Issue	8,02,36,000	8,02,36,000
Less: Allotment Money in arrears	29,23,320	33,50,400
	<u>7,73,12,680</u>	<u>7,68,85,600</u>
iv) PROFIT & LOSS ACCOUNT BALANCE	<u>10,17,69,461</u>	<u>9,77,04,792</u>
v) CAPITAL INVESTMENT SUBSIDY	<u>7,32,22,744</u>	<u>7,21,35,137</u>
TOTAL	<u>30,32,28,356</u>	<u>29,84,94,645</u>


SCHEDULES FORMING PART OF BALANCE SHEET : 31st MARCH 2009

CURRENT YEAR PREVIOUS YEAR
RS. RS.

**SCHEDULE III
SECURED LOANS**
WORKING CAPITAL LOANS

CENTRAL BANK OF INDIA	10,18,52,960	9,52,68,698
BANK OF INDIA	1,55,07,983	3,19,13,123
ALLAHABAD BANK	1,25,01,778	1,19,41,953

TERM LOANS

CENTRAL BANK OF INDIA	2,60,57,425	3,78,27,127
BANK OF INDIA	1,25,00,000	1,50,00,000
ALLAHABAD BANK	-	2,66,95,973

	16,84,20,146	21,86,46,874
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**SCHEDULE IV
SCHEDULE OF FIXED ASSETS**

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Value as on 01/04/08	Additions during the year	Adjusted/ Sold	Total Value as at 31/03/09	Up to 31/03/08	For the year	Adjusted/ Sold	Upto 31/03/09	As at 31/03/09	As at 31/03/08
LAND & PLANTATION	7,00,22,426	1,83,056	-	7,02,05,482	-	-	-	-	7,02,05,482	7,00,22,426
FACTORY BUILDING	14,32,66,023	2,97,637	-	14,35,63,660	7,04,96,033	72,81,664	-	7,77,77,697	6,57,85,963	7,27,69,990
BUILDING & STRUCTURE	1,02,35,083	-	-	1,02,35,083	41,85,168	3,02,495	-	44,87,663	57,47,420	60,49,915
PLANT & MACHINERY	18,66,25,818	1,03,34,093	-	19,69,59,911	10,45,65,937	1,20,43,947	-	11,66,09,884	8,03,50,027	8,20,59,881
FURNITURE & FIXTURE	32,31,974	1,28,450	-	33,60,424	24,68,173	1,40,741	-	26,08,914	7,51,510	7,63,801
AIR CONDITIONER	4,13,611	-	-	4,13,611	3,61,031	7,314	-	3,68,345	45,266	52,580
DATA PROCESSING UNIT	7,49,402	51,158	-	8,00,560	5,83,847	77,241	-	6,71,088	1,29,472	1,55,555
VEHICLES	85,09,667	-	-	85,09,667	68,94,854	4,18,075	-	73,12,929	11,96,738	16,14,813
ELECTRIC INSTALLATION	1,61,73,103	2,07,000	-	1,63,80,103	94,28,729	9,59,394	-	1,03,88,123	59,91,980	67,44,374
IRRIGATION EQUIPMENT	1,27,59,245	6,71,558	-	1,34,30,803	43,94,395	11,68,015	-	55,62,410	78,68,393	83,64,850
OFFICE EQUIPMENT	15,38,808	1,48,115	-	16,86,923	11,12,600	83,689	-	11,86,289	4,90,634	4,26,208
GOLD & SILVER	21,44,075	16,61,749	-	38,05,824	-	-	-	-	38,05,824	21,44,075
DHARAMIPUR TEA ESTATE	36,24,302	-	-	36,24,302	-	-	-	-	36,24,302	36,24,302
LAND AT BANGALORE	3,00,611	-	-	3,00,611	-	-	-	-	3,00,611	3,00,611
TOTAL	45,95,94,148	1,36,82,816	-	47,32,76,964	20,45,00,767	2,24,82,575	-	22,69,83,342	24,62,93,622	25,50,93,381
CAPITAL WORK IN PROGRESS	10,99,802	14,20,064	34,059	24,85,807	-	-	-	-	24,85,807	10,99,802
TOTAL	46,06,93,950	1,51,02,880	34,059	47,57,62,771	20,45,00,767	2,24,82,575	-	22,69,83,342	24,87,79,429	25,61,93,183
PREVIOUS YEAR FIGURES'	45,60,86,935	46,07,015	-	48,08,93,950	18,06,08,595	2,38,92,172	-	20,45,00,767	25,61,93,183	-

