

# **Longview Tea Company Limited**

**Annual Report  
for the year ended 31st March, 2011**

**BOARD OF DIRECTORS**

P. K. Daga  
Y. K. Daga  
D. P. Birla  
M. K. Agarwal

**AUDITORS**

Lodha & Co.  
Chartered Accountants

**REGISTERED OFFICE**

16, Hare Street  
Kolkata - 700 001

**REGISTRAR & SHARE**

**TRANSFER AGENT**

Maheshwari Datamatics Pvt. Ltd.

6, Mangoe Lane

Kolkata - 700 001

Ph : 2243-5029/5809, 2248-2248

Fax : 2248-4787

e-mail : mdpl@cal.vsnl.net.in

## NOTICE

NOTICE is hereby given that the Annual General Meeting of the members of Longview Tea Company Limited will be held at Committee Room of Calcutta Chamber of Commerce at 18H, Park Street, Kolkata-700 071 on Thursday, the 25th August, 2011 at 10.30 A.M to transact the following business :

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the company as at 31st March, 2011 and Profit & Loss Account for the year ended as on that date together with the reports of the Directors' and Auditors' thereon.
2. To appoint a Director in place of Shri Y. K. Daga, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri D. P. Birla, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration.

### SPECIAL BUSINESS

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

Resolved that pursuant to the provisions of section 163 of the Companies Act, 1956, the Company hereby approves that the Register of Members, the index of members, the register and index of debenture holders and copies of all annual returns prepared under section 159 of the Act together with the copies of certificates and documents required to be annexed thereto under section 161 of the Act, or any one or more of them, be kept at the office of the Company's Share Registrar and Transfer Agent M/s. Maheshwari Datamatics Private Limited, 6, Mangoe Lane, 2nd Floor, Kolkata-700 001 instead of being kept at the Registered office of the Company.

*Regd. Office :*  
16, Hare Street,  
Kolkata - 700 001  
Date : 25th May, 2011

By Order of the Board  
D. P. Birla  
Director

### Notes :

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME OF COMMENCEMENT OF THE MEETING.**
2. Register of Members and Share Transfer books shall remain closed from 23rd August, 2011 to 25th August, 2011 (both days inclusive).
3. Members/Proxies should fill the attendance slip for attending the meeting.
4. Members are requested to notify any change in their address recorded with the Company to the Registrar & Share Transfer Agent M/s. Maheshwari Datamatics Pvt. Ltd., 6, Mangoe Lane, Kolkata - 700 001.
5. Members are requested to notify any change in their address recorded with the Company to the Company's Registrar.
6. All documents referred to in the notice and explanatory statement to this notice are open for inspection of members at the registered office of the Company during office hours on all working days except Saturday between 11.00 A.M. to 1.00 P.M. up to the date of Annual General Meeting of the Company.
7. Members are requested to get their shareholding in the Company dematerialized for proper communication with them. Members are also requested to furnish their email address to their respective DP to enable the Company to communicate electronically and send their consent for the same to the Company's Registrar and/or to the Company.
8. Members holding physical share Certificates are requested to inform to the Company's Registrar their email address and send their consent to communicate electronically.
9. Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 is annexed.

**ANNEXURE TO THE NOTICE**

Explanatory Statement pursuant to Section 173 of the Companies Act, 1956

Relating to item No.5

Under section 163 of the Companies Act, 1956, certain documents which are normally required to be kept at the registered office of the Company may be kept at any other place if such other place has been approved by a special resolution passed by the Company in general meeting.

Since the Company has appointed M/s. Maheshwari Datamatics Private Limited, 6, Mangoe Lane, 2nd Floor, Kolkata-700 001 its share Registrar and Transfer Agents for both physical and demat form, it is convenient for the Company as well as for the members of the Company that the Company's Register of Members, the index of members, the register and index of debenture holders and copies of all annual returns prepared under section 159 of the Act together with the copies of certificates and documents required to be annexed thereto under section 161 of the Act, or any one or more of them, be kept at the office of the Company's Share Registrar and Transfer Agent M/s. Maheshwari Datamatics Private Limited, 6, Mangoe Lane, 2nd Floor, , Kolkata-700 001 instead of being kept at the Registered office of the Company.

Approval of the members is sought, in terms of section 163 of the Companies Act, 1956, for shifting of the Company's registers of members and debenture-holders and other returns, books, certificates and documents pertaining thereto to the proposed new location at M/s. Maheshwari Datamatics Private Limited, 6, Mangoe Lane, 2nd Floor, Floor, Kolkata-700 001. The said Registers etc shall be moved from the date of the passing of this resolution in the general meeting of the Company.

None of the directors is concerned or interested in this resolution.

**Information required to be furnished under clause 49 of the Listing  
Agreement in respect of the Appointment/Re-appointment of the Directors**

<b>Name of the Director</b>	<b>Shri Yashwant Daga</b>
<b>Date of Birth</b>	07/03/1961
<b>Date of Appointment</b>	01/01/1992
<b>Qualification</b>	B.Com (Hons.)
<b>Expertise</b>	Shri Yashwant Daga is an Industrialist with varied experience of over 24 years particularly in Tea, Textiles, Spinning, Hydro Power and Engineering. He has served on elected committee of Tea Association of India and Indian Chambers of Commerce, Kolkata. He has served as Chairman of the Governing Body of Darjeeling Planters' Association' besides being its elected member for many years.

Directorship in other Companies as on March 31, 2011	<ol style="list-style-type: none"> <li>1. Brua Hydrowatt Pvt. Ltd.</li> <li>2. Contransys Pvt. Ltd.</li> <li>3. Deepak Gears Ltd.</li> <li>4. Deepak Spinners Ltd.</li> <li>5. Jalpaiguri Holdings Pvt. Ltd.</li> <li>6. Merlin Holdings Pvt. Ltd.</li> <li>7. Narsingh Holdings Pvt. Ltd.</li> <li>8. Solding Hydrowatt Pvt. Ltd.</li> <li>9. DSL Hydrowatt Ltd.</li> <li>10. HGI Industries Ltd.</li> <li>11. Mint Investments Ltd.</li> </ol>
Membership/Chairmanship in Public Companies as on March 31, 2011	Membership in the Audit Committee, Remuneration Committee and Shareholders/Investors Grievance Committee in Deepak Spinners Limited.
	Membership in Audit Committee and Share Transfer and Shareholders Committee in HGI Industries Limited.
	Membership in the Audit Committee and Shareholders/Investors Grievance Committee in Mint Investments Limited
Number of shares held	190100
Relationship with other Director	Son of Shri Pradip Kumar Daga, Director
Name of the Directors	Shri Durga Prasad Birla
Date of Birth	17/12/1926
Date of Appointment	07/09/2002
Qualification	Class -VIII
Expertise	Trading and Exports for over 50 years
Directorship in other Companies as on March, 2011	Manglam Products Limited Jalpaiguri Holding Private Limited
Membership/Chairmanship in Public Companies as on March 31, 2011	Nil
Number of shares held	Nil
Relationship with other Director	No

## DIRECTORS' REPORT

### TO THE SHAREHOLDERS

Your Directors are pleased to present the Annual Report along with the Audited Accounts of the Company for the year ended 31st March, 2011

### FINANCIAL RESULTS

Particulars	(Rs.)
Profit/(Loss) before Tax	77,74,974
Tax	14,41,480
Profit after Tax	63,33,494
Balance brought forward from previous year	(2,58,11,635)
Balance Carried Forward	1 (1,94,78,141)

### DIVIDEND

In view of accumulated losses, your Directors regret their inability to recommend any dividend.

### DIRECTORS

Sarvashri Y. K. Daga and D.P. Birla retire at the forthcoming Annual General Meeting and being eligible offers themselves for re-appointment..

### AUDITORS AND AUDITORS' REPORT

The Retiring Auditors M/s Lodha & Co., Chartered Accountants, Kolkata retire at the forthcoming Annual General Meeting and being eligible, offers themselves for re-appointment.

The notes on accounts appearing in Schedule to the accounts and referred to in the Auditors' Report are self-explanatory and therefore, do not call for any further comments or explanations.

### CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION ANALYSIS REPORT

A report on Corporate Governance and Management Discussion and Analysis as per Clause 49 of the Listing Agreement with Stock Exchange is attached.

### DIRECTORS RESPONSIBILITY STATEMENT

Your Directors confirm :

1. That in the preparation of the Annual Accounts, the applicable accounting standards have been followed.
2. That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give 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 that period.
3. That Directors have taken and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and detecting fraud and other irregularities..

4. That the Directors have prepared the annual accounts on a going concern basis.

**ADDITIONAL INFORMATION**

Since the Company is not into any manufacturing activities at present, particulars as required under Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 are not applicable.

**PARTICULARS OF EMPLOYEES**

There are no employees drawing remuneration prescribed under the provisions of Section 217(2A) and rules framed there under.

**ACKNOWLEDGEMENT**

Your Directors record their appreciation of assistance and co-operation extended to the Company by the bankers and other authorities. Your Directors are also thankful to all the employees for their co-operation and devoted efforts.

*Regd. Office :*  
16, Hare Street,  
Kolkata - 700 001  
Dated : 25th May, 2011

P. K. DAGA  
D. P. BIRLA  
M. K. AGARWAL  
*Directors*

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

### **INTERNAL CONTROL SYSTEM AND ADEQUACY**

Company's well defined organizational structure, authority levels and a well-established system of internal control ensures optimum utilization and conservation of resources. Company has adequate system of internal control in place.

### **FINANCIAL PERFORMANCE**

The report of the Board of Directors may be referred to on financial performance.

### **HUMAN RESOURCES**

The development of human resources is a key strategic challenge in order to prepare people for future responsibilities in terms of professional skills as well as business skills.

### **CAUTIONARY STATEMENT**

Statements in the Management Discussion and Analysis Report describes the Company objectives, projections, estimates. Expectations or predictions may be "forward looking statement" within the meaning of applicable security laws or regulations. These statements are based on certain assumptions and expectations of future events. Actual results could however, differ materially from those expressed or implied.



## REPORT ON CORPORATE GOVERNANCE

### COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

The Company believes in adopting the best practices in the area of Corporate Governance Practice.

### BOARD OF DIRECTORS

#### COMPOSITION, OUTSIDE DIRECTORSHIPS, AND ATTENDANCE AT THE BOARD MEETING

The Board of Directors of the Company consists of non executive Promoter Chairman and others non-executive Directors with fifty percent of the Directors being independent Directors.

Category & Name of the Director	Directorship in other Companies		No. of Committee membership(s) Chairmanship of Board Committee in other Companies	
	As Director *	As Chairman	As Member	As Chairman
<b>Promoter Non-executive Director</b>				
P. K. Daga	4	2	7	1
Yashwant Daga	11	NIL	7	NIL
<b>Independent Non-executive</b>				
D. P. Birla	2	NIL	NIL	NIL
Manoj Kumar Agarwai	5	NIL	NIL	NIL

\* excludes alternate Directorships , Directorship in foreign Companies and Companies formed under section 25 of the Companies Act, 1956.

Shri Pradip Kumar Daga and Shri Yashwant Daga are related to each other and no other Director is related to other. Shri Pradip Kumar Daga is the father of Shri Yashwant Daga.

### BOARD MEETINGS

Dates for the Board meeting are decided well in advance and communicated to the Directors. The Agenda along with the notes are sent in advance to the Board members.

The Board of Directors met Four times during the year respectively on 31st May,2010, 13th August,2010, 9th November,2010, and 9th February, 2011

Name of the Director	No. of Board Meetings Attended	Attended Last AGM
P. K. Daga	4	Yes
Yashwant Daga	4	Yes
M. K. Agarwai	3	No
D. P. Birla	4	No

Shareholding of the non-executive Directors in the Company as on 31st March, 2011

Name of the Director	No of equity shares held as on 31st March, 2011
Shri Pradip Kumar Daga	508759
Shri Yashwant Daga	190100
Shri Durga Prasad Birla	-
Shri Manoj Kumar Agarwal	-

The information as required under Annexure IA to clause 49 of the listing agreement is being made available to the Board. The Board periodically reviews compliance Report of all laws applicable to the Company. Steps are taken by the Company to rectify instances of non-compliance, if any.

The Company has adopted Code of Conduct and Ethics for Directors and senior Management Personnel of the Company. The Company has received confirmations from the Directors as well as Senior Management Personnel regarding compliance of the Code during the year under review.

Shri O.P.Dokania, CEO has given a certificate to the Board of Directors in pursuance of Clause 49 I(D) of the Listing Agreement with the Stock Exchanges.