SCHEDULES FORMING PART OF BALANCE SHEET : 31st MARCH 2009

			CURRENT YEAR RS.	PREVIOUS YEAR RS.
SCHEDULE V				
INVESTMENTS (at cost) (Non Trade)	FACE			
LONG TERM, TRADE (UNQUOTED)	VALUE	NOS./UNITS		
EQUITY SHARES	RS.		RS.	RS.
EAST INDIAN PRODUCE LTD.	10	28,680	40,74,863	41,12,294
TECHNO STEEL (INDIA) (P) LTD.	50	2,500	1,25,000	1,25,000
JALDACCA TEA PLANTATIONS (P) LTD.	1,000	475	42,75,000	42,75,000
EAST INDIAN FATS & EDIBLES LTD.	10	9,050	90,500	90,500
TERAI ISPAT LTD.	10	20,000	2,00,000	2,00,000
ABHIJIT TEA CO. (P) LTD.	100	3,738	3,30,78,230	3,30,78,230
THE KHARIBARI TEA COMPANY LTD.	10	48,937	39,42,000	39,42,000
TERAI DOOARS TEA CO. (P) LTD.	10	1,44,000	14,40,000	24,00,000
SAYEDABAD TEA CO. LTD.	100	1,500	15,000	15,000
IN SUBSIDIARY COMPANY (UNQUOTED)				
MADHUKAMAL TEA INDUSTRY PVT. LTD.	10	24,91,500	-	3,20,15,775
SHORT TERM, NON TRADE (QUOTED)				
CENTRAL BANK OF INDIA		388	39,576	39,576
OTHERS (UNQUOTED)				
PRUDENTIAL ICICI FLOATING RATE FUND		4,24,000.718	50,00,000	50,00,000
HSBC LIQUID PLUS REGULAR FUND		7,22,759.898	75,72,500	75,72,500
JM AGRI & INFRASTRUCTURE FUND		2,50,000.000	25,00,000	25,00,000
KOTAK INDO WORLD INFRA FUND		2,50,000.000	25,00,000	25,00,000
HSBC LIQUID PLUS FUND		9,65,773.005	1,00,00,000	1,00,00,000
			7,48,52,669	10,78,65,875

	As at 31.03.2009		As at 31.03.2008	
	Book Value	Market Value	Book Value	Market Value
QUOTED INVESTMENTS	39,576	13,192	39,576	33,775

SCHEDULE VI
INVENTORIES

(As taken, valued & certified by the Management)

STOCK OF STORES & SPARE PARTS (at cost)	42,14,669	31,92,563
STOCK OF RAW MATERIALS (At Cost)	40,21,770	24,23,105
TEA (at prices since sold and/or estimated realisable value)	9,49,71,327	6,07,40,340
	10,32,07,766	6,63,56,008

**SCHEDULES FORMING PART OF BALANCE SHEET : 31st MARCH 2009**

SCHEDULE VII	CURRENT YEAR	PREVIOUS YEAR
SUNDRY DEBTORS	RS.	RS.
<i>(Unsecured, Considered Good)</i>		
Above Six Months	2,61,83,594	4,07,27,196
Other Debts	2,17,97,590	4,05,84,594
	<u>4,79,81,184</u>	<u>8,13,11,790</u>