**DECLARATION BY THE CEO UNDER CLAUSE 49 OF THE LISTING AGREEMENT REGARDING ADHERENCE OF THE CODE OF CONDUCT.**

In accordance with Clause 49 sub-clause I(D) of the Listing Agreement with the Stock Exchanges. I hereby confirm that all the Directors and the Senior Management personnel of the Company have affirmed compliance to Code of Conduct and Ethics for the Financial Year ended 31.03.2011.

Kolkata, 25th May, 2011

O P Dokania  
Chief Executive

**AUDIT COMMITTEE**

The Audit Committee comprises of four non-executive directors. Shri. D.P.Birla, Chairman, Shri. P.K.Daga, Shri. Yashwant Daga and Shri. M.K.Agarwal as members. The Secretary of the Company acts as the secretary of the Committee.

The terms of reference of the Audit Committee are in conformity with the requirements as per clause 49 of the Listing Agreement with the Stock Exchanges. The audit committee inter-alia reviews annual financial statements, accounting policies, system of internal controls, reports of internal auditors, recommend the appointment of statutory auditors and oversees compliance with stock exchange and other legal requirements.

The Audit Committee met four times during the year on 31st May, 2010, 13th August, 2010, 9th November, 2010 & 9th February, 2011. The attendance of each member of the committee is given below. Statutory and Internal Auditors also try to attend the Meeting on the invitation of the Chairman of the meeting.

Name of the Director	No. of Board Meetings	
	Held	Attended
P. K. Daga	4	4
Yashwant Daga	4	4
D. P. Birla	4	2
Manoj Kumar Agarwal	4	4

**DETAILS OF REMUNERATION PAID TO DIRECTORS (01-04-2010 TO 31-3-2011)**

The Directors of the Company have been paid only sitting fees for attending meetings of the Board of Directors and Audit Committee.

**SHAREHOLDER /INVESTORS GRIEVANCES COMMITTEE**

The committee comprises of three non-executive Directors namely, Shri Pradip Kumar Daga, Chariman, Shri Yashwant Daga and Shri Durga Prasad Birla as members. and. Secretary of the Company acts as the secretary of the committee. The committee deals with the shareholder's complaints and grievance etc. As per the Certificates furnished by the Registrar & Share Transfer Agents M/S Maheshwari Datamatics private Limited , the Company received 7 investor complaints during the year ended 31st March, 2011 and there is no pending complaints as on 31st March, 2011.

The Committee did not met any time during the year.

**SHARE TRANSFER SYSTEM**

Share transfers are registered and returned within a period of 30 days from the date of receipt if the documents are clear in all respects as per provisions of listing agreement. The transfers are approved by the secretary/Director of the Company. The Company has authorized its Share Registrar and Transfer Agents to approve and Register the Transfer.

There was no pending request for share transfer etc. as on 31st March, 2011.

**SUBSIDIARIES COMPANIES**

The Company does not have any subsidiary Company.

**GENERAL BODY MEETINGS**

Locations, date and time of last three Annual General Meetings are as follows :

Year	Date	Time	Location
2007-08	20th September 2008	10.30 A.M.	Calcutta Chamber of Commerce 18H, Park Street, Kolkata - 700 071
2008-09	28th August 2009	10.30 A.M.	-do-
2009-010	31st July 2010	10.30 A.M.	-do-

No Extra – Ordinary General Meeting was held during the year

One Special Resolution was passed during last three Annual General Meeting.

No postal ballot process was conducted by the company to pass any resolution governed by postal ballot rules.

**DISCLOSURES**

The Company does not enter into any transaction of material nature with the related parties, which may have potential conflict with the interests of the Company. The Company has fully complied with all the requirements of regulatory authorities on Capital Markets and consequently, no penalties/ strictures have bee imposed against it during the last three years.

Details of related party transactions during the year ended the 31st March, 2011 have been set out under an appropriate note in Schedule to the Annual Accounts of the Company for the year ended 31st March, 2011. However, these transactions have no potential conflict with the interest of the Company at large.

Management Discussion and Analysis is a part of Annual Report. Shareholders information section forms part of the Annual Report

Reconciliation of Share Capital Audit is carried out by Practicing Company Secretaries to reconcile the total admitted capital with National securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) with the total issued and listed capital. The reconciliation audit confirms that the total issued /paid up capital is in agreement with the total number of shares in physical form and total number of dematerialized shares held with NSDL and CDSL.

### **MEANS OF COMMUNICATION**

There is no practice to send half-yearly report to each shareholder. Company is regularly publishing all its quarterly, half yearly and yearly results in print media in English and local language Bengal Leader and Dainik Lipi respectively which are widely circulated in West Bengal as well as Nationally.

The Company has no website to display the Quarterly Results, Official News; presentation made to the Investors/ Analysts and other stakeholders of the Company. It is in the process of creating the Website.

### **GENERAL SHAREHOLDERS INFORMATION**

- i) Date, time and venue of forthcoming AGM :
  - Date : Thursday, the 25th August, 2011
  - Time : 10.30 A.M.
  - Venue : Calcutta Chamber of Commerce
  - 18H, Park Street,
  - Kolkata - 700 071
- ii) Financial Calendar 2011-2012 (Tentative)
 

First Quarterly Results	- Before middle of August, 2011
Second Quarterly Results	- Before middle of November, 2011
Third Quarterly Results	- Before middle of February, 2012
Audited yearly Results for the year ended 31st March, 2012	- Before end of May, 2012
- iii) Book Closure Date : 23-08-2011 to 25-08-2011 (inclusive of both the days)
- iv) No Dividend has been declared for the year 2010-11 in the Board meeting.
- v) Listing on Stock Exchanges at : Calcutta, Bombay and Delhi Stock Exchanges.
- vi) Annual Listing fees has been paid for the year 2011-12.
- vii) ISIN No. of the Company INE696E01019.
- viii) Stock Codes
  - a. Calcutta Stock Exchange - 10022083
  - b. Bombay Stock Exchange - 526568
  - c. Delhi Stock Exchange - 7542

**MARKET PRICE DATA**

Month	Bombay Stock Exchange		
	High	Low	No. of Shares
April, 2010	19.15	17.00	82870
May, 2010	17.00	14.05	21430
June, 2010	15.48	14.25	95137
July, 2010	17.49	14.20	49400
August, 2010	15.40	13.60	114455
September, 2010	15.00	12.30	58316
October, 2010	15.00	12.95	88955
November, 2010	13.70	11.71	178154
December, 2010	13.35	11.00	54524
January, 2011	13.59	10.95	76044
February, 2011	11.52	9.75	19433
March, 2011	9.76	8.74	30790

There has been practically no trading of the Company's Share on other stock Exchanges. The performance of the Company's Shares can not be compared with the BSE Sensex for reasons of low liquidity.

**REGISTRAR AND TRANSFER AGENT :**

Maheshwari Datamatics Pvt.Ltd, 2nd floor

6, Mangoe Lane., Kolkata - 700 001

Phone : 033-2243-5809; 2243-5029

Fax : 033-2248-4787

E-mail : mdpl@cal.vsnl.net.in Website: www.mdpl.in

**PATTERN AND DISTRIBUTION OF SHAREHOLDING**

Category	No. of Shares held	% of total paid up Capital
Promoters & Promoters Group	1315309	43.77
Resident Individual	1446237	48.13
Financial Institution & Banks	72300	2.42
Insurance Companies	105000	3.49
Bodies Corporate	60854	2.03
Mutual Funds	4900	0.16
Clearing Member	200	0.00
<b>TOTAL</b>	<b>3004800</b>	<b>100.00</b>

From	To	No. of shares held	% of total paid up capital	No. of Shareholders	% of total no. of Shareholders
Up to	5000	1011466	33.6617	8510	96.8256
5001	10000	113735	3.7851	143	1.6270
10001	20000	86590	2.8817	58	0.6599
20001	30000	63550	1.1149	24	0.2731
30001	40000	21000	0.6989	6	0.0683
40001	50000	51409	1.7109	11	0.1252
50001	100000	55450	1.8454	8	0.0910
100001	above	1601600	53.3014	29	0.3300
	<b>Total</b>	<b>34004800</b>	<b>100.0000</b>	<b>8789</b>	<b>100.0000</b>

#### DEMATERIALISATION OF SHARES AND LIQUIDITY

The company's shares are available for dematerialization with CDSL only. The Company is in the process of making the application to NSDL for admitting the equity shares of the Company in their depository.

The equity shares of the Company are under compulsory Demat trading for all the categories of investors.. As on 31st March 2011, 17.72% equity shares of the Company stood dematerialized.

The Company has not issued any GDRs / ADRs/ Warrants or any Convertible instruments, which may have likely impact on Equity shares of the Company.

#### PLANT LOCATION

The Company has no plant.

#### ADDRESS FOR CORRESPONDENCE

Longview Tea Company Limited,  
16, Hare Street  
Kolkata – 700 001  
Phone Nos : 033-2248-2391/2/3  
Fax : 033-2248-9382  
E-mail : exports@contransys.com

#### CEO AND CFO CERTIFICATION

The Chief Executive Officer (CEO) of the Company gives the annual certification on the financial reporting and internal controls to the Board in terms of clause 49 of the listing agreement. The CEO and CFO also give quarterly certification on the financial results while placing the financial results before the Board in terms of clause 41 of the listing Agreement.

The Board of Directors at its meeting held on 25th May, 2011 adopted the above report

**AUDIT CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT**

The Members,  
Longview Tea Company Limited  
16, Hare Street,  
Kolkata 700 001

We have examined the compliance of the conditions of Corporate Governance of M/S Longview Tea Company Limited of 16, Hare Street, Kolkata 700001 for the year ended on 31st March, 2011, as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchange in India.

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

In our opinion and to the best of our information and explanation given to us, we hereby certify that the Company has complied with the conditions of Corporate Governance as stipulated in 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.

Place : Kolkata  
Date : 25th day of May, 2011

For **Drolia & Company**  
Company Secretaries  
Pravin Kumar Drolia  
*Proprietor*  
(CP 1362)

**AUDITORS' REPORT TO THE MEMBERS**

We have audited the attached Balance Sheet of **Longview Tea Company Limited** as at 31st March, 2011 and the Profit and Loss Account along with the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

- 1) As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, and on the basis of such verification of the books and records as considered appropriate and available and according to the information and explanations given to us, we report that :
  - i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - (b) The fixed assets are physically verified by the management which in our opinion is reasonable having regard to the size of the company and the nature of its fixed assets. As informed, no material discrepancies were noted on such verification.
  - (c) The Company has not disposed off substantial part of its fixed assets during the year.
- ii) The company does not have any inventory. Accordingly, the provision of Clause (ii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- iii) The company has not granted/taken any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly clause 4(iii) (b) to (g) of the Companies (Auditors' Report) Order, 2003 are not applicable.
- iv) The Company has no transactions for the purchase of inventory, fixed assets and sale of goods and services during the year. Accordingly clause 4(iv) of the Companies (Auditors' Report) Order, 2003 is not applicable.
- v) In our opinion and according to the information and explanations given to us, there were no transactions that need to be entered into the register in pursuance of section 301 of the Companies Act 1956. Therefore the provisions of clause 4(v) (b) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- vi) The Company has not accepted any public deposits during the year. Therefore, the provisions of the clause 4(vi) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- vii) No internal audit has been conducted during the year.
- viii) There is no requirement for maintenance of cost records under section 209(1)(d) of the Companies Act, 1956.
- ix) (a) According to the records of the Company, the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Investor Education & Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Customs Duty, Excise Duty, Cess and other statutory dues applicable to it. There is no such dues outstanding as on 31st March 2011 for a period of more than six months from the date these became payable.
- (b) According to the records of the Company, there are no undisputed dues of Wealth tax, Custom Duty and Cess except Income Tax, Sales tax, Excise Duty that have not been deposited on account of dispute as per the statement on disputed dues given as under. No details were made on available for our verification in respect of demand of Rs. 2,43,748/- on account of Agricultural Income Tax.