SCHEDULE VIII
CASH & BANK BALANCES
BALANCE WITH SCHEDULED BANKS

In Current Accounts	6,70,869	3,11,179
In Fixed Deposit Account	22,93,700	20,76,464
Interest Accrued on Fixed Deposits	6,87,507	6,42,299

CASH IN HAND	5,80,395	13,63,847
	<u>42,32,471</u>	<u>43,93,789</u>

SCHEDULE IX
LOANS AND ADVANCES
*(Unsecured, Considered Good)*Advance Recoverable in cash or in kind or
for value to be received or adjusted

i) Income Tax Advance (including TDS)	18,03,473	9,70,615
ii) Other Advances	20,38,35,278	20,93,51,403
iii) Central Excise Balance	94,431	1,61,163
iv) Prepaid Expenses	4,53,260	4,47,022
v) Security Deposits	71,769	71,769
	<u>20,62,58,211</u>	<u>21,10,01,972</u>

SCHEDULE X**CURRENT LIABILITIES & PROVISIONS****A. CURRENT LIABILITIES :**

Sundry Creditors	3,65,40,631	2,32,80,258
Temporary Bank Overdraft	12,00,341	4,12,43,676
Advances From Customers	1,68,70,930	1,12,19,868

B. PROVISIONS :

i) for Income Tax	14,10,000	14,10,000
ii) for Deferred Tax	27,55,000	20,55,000
iii) for Fringe Benefit Tax	11,50,000	7,00,000
iv) for Bonus	20,25,000	17,05,000
v) for Gratuity	41,39,000	41,39,000
	<u>6,60,90,902</u>	<u>8,57,52,802</u>

SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT : 31st MARCH 2009

	CURRENT YEAR RS.	PREVIOUS YEAR RS.
SCHEDULE XI		
OTHER INCOME		
Liability No Longer Required w/back	28,37,913	99,42,642
Miscellaneous Income	10,552	3,88,405
Interest Received	2,89,997	2,31,891
Tea Board Orthodox Subsidy	4,56,827	5,58,450
Profit on Sale of Fixed Assets	1,00,742	-
Sale of Scrap	3,37,990	16,598
Income From Mutual Funds	2,49,194	72,419
Compensation Received	-	2,50,00,000
	<u>42,83,215</u>	<u>3,62,10,405</u>
SCHEDULE XII		
PERSONNEL EXPENSES		
Salaries, Wages, Bonus, Gratuity, etc.,	2,79,35,742	2,25,34,890
Staff & Labour Welfare Expenses	8,11,738	8,74,343
Contribution to Provident and other Funds	8,67,763	9,39,658
Plantation Maintenance	32,45,643	60,82,019
	<u>3,28,60,886</u>	<u>3,04,30,910</u>
SCHEDULE XIII		
PACKING & SELLING EXPENSES		
Freight & Transport Charges	1,89,182	2,80,346
Warehousing & Packing Expenses	25,77,210	23,33,294
Brokerage & Other Sale Charges	65,12,576	42,12,402
	<u>92,78,968</u>	<u>68,26,042</u>
SCHEDULE XIV		
REPAIRS & MAINTENANCE		
REPAIRS TO		
Plant & Machinery	17,49,945	11,17,286
Building & Roads	4,03,214	4,79,424
Others	9,12,197	8,21,356
	<u>30,65,356</u>	<u>24,18,066</u>

**SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT : 31st MARCH 2009**

	CURRENT YEAR RS.	PREVIOUS YEAR RS.
* SCHEDULE XV		
ADMINISTRATIVE EXPENSES		
Bank Charges	5,87,356	5,85,320
Rates & Taxes	2,70,599	1,86,233
Insurance	5,66,063	6,68,781
Miscellaneous Expenses	21,83,965	21,63,827
Travelling Expenses	51,10,540	34,32,731
Postage, Telegram & Telephone	5,24,278	5,09,656
Printing & Stationery	4,47,403	4,57,943
Legal & Professional charges	12,96,393	11,31,396
Directors' Remuneration	6,00,000	6,00,000
Advertisement	2,86,982	2,45,932
Auditors' Remuneration		
As Audit Fees	70,000	70,000
As Tax Audit Fees	12,500	12,500
For Other Matters	29,860	1,12,100
Subscription & Donation	5,90,533	2,64,265
Listing Fee	6,60,000	-
Keyman Insurance Premium	21,47,500	21,47,500
	<u>1,53,83,972</u>	<u>1,25,88,184</u>

SCHEDULE FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT**SCHEDULE XVI
NOTES ON ACCOUNT****1. Gratuity:**

The Company has provided for gratuity on the basis of actuarial valuation.

2. Earnings and expenditure in Foreign Exchange (Rs. in Lakhs)

(i) Earnings: Sales (FOB Value): Rs. NIL (Rs. NIL)

(ii) Expenditure (Others): Rs. 12.18 (Rs. 1.23)

3.a) Quantitative information:

Manufactured Item: Tea

Licensed Capacity: Not Applicable

Installed Capacity: (In kg): 1,00,00,000 (1,00,00,000)

Particulars	Opening Stock		Production	Sales		Closing Stock	
	QTY (KGS.)	RS. (LAKHS)	KGS.	KGS.	RS. (LAKHS)	QTY (KGS.)	RS. (LAKHS)
TEA							
CURRENT YEAR	7,61,265	607.40	62,26,402	58,95,746	4345.55	11,71,644	949.71
PREVIOUS YEAR	(8,78,712)	(576.49)	(58,15,778)	(59,33,225)	(3039.45)	(7,61,265)	(607.40)

b. Quantitative Information of Tea Traded :

Particulars	Purchase		Sales		Closing Stock	
	Kgs.	Rs. Lakhs	Qty Kgs.	Rs. Lakhs	Kgs.	Rs. Lakhs
Tea	79723	32.28	11830	4.73	67893	27.56

* Sales quantity includes complimentary, sample, tea waste and shortage etc.

c) Quantitative Information of other items:

Items	Current Year Sales			Last year
	Quantity	Unit	Value (Rs. in Lakhs)	Quantity/ value
Green Leaves	39,175	Kgs.	5.55	-
Clonal Cuttings	31,50,000	Pcs.	64.06	-
Shade Tree Saplings	2,25,000	Pcs.	10.85	-

4. Consumption of Raw Materials:

	Quantity (Kgs.)		Value (Rs. Lacs)	
	Current Year	Previous Year	Current Year	Previous Year
i) Green Leaf				
a) From own tea garden	20,56,281	19,95,388	NA	NA
b) Purchase from outside	2,21,89,190	2,05,97,905	2623.28	1496.38
ii) Tea	8,26,214	7,81,060	288.80	220.60

SCHEDULE FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT
5. Consumption of Stores & Spares :

	Current Year		Previous Year	
Particulars	AMT (Rs.' 000)	% OF TOTAL	AMT (Rs.' 000)	% OF TOTAL
Imported	Nil	Nil	Nil	Nil
Indigenous	15,337	100%	14,115	100%