Particulars	Assessment Year	Amount (Rs.)	Forum where appeal is pending
Excise Duty	1999-2000	7,92,688	High Court, Calcutta
Sales Tax	1977-'78; '78-'79; '79-'80 & '80-'81	1,65,658	No details were made available as to the forum where appeal is pending
	1995-'96	3,08,095.51	Assistant Commissioner
	1998-'99	19,34,613.28	Assistant Commissioner
	2000-'01	1,46,090	Tribunal

- x) Based on the financial statements covered pursuant to this report, the accumulated losses of the Company has not exceeded 50% of its net worth at the end of the financial year and the Company has not incurred cash losses during the financial year but has incurred cash losses in the immediately preceding financial year.
  - xi) The Company has not borrowed any money from banks, financial institution and against debentures and as such the provisions of the clause 4(xi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
  - xii) The Company has not granted any loans and advances on the basis of security provided by way of pledge of shares. Accordingly, the provisions of clause 4(xii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
  - xiii) According to the information and explanations given to us, the Company is not a chit fund or a nidhi mutual benefit fund/society. Accordingly, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
  - xiv) In respect of investments made by the Company in Shares, Securities, Debentures, etc. proper records have been maintained. These investments are held in the name of the Company except for 600 shares of Deepak Spinners Ltd.
  - xv) According to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions and as such the provisions of clause 4(xv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
  - xvi) In our opinion and according to the information and explanations given to us, the Company has not obtained any term loans during the year. Accordingly, the provisions of clause 4(xvi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
  - xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, no short-term funds have been used for long term investments during the year.
  - xviii) The Company has not made any preferential allotment of shares during the year. Therefore, the provisions of the clause 4(xviii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
  - xix) The Company has not issued any debentures during the year. Accordingly, the provisions of clause 4(xix) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
  - xx) The Company has not raised money by public issue during the year. Therefore, the provisions of the clause 4(xx) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
  - xxi) During the course of our examination of the books of accounts carried out in accordance with the generally accepted auditing practices in India, we have neither come across any incidence on or by the Company nor have we been informed of any of such case by the management.
- 2) According to the information and explanations given to us and on the basis of test checks carried out by us during the course of the audit of the Company, our report on the matters specified under para 3A and 3C of Non Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 1998 is as follows:
- i) *The Company has been incorporated prior to January 9, 1997 and has not applied for registration as provided in Section 45(1A) of the Reserve Bank of India Act, 1934. (2 Of 1934).*
  - ii) The Board of Directors have passed the resolution for non-acceptance of the public deposits.

- iii) The Company has not accepted any public deposits during the year.
- iv) *Except as stated in para 3 below*, the company has complied with prudential norms on income recognition, accounting standard, asset classification and provisioning for bad and doubtful debts as specified in directions issued by the Reserve Bank of India in terms of the Non Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998.
- 3) Attention is invited to following notes of Schedule 14
  - i) *Note No.4 regarding non-provision of overdue debtors amounting to Rs. 3,500,000 resulting in higher balance of debtors by Rs. 3,500,000 and loss being lower to that extent.*
  - ii) *Note No.6 regarding accrual of income on certain loans and advances considering and provisioning against same considering these as good and recoverable instead of treating the advances as non-performing asset (NPA) as defined in the prudential norms for Non Banking Financial Companies issued by the Reserve Bank of India. Consequently, the loans & advances and interest receivable are higher by Rs. 4,140,829 and Rs.1,42,69,502 respectively and profit for the year higher by Rs.1,84,10,331.*
- 4) *Further to the above we report that, had the impact of the items mentioned in Para 3(i) and 3(ii) above have been given in the accounts, the loss for the year would have been Rs. 155,76,837 (as against reported figures of profit of Rs. 63,33,494, Profit and Loss balance in the balance sheet would have been Rs.4,13,88,472 (as against reported figure of Rs. 1,94,78,141 Interest Receivable would have been nil (as against reported figure of Rs. 1,42,69,502, Loans and advances would be Rs. 7,80,15,633 (as against reported figure of Rs. 8.21,56,462 and debtors would have been nil (as against reported figure of Rs. 35,00,000).*
- 5) Further to the 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 purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company, so far as it appears from our examination of books of accounts.
  - (c) The Balance Sheet, Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of accounts;
  - (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Sub-Section 3(C) of Section 211 of the Companies Act, 1956;
  - (e) On the basis of written representations received from the directors and taken on record the Board of Directors, we report that none of the directors of the Company is disqualified as on 31st March, 2011 from being appointed as a director in terms of Clause (g) of sub-section (1) of Section 274 of the Act;
  - (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, *subject to our remarks with the resultant impact as given in para 2 and 3 above and together with the overall impact (to the extent ascertainable) as given in para 2 and 3 above and together with the overall impact (to the extent ascertainable) as given in para 4 above and read together with Notes of Schedule 14, give the information required by the Companies Act, 1956 in the manner so required give a true and fair view in conformity with Accounting Principles generally accepted in India.:*
    - (i) in case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;
    - (ii) in case of the Profit and Loss Account, of the profit of the Company for the year ended on that date; and
    - (iii) in case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

**For Lodha & Co**  
 Chartered Accountants  
 Firm's ICAI Registration No. 301051E  
**H. K. VERMA**  
*Partner*  
 Membership No. 55104

Place : Kolkata  
 Date : 25th day of May, 2011

**BALANCE SHEET AS AT 31ST MARCH, 2011**

	Schedule	As at 31.03.2011 Rupees	As at 31.03.2010 Rupees
<b>I. SOURCES OF FUNDS</b>			
1) Shareholders' Funds			
a) Share Capital	1	32,133,900	32,133,900
b) Reserves and Surplus	2	80,007,750	80,007,750
2) Loan Funds			
a) Unsecured Loans	3	5,338,620	7,111,548
		<u>117,480,270</u>	<u>119,253,198</u>
<b>II. APPLICATION OF FUNDS</b>			
1) Fixed Assets	4		
a) Gross Block		1,817,322	1,817,322
b) Less : Depreciation		<u>1,773,092</u>	<u>1,767,519</u>
c) Net Block		44,230	49,803
2) Investments	5	535,460	535,460
3) Current Assets, Loans and Advances			
a) Sundry Debtors	6	3,500,000	3,575,371
b) Cash and Bank Balances	7	160,204	89,129
c) Loans and Advances	8	84,002,793	80,114,624
d) Other Current Assests	9	14,269,502	12,209,377
		<u>101,932,499</u>	<u>95,988,501</u>
Less : Current Liabilities & Provisions			
a) Current Liabilities	10	3,054,495	3,118,116
b) Provisions	11	<u>1,455,565</u>	<u>14,085</u>
		<u>4,510,060</u>	<u>3,132,201</u>
Net Current Assets		<u>97,422,439</u>	<u>92,856,300</u>
4) Miscellaneous Expenditure	12	—	—
5) Profit & Loss Account		<u>19,478,141</u>	<u>25,811,635</u>
		<u>117,480,270</u>	<u>119,253,198</u>

**ACCOUNTING POLICIES & NOTES TO ACCOUNTS 14**

The Schedules referred to above form an integral part of the Balance Sheet.