6. No provision for contingent liability in respect of the following has been made in the accounts:-

- (a) Outstanding Bank Guarantees amounting to Rs. 82.11 Lakhs (Rs. 105.52 lakhs)
 - (b) Guarantees to Banks/ other institutions for limits in favour of associate companies Rs. 653.91 lakhs (Rs. 721.86 lakhs).
 - (c) In respect of Capital Contract net of advances Rs. 18.88 lakhs (Nil)
7. The company has accounted for Agricultural Income Tax on cash basis. Total Agricultural Income Tax liability including interest payable thereon not accounted for aggregate Rs. 56.28 lakhs (Rs. 62.20 lakhs). However, in terms of settlement scheme dated 5th July 2007 of the Government of West Bengal, the total liability would be restricted to Rs. 15.57 lakhs, if paid in terms of the scheme.
8. The Company acquired by way of purchase Dharnipur Tea Estate as a going concern from its owner Sri Dharendra Nath Bhowmick (since deceased) and Dharnipur Tea Industries (P) Ltd. as confirming party and the Deed of Conveyance was duly executed and registered in the name of the Company. The said Deed of Conveyance was cancelled in view of pending dispute between the seller and another party. However the agreement for purchase of the said Tea Estate subsists and is subject matter of a specific performance suit pending before Hon'ble Calcutta High Court. The Company is not in possession of the said Tea estate and has accordingly not accounted for the profit and/or loss on account of the operation or ownership of the said Tea Estate. The value of Dharnipur Tea Estate represents the costs paid at the time of purchase and the legal expenses incurred therefore.
9. As per Accounting Standard 18, issued by the Institute of Chartered Accountants of India, the disclosure of transactions with the related parties as defined in the Accounting Standard are given below.

SCHEDULE FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT

i) List of related parties with whom transactions have taken place and relationships:

Sl No.	Name of related party	Nature of relationship
1	East Indian Produce Limited	Associates Companies
2	Jaldacca Tea Plantations Private Limited	
3	Abhijit Tea Company Private Limited	
4	Terai Infrastructures Limited	
5	Terai Ispat Limited	
6	Terai Dooars Tea Company Private Limited	
7	Sayedabad Tea Company Limited	
8	Terai Jute Pvt. Limited	
9	Terai Financial Services (P) Ltd.	
10	The Kharibari Tea Company Limited	
11	Terai Overseas Limited	
12	Terai Resorts & Country Club (P) Ltd.	
13	Kanchaanview Tea Estate	Enterprises of Key Management Persons
14	Ajit Kumar Agarwala & Others (HUF)	
15	Sri Ajit Kumar Agarwala	Key Management Persons
16	Smt. Shashikala Agarwala	

ii) During the year the following transactions were carried out with related parties in the ordinary course of business- (Rs. In lakhs)-

Name of Related Party	Subsidiary		Associates		Key Managerial Personnel		Enterp./ Relatives of K.M.P	
Name of Transactions	31.03.09	31.03.08	31.03.09	31.03.08	31.03.09	31.03.08	31.03.09	31.03.08
Sales Services & other income	-	-	8.37	0.81	-	-	-	-
Purchase of goods & services	-	0.12	83.36	28.28	-	-	0.24	0.18
Managerial remuneration	-	-	-	-	6.00	6.00	-	-
Advances Given	-	43.90	1646.17	975.58	0.50	74.48	27.10	139.03
Advances recovered	-	22.00	1534.42	939.73	10.00	77.99	26.45	150.83
Year End Balances of Advances	-	36.49	1530.71	1439.11	0.50	1.00	113.39	112.74
Max. Amt. Outstanding During the Year	-	53.48	2202.46	2139.51	1.50	24.24	115.84	215.59

SCHEDULE FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT

10. As the Company business activity falls within a single primary business segment viz. Tea plantation and production, disclosure requirement of Accounting Standards (AS-17) "Segment Reporting" issued by the Institute of Chartered Accountants of India are not applicable.
11. Managerial Remuneration-
Calculation of Managerial Remuneration under Section 198 of the Companies Act, 1956 :—

Particulars	Current year	Previous year
Profit before Taxation as per Profit & Loss Account	56,06,350	40,29,912
Less: Profit on sale of fixed assets	-	-
Net Profit(Loss) u/s 349 of the Companies Act 1956	56,06,350	40,29,912
Add: Directors Remuneration	6,00,000	6,00,000
Net Profit u/s 198 of the Companies Act 1956	62,06,350	46,29,912
Maximum Remuneration allowable (as per part II of Schedule XIII of Companies Act, 1956)	6,00,000	6,00,000

12. Deferred Tax liability relate to the fixed assets depreciation.

13. Earnings per share-

Particulars	Current year	Previous year
Numerator		
Net Profit as disclosed in Profit & Loss Account (in lacs)	56.06	40.30
Denominator		
Weighted average no. of Equity Shares	69,00,780	68,90,103
Basic Earning Per Share (EPS)		
(Face value of Rs. 10/- each)	0.81	0.58

SCHEDULE FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT

14. During the period the Company acquired and sold units of mutual fund on various dates as follows-

SCHEME	OPENING		PURCHASES		SOLD		CLOSING	
	UNITS	VALUE	UNITS	VALUE	UNITS	VALUE	UNITS	VALUE
HSBC LIQUID PLUS -INST GROWTH	9,65,773.005	1,00,00,000	-	-	-	-	9,65,773.005	1,00,00,000
PRUDENTIAL ICICI FLOATING RATE FUND-GROWTH	4,24,000.718	50,00,000	-	-	-	-	4,24,000.718	50,00,000
HSBC LIQUID PLUS-REGULAR GROWTH	7,22,759.898	75,72,500	-	-	-	-	7,22,759.898	75,72,500
KOTAK INDO WORLD INFRA.FUND - DIVIDED	2,50,000.000	25,00,000	-	-	-	-	2,50,000.000	25,00,000
J.M AGRI & INFRASTRUCTURE FUND GROWTH	2,50,000.000	25,00,000	-	-	-	-	2,50,000.000	25,00,000
Total	26,12,533.621	2,75,72,500	-	-	-	-	26,12,533.621	2,75,72,500

15. The company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures relating to amounts unpaid as at the year end together with interest paid / payable under this Act have not been given.

16. The company sold its entire share holding in its subsidiary company Madhukamal Tea Industry Private Limited during the year.

In Terms of our Report of Even Date

For **P. K. Shah & Co.**
Chartered Accountants

P. K. Shah
Partner
Membership No. 14740
Hill Cart Road
Siliguri-734 001
Dated : June 22, 2009

For and on behalf of the Board of Directors
Terai Tea Company Limited

Shashikala Agarwala **Ajit Kumar Agarwala**
Director *Managing Director*

Isha Saraf
Company Secretary

SCHEDULE FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT**SCHEDULE XVII****SIGNIFICANT ACCOUNTING POLICIES****A. BASIS OF PREPARATION OF FINANCIAL STATEMENTS :**

The financial statements are prepared on accrual basis and under the historical cost convention and in accordance with the generally accepted accounting principles in India and the provisions of the Companies Act, 1956.

B. USE OF ESTIMATES :

The preparation of financial statements require estimates and assumptions to be made that affect the reported amount of assets & liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Differences between the actual results and the estimates are recognized in the period in which results are known/ materialized.

C. FIXED ASSETS :

Fixed assets are stated at cost net of modvat/ cenvat/ value added tax and include amounts added on revaluation, less accumulated depreciation. In the case of acquisition of Dharnipur Tea Estate, all expenses incurred on litigations are capitalized.

D. DEPRECIATION :

- a. Depreciation on fixed assets is provided on written down value method at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956.
- b. Freehold land and plantation is not depreciated.
- c. Depreciation on the revalued portion is debited to Revaluation Reserve.

E. INVESTMENTS :

Investments are classified into current and long-term investments. Current investments are stated at the lower of cost and fair value. Long-term investments are valued at their acquisition cost. Any decline in the value of the said investment, other than a temporary decline, is recognised and charged to profit and loss account.

F. INVENTORY :

- a. Stock of stores, spares part and food stuff have been taken on the basis of physical verification conducted by the management at the year end and valued at cost which is arrived at on FIFO method.
- b. Stock of tea produced is valued on since sold &/or estimated sales realization basis.

G. TURNOVER :

Turnover includes sale of goods, services, service tax, and excise duty, adjusted for discounts (net).