As per our Report of even date

For LODHA & CO.

Chartered Accountants

Registration No. 301051E

H. K. VERMA

Partner

Membership No. 55104

14, Government Place East

Kolkata - 700 001

Date : 25th day of May, 2011

P. K. DAGA

D. P. BIRLA

M. K. AGARWAL

Directors

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011**

	Schedule	Year ended 31.03.2011 <u>Rupees</u>	Year ended 31.03.2010 <u>Rupees</u>
<b>INCOME</b>			
Interest on loans, etc.		10,033,295	9,356,341
(Gross Tax deducted at source Rs. 10,03,330)			
Previous year Rs. Nil)			
Sundry Balance Written Back		—	4,282
		<u>10,033,295</u>	<u>9,360,623</u>
<b>EXPENDITURE</b>			
Expenses	13	1,807,007	10,816,029
Interest to others		445,741	514,244
Depreciation		5,573	6,740
		<u>2,258,321</u>	<u>11,337,013</u>
Profit/(Loss) before Tax & Prior Period Items		7,774,974	(1,976,390)
Provision for Tax			
Current - Minimum Alternate Tax		1,441,480	—
Profit/(Loss) after Tax		<u>6,333,494</u>	<u>(1,976,390)</u>
		6,333,494	(1,976,390)
Balance of loss brought forward from previous year		<u>(25,811,635)</u>	<u>(23,835,245)</u>
Balance carried to Balance Sheet		<u>(19,478,141)</u>	<u>(25,811,635)</u>
Numbers of Equity Shares Considered		3,004,800	3,004,800
Basic and Diluted Earning per Shares (Rs.)		2.11	(0.66)

**ACCOUNTING POLICIES & NOTES TO ACCOUNTS 14**

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

As per our Report of even date

For LODHA & CO.

Chartered Accountants

Registration No. 301051E

H. K. VERMA

Partner

Membership No. 55104

14, Government Place East

Kolkata - 700 001

Date : 25th day of May, 2011

P. K. DAGA  
D. P. BIRLA  
M. K. AGARWAL  
Directors

	As at 31.03.2011 <u>Rupees</u>	As at 31.03.2010 <u>Rupees</u>
<b>SCHEDULE - 1</b>		
<b>SHARE CAPITAL</b>		
Authorised		
3,500,000 (3,500,000) Equity Shares of Rs. 10/- each	35,000,000	35,000,000
50,000 (50,000) 7% Redeemable Preference Shares of Rs. 100/- each	<u>5,000,000</u>	<u>5,000,000</u>
	<u>40,000,000</u>	<u>40,000,000</u>
Issued, Subscribed and Paid-up		
3,004,800 (3,004,800) Equity Shares of Rs. 10/- each fully paid-up (of the above 1,513,600. (1,513,600) equity shares were allotted as Bonus Shares by way of capitalisation of reserves)	30,048,000	30,048,000
Less : Allotment money in arrear (other than director)	<u>41,500</u>	<u>41,500</u>
	30,006,500	30,006,500
21,274 (21,274) 7% Redeemable Preference Share of Rs. 100/- each (Redeemable on or before 31.03.2020)	<u>2,127,400</u>	<u>2,127,400</u>
	<u>32,133,900</u>	<u>32,133,900</u>
<b>SCHEDULE - 2</b>		
<b>RESERVES &amp; SURPLUS</b>		
Capital Reserve	<u>112,000</u>	<u>112,000</u>
Share Premium	80,124,000	80,124,000
Less : Allotment money in arrear	<u>228,250</u>	<u>228,250</u>
	<u>79,895,750</u>	<u>79,895,750</u>
	<u>80,007,750</u>	<u>80,007,750</u>
<b>SCHEDULE - 3</b>		
<b>UNSECURED LOAN</b>		
Other Loans from :		
Housing Loan from Government of West Bengal	31,500	135,250
Add : Interest accrued and due	<u>47,576</u>	<u>165,335</u>
	<u>79,076</u>	<u>300,585</u>
From Bodies Corporate	3,810,994	5,060,128
[Including Interest free loan of Rs.Nil (Previous Year Rs. 18,41,128)]		
Add : Interest accrued and due	<u>1,448,550</u>	<u>1,750,835</u>
	<u>5,259,544</u>	<u>6,810,963</u>
	<u>5,338,620</u>	<u>7,111,548</u>

**SCHEDULE - 4**  
**FIXED ASSETS**

Particulars	Gross Block				Depreciation				Net Block	
	As on 31.03.10 Rupees	Additions Rupees	Deduction Rupees	As on 31.03.11 Rupees	As on 31.03.10 Rupees	For the Period Rupees	On Deduction/ Adjustments Rupees	As on 31.03.11 Rupees	As on 31.03.11 Rupees	As on 31.03.10 Rupees
Land & Building	12,000	—	—	12,000	—	—	—	—	12,000	12,000
Plant & Machinery	6,503	—	—	6,503	4,143	308	—	4,451	2,052	2,360
Furniture & Fittings	587,038	—	—	587,038	551,599	5,265	—	556,864	30,174	35,439
Motor Vehicles	1,211,781	—	—	1,211,781	1,211,777	—	—	1,211,777	4	4
<b>Total</b>	<b>1,817,322</b>	<b>—</b>	<b>—</b>	<b>1,817,322</b>	<b>1,767,519</b>	<b>5,573</b>	<b>—</b>	<b>1,773,092</b>	<b>44,230</b>	<b>49,803</b>
Previous Year	1,817,322	—	—	1,817,322	1,760,779	6,740	—	1,767,519	49,803	

**SCHEDULE - 5**  
**INVESTMENTS**

(Fully paid up equity shares of Rs. 10/- each except otherwise stated)

**LONG TERM**

**A) QUOTED**

Deepak Industries Ltd.

Number of shares	As at 31.03.2011 Rupees	As at 31.03.2010 Rupees
88,725 (88,725)	131,040	131,040
Deepak Spinners Ltd.		
25,500 (25,500)	399,420	399,420
	<u>530,460</u>	<u>530,460</u>

**B) UNQUOTED**

Narsingh Holding (P) Ltd.