H. RETIREMENT BENEFITS:

Company's contributions to Provident Fund are charged to Profit & Loss Account. In respect of Gratuity, liability has been provided for on the basis of actuarial valuation and in respect of leave encashment benefits, the Company accounts for the same on cash basis and neither the liability is actuarially determined at the end of accounting period nor any provision made for accrued liability.

I. BORROWING COSTS :

Borrowing costs are expensed in the accounting period in which it is incurred except where the cost is incurred during the construction of an asset that takes a substantial period to get ready for its intended use in which case it is capitalised. Borrowing cost is net of subsidy on interest received/receivable as per the Incentive Scheme of the Government.

J. PROVISION FOR CURRENT & DEFERRED TAX:

Tax expense comprises of both current tax and deferred tax. Deferred tax reflects the effect of temporary timing differences between the assets and liabilities recognised for financial reporting purposes and the amounts that are recognised for current tax purposes. As a matter of prudence deferred tax assets are recognised and carried forward only to the extent, there is certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

K. SUBSIDIES AND INCENTIVES :

Subsidies receivable on account of capital assets or of revenue nature are accounted for on the basis of claims made with the concerned authorities.

In Terms of our Report of Even Date

For P. K. Shah & Co.
Chartered Accountants

P. K. Shah
Partner
Membership No. 14740
Hill Cart Road
Siliguri-734 001
Dated : June 22, 2009

For and on behalf of the Board of Directors
Terai Tea Company Limited

Shashikala Agarwala **Ajit Kumar Agarwala**
Director *Managing Director*

Isha Saraf
Company Secretary

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**
(As per Schedule VI part (iv) of the Companies Act. 1956)**I Registration Details**

Registration No.	29009	State Code	21
Balance Sheet Date	31/03/2009		

II Capital raised during the year (Amount in Rs. Thousands)

Public Issue	Nil	Right Issue	Nil
Bonus Issue	Nil	Private Issue	Nil

III Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities	6,20,160	Total Assets	6,20,160
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Sources of Funds

Paid up Capital	69,008	Reserves & Surplus	3,03,228
Secured Loan	1,68,420	Unsecured Loan	79,504

Application of Funds

Net Fixed Assets	2,48,779	Investments	74,852
Net Current Assets	2,95,589	Misc. Expenditure	940
Accumulated Losses	Nil		

IV Performance of the company (Amount in Rs. Thousands)

Turnover	4,46,885	Total Expenditure	4,41,278
Profit / Loss Before Tax	5,606	Profit after Tax	4,065
Earning per Share (in Rs.)	0.81	Dividend Rate %	Nil

V Generic Names of three Principal Products / Services of Company (as per Monetary terms)