500 (500)	5,000 5,000	5,000 5,000
	<u>535,460</u>	<u>535,460</u>

Aggregate Market value of Quoted Investments

540,315 629,813

Aggregate book Value of Quoted Investments

530,460 530,460

Aggregate book value of Un Quoted Investment

5,000 5,000

**SCHEDULE - 6**  
**SUNDRY DEBTORS**

Unsecured

Debts outstanding for a period exceeding six months

3,500,000 3,575,371

Considered Good

3,500,000 3,575,371

	As at 31.03.2011 <u>Rupees</u>	As at 31.03.2010 <u>Rupees</u>
<b>SCHEDULE - 7</b>		
<b>CASH AND BANK BALANCES</b>		
Cash in hand	1,280	2,938
With Scheduled Banks on :		
Current Accounts	158,924	86,191
	<u>160,204</u>	<u>89,129</u>
<b>SCHEDULE - 8</b>		
<b>LOANS AND ADVANCES</b>		
(Unsecured, Considered Good)		
Loans to others	82,156,462	79,271,623
Advance Income Tax and Tax deducted at source	1,846,331	843,001
	<u>84,002,793</u>	<u>80,114,624</u>
<b>SCHEDULE - 9</b>		
<b>OTHER CURRENT ASSETS</b>		
Interest Receivable	14,269,502	12,209,377
	<u>14,269,502</u>	<u>12,209,377</u>
<b>SCHEDULE - 10</b>		
<b>CURRENT LIABILITIES</b>		
Sundry Creditors	1,612,348	1,671,338
Tea Board (Under Hire Purchase Scheme)	713,318	713,318
Interest accrued but not due	185,571	185,776
Other Liabilities	543,258	547,684
	<u>3,054,495</u>	<u>3,118,116</u>
<b>SCHEDULE - 11</b>		
<b>PROVISIONS</b>		
For Taxation	1,455,565	14,085
	<u>1,455,565</u>	<u>14,085</u>
<b>SCHEDULE - 12</b>		
<b>MISCELLANEOUS EXPENDITURE</b>		
(To the extent not written off)		
Advance against capital goods	—	7,681,392
Less : 1/10th written off	—	7,681,392
	<u>—</u>	<u>—</u>

	Year ended 31.03.2011 Rupees	Year ended 31.03.2010 Rupees
<b>SCHEDULE - 13</b>		
<b>EXPENSES</b>		
Salaries, Bonus and Gratuity	869,925	831,318
Contribution to Provident Fund	27,066	24,443
Staff Welfare	50,919	39,200
Miscellaneous Expenses	250,550	657,720
Rent	6,000	6,000
Insurance	516,868	516,868
Rates & Taxes	2,650	2,500
Legal & Professional Fees	44,180	1,016,940
Director's Fees	3,000	3,800
Auditor's Remuneration : (Including Service Tax)		
For Audit Fees	27,575	27,575
For Certificate	8,274	8,273
Amortised miscellaneous expenditure		
Advance against capital goods	—	7,681,392
	<u>1,807,007</u>	<u>10,816,029</u>

**SCHEDULE - 14****ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS****A) SIGNIFICANT ACCOUNTING POLICIES****1) Accounting Convention :**

Income and expenditure except otherwise stated are recognised on accrual basis. The accounts have been prepared on the basis of the historical cost and on the accounting principles of a going concern.

**2) Fixed Assets :**

Fixed Assets are stated at cost less depreciation. Cost includes freight, duties, taxes and all other related costs including cost of financing of borrowed funds upto the date of installation identified/allocated for the assets.

**3) Depreciation :**

Depreciation is provided on written down value method for assets acquired up to 31.03.1983. In respect of the assets acquired on or after 01.04.1983 depreciation has been provided on straight line method in the following manner:

For assets acquired from 01.04.1983 to 15.12.1993 at the rates specified in schedule XIV to the Companies Act, 1956. For assets acquired on or after 16.12.1993 at the rates specified in schedule XIV to the Companies Act, 1956.

**4) Investments :**

Long Term Investments are stated at cost. Provision for diminution in value of such investments is made if the same is permanent in nature.

**5) Employee Benefits :**

Employee benefits are accrued in the year services are rendered by the employees.



Contributions to defined contribution scheme such as Provident Fund etc. are recognized as and when incurred.

Long term employee benefits under defined scheme such as contribution to gratuity is determined at close of the year at present value of the amount payable using actuarial valuation techniques.

Actuarial gain & losses are recognized in the year when they arise.

**6) Taxation :**

Income Tax expense comprises current tax and deferred tax charge or release. The deferred tax charge or credit is recognised using current tax rates. Deferred tax assets on account of unabsorbed depreciation and carry forward losses as per Income Tax Act are recognized only if there is virtual certainty of realisation of such assets. Other deferred tax assets are recognised only to the extent there is reasonable certainty of realisation in future.

**7) Contingent Liabilities :**

Contingent liabilities have not been provided for and have been disclosed by way of notes.

**B) NOTES ON ACCOUNTS**

1. Contingent liability not provided for in respect of excise duty Rs.7,92,688/- (7,92,688/-).
2. Contingent liability not provided for in respect of Sales tax for assessment year 1995-96 & 1998-99 Rs. 22,42,709/- (22,42,709/-).
3. Auditors Remuneration includes :

	<u>2010-11</u>	<u>2009-10</u>
Audit Fees (Including Service Tax)	27,575	27,575

4. Sundry Debtors balances of Rs.35,00,000/- (35,75,371/-) are outstanding for a considerable period. In the opinion of the management these balance are good & recoverable.

5. Related Party Disclosures as identified by the management is given as below :

Mr. O. P. Dokania, Chief Executive

The details of payment made to Key Management Personnel:

	<u>2010-11</u>	<u>2009-10</u>
Remuneration	2,02,800	2,02,800

6. Interest aggregating to Rs.1,42,69,502/- (Rs 1,22,09,377/-) is overdue for realisation from a company. In view of the management there is no uncertainty in realisation of the interest and money advance Rs. 41,40,829/- to the said Company. Consequently the above interest has been recognised on accrual basis and no provision has been considered necessary against the said loan.
7. As the company has already disposed its entire tea estates, the surplus funds are deployed for financial activities in the corporate deposits which is the only Reportable Segment as per Accounting Standard 17 on "segment reporting" issued by the Institute of Chartered Accountants of India.