Items Code No. (ITC Code)	090240.02
Product Description	BLACK TEA

For and on behalf of the Board of Directors
Terai Tea Company Limited

Shashikala Agarwala
Director

Ajit Kumar Agarwala
Managing Director

Registered Office :
11, Government Place (East)
Kolkata-700 069

Isha Saraf
Company Secretary

Dated : June 22, 2009

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2009

	<u>Year Ended</u> <u>31.03.2009</u> Amount(Rs)	<u>Year Ended</u> <u>31.03.2008</u> Amount(Rs)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax	56,06,347	40,29,912
Adjustments - Add/(Less)		
Depreciation	2,16,36,930	2,32,07,426
Investment income	(5,39,191)	(3,04,310)
Financial Expenses	2,36,94,402	2,67,45,889
Profit on sale on Fixed Assets	(1,00,742)	4,96,49,005
Operating profit before working capital changes	5,02,97,746	5,36,78,917
Adjustments - Add/(Less)		
Trade & Other Receivables	3,33,30,607	(1,79,53,037)
Inventories	(3,68,51,758)	(36,14,164)
Trades payable	(2,08,11,900)	(2,42,81,760)
Loans & Advances	55,76,619	(1,87,56,432)
	(2,00,06,554)	(6,58,55,515)
Cash generated from operations	3,15,41,314	(1,21,76,598)
Interest paid	(2,36,94,402)	(2,67,45,889)
Direct Taxes paid	(12,24,536)	(1,81,394)
NET CASH FROM OPERATING ACTIVITIES	66,22,376	(3,91,03,881)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(1,50,68,821)	(46,07,015)
Capital investment & Development subsidy	10,87,607	
Interest & Dividend Received	5,39,191	3,04,310
Profit on sale of Fixed Assets	1,00,742	
Increase in Investments	3,30,13,206	1,96,71,925
NET CASH USED FOR INVESTING ACTIVITIES	1,96,71,925	(42,66,578)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Receipts from Issue of shares	5,33,850	
Increase in borrowings	(2,69,89,469)	(2,64,55,619)
NET CASH FLOW FROM FINANCING ACTIVITIES	(2,64,55,619)	4,29,19,997
D. NET CHANGES IN CASH & CASH EQUIVALENTS (A+B+C)	(1,61,318)	(4,50,457)
E. CASH & CASH EQUIVALENTS-OPENING BALANCE	43,93,789	48,44,246
F. CASH & CASH EQUIVALENTS-CLOSING BALANCE	42,32,471	43,93,789



The aforesaid statement is prepared on Indirect Method.

The Figures of the previous year have been re-classified to conform to current year.

For and on behalf of the Board of Directors
Terai Tea Company Limited

Shashikala Agarwala
Director

Ajit Kumar Agarwala
Managing Director

Registered Office :
11, Government Place (East)
Kolkata-700 069

Dated : June 22, 2009

Isha Saraf
Company Secretary

AUDITORS' CERTIFICATE

We have examined the attached Cash Flow Statement of Terai Tea Company Limited for the year ended 31st March 2009. The Statement has been prepared in accordance with the requirements of listing agreements and is based on a agreement with the corresponding Profit and Loss Account and Balance Sheet of the Company Covered by our report of 22nd June 2009 to the members of the Company.

This is the Cash Flow Statement referred to in our report of even date

Hill Cart Road
Siliguri-734 001
Dated : June 22, 2009

FOR P. K. Shah & Co.
Chartered Accountants

P. K. Shah
Partner
Membership No. 14740



TERAITEA COMPANY LIMITED
Regd. Office : 11, Government Place (East)
Kolkata – 700 069

PROXY

I/we.....of
being a member/
 members of TERA TEA COMPANY LIMITED hereby appoint.....
of.....
 or failing him.....of.....

as my/our proxy to attend and vote for me/us on my/our behalf at the 36th Annual General Meeting of the members of TERA TEA COMPANY LIMITED to be held at Registered office of the Company at 11, Govt. Place (East), Kolkata-700 069 on Wednesday, the 30th September, 2009, at 10.30A.M. and at any adjournment thereof :

Signed at.....this.....day of.....2009

Note : If a member is unable to attend the meeting, he may sign this form and send it to the Company at its Registered Office so as to reach the Company not less than 48 hours before the time of holding meeting.

Affix Re. 1/-
 Revenue
 Stamp



TERAITEA COMPANY LIMITED
Regd. Office : 11, Government Place (East)
Kolkata – 700 069

ATTENDANCE SLIP

Name of the shareholoder/proxy*	Folio No. No. of Shares held
---------------------------------	-------------------------------------

I hereby record my presence at the 36th Annual General Meeting held at Registered office of the Company at 11, Govt. Place (East) Kolkata- 700 069 on Wednesday, the 30th September, 2009 at 10.30A.M.

SIGNATURE OF THE SHAREHOLDER/ PROXY*

*Strike out whichever is not applicable.

Note. : Please handover the slip at the entrance of the meeting venue.

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TERAI TEA COMPANY LIMITED

11, Government Place (East), Kolkata-700 069.