## 8. The breakup of deferred tax assets &amp; deferred tax liability as given below :

	As on 31.03.2011 (Rupees)	As on 31.03.2010 (Rupees)
<b><u>Deferred Tax Assets</u></b>		
Expenses allowable on payment basis	9,621	12,276
Unabsorbed Depreciation	—	—
	<u>9,621</u>	<u>12,276</u>
<b><u>Deferred Tax Liability</u></b>		
Depreciation	9,621	12,276
Total Deferred Tax Assets/Liability	<u>Nil</u>	<u>Nil</u>

9. There are no Micro, Small and Medium Enterprises, to whom the Company owes dues as at March 31, 2011. The above information regarding micro, small & medium Enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

## 10. Employment Benefits :

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

Defined Contribution Scheme :

Contributions to Defined Contribution Plan, recognized for the year are as under :

	2010-2011	2009-2010
Employer's Contribution to Provident Fund	25,596	23,112
Employer's Contribution to Pension Fund	—	—

Defined Benefit Scheme :

The employee's gratuity scheme is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

Gratuity (Unfunded)

(Amount in Rs.)

i. Change in the present value of the defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows :

	2010-11	2009-10	2008-09	2007-08
Liability at the beginning of the year	417,393	390,095	238,398	213,753
Interest cost	23,740	30,281	23,568	17,207
Current Service Cost	31,382	27,348	27,354	17,499
Actuarial (Gain)/Loss on obligations	1,456	30,331	100,775	(10,061)
Benefits paid	54,520	—	—	—
Liability at the end of the year	<u>419,451</u>	<u>417,393</u>	<u>390,095</u>	<u>238,398</u>

	<u>2010-11</u>	<u>2009-10</u>	<u>2008-09</u>	<u>2007-08</u>
ii. Amount Recognized in Balance Sheet Liability at the end of the year	419,451	417,393	390,095	238,398
Fair value of Plant Assets at the end of the year	—	—	—	—
Amount recognized in the Balance Sheet	<u>419,451</u>	<u>417,393</u>	<u>390,095</u>	<u>238,398</u>
iii. Expenses recognized in the Income Statement				
Current service cost	23,740	27,348	27,354	17,499
Interest cost	31,382	30,281	23,568	17,207
Expected Return on Plan Assets	—	—	—	—
Net Actuarial (gain)/loss to be Recognized	1,456	(30,331)	100,775	10,061
Benefit Payments	(54,520)	—	—	—
Expenses Recognized in Profit & Loss Account	<u>2,058</u>	<u>27,298</u>	<u>151,697</u>	<u>24,645</u>
iv. Balance Sheet Reconciliation				
Opening Net Liability	417,393	390,095	238,398	213,753
Expenses as above	2,058	27,298	151,697	24,645
Employers Contribution	—	—	—	—
Amount recognized in the Balance Sheet	<u>419,451</u>	<u>417,393</u>	<u>390,095</u>	<u>238,398</u>
v. Principal Actuarial assumption at the Balance Sheet				
Discount Rate	7.5%	7.5%	7.5%	7.5%
Rate of Return on Plan Assets	—	—	—	—

**Notes :**

Assumptions relating to future salary increases, attrition, interest rate for discount & overall expected rate of return on Assets have been considered based on relevant economic factors such as inflation, market growth & other factors applicable to the period over which the obligation is expected to be settled.

11. The figures in respect of the previous year have been regrouped/rearranged, wherever necessary.

12. The figure in brackets represents the figures of last year.

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011**

	For year ended 31.03.2011 Rupees	For year ended 31.03.2010 Rupees
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax & extra ordinary item	7,774,974	(1,976,390)
Adjustment for :		
Depreciation	5,573	6,740
Sundry Balances Written back	—	(4,282)
Interest Expenses	445,741	514,244
Interest Received	(10,033,295)	(9,356,341)
Miscellaneous Expenses Written-off	—	7,681,392
Operating profit before working capital changes	(1,807,007)	(3,134,637)
Adjustment for :-		
Trade Receivable	75,371	—
Trade Payable	(191,812)	(567,199)
Cash Generated from Operation	(1,923,448)	(3,701,836)
Taxation (Net)	(1,003,330)	2,300
Cash Flow before extra ordinary item	(2,926,778)	(3,704,136)
Net Cash Flow from Operating Activities	(2,926,778)	(3,704,136)
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Interest Received	5,088,330	6,468,000
Net Cash Used in Investing Activities	5,088,330	6,468,000
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Short Term Borrowings	(1,352,884)	(2,500,000)
Interest Paid	(737,592)	(225,795)
Cash Flow from Financing Activities	(2,090,476)	(2,725,795)
Increase in Cash and Cash Equivalents (A+B+C)	71,076	38,069
Cash and Cash Equivalents - Opening Balance as on 01.04.2010	89,129	51,060
Cash and Cash Equivalents - Closing Balance as on 31.03.2011	160,204	89,129

For LODHA & CO.  
Chartered Accountants  
Registration No. 301051E  
H. K. VERMA  
Partner  
Membership No. 55104  
14, Government Place East  
Kolkata - 700 001  
Date : 25th day of May, 2011

P. K. DAGA  
D. P. BIRLA  
M. K. AGARWAL  
Directors

**INFORMATION PURSUANT TO THE PROVISION OF PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956**

**BALANCE SHEET AND COMPANY'S GENERAL BUSINESS PROFILE**

<b>I. Registration Details :</b>			
Registration No.	377	State Code	21
Balance Sheet Date	31.03.11		
<b>II. Capital Raised during the year (Amount in Rs.Thousand)</b>			
Public Issue	Nil	Right Issue	Nil
Bonus Issue	Nil	Private Placement	Nil
<b>III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousand)</b>			
Total Liabilities	121990	Total Assets	121990
Sources of Funds :			
Paid up Capital	32134	Reserve & Surplus	80008
Secured Loans	Nil	Unsecured Loans	5338
Application of Funds :			
Net Fixed Assets	44	Investments	535
Net Current Assets	97422	Miscellaneous Expenditure	Nil
Accumulated Loss	19478		
<b>IV. Performance of Company (Amount in Rs. Thousand)</b>			
Total Income	10033	Total Expenditure	2258
Profit before Tax	7,775	Profit after Tax	6,333
Earning per Share in Rs.	2.11	Dividend Rate	Nil
<b>V. Generic names of three Principal Product/Services of Co. (As per monetary Terms)</b>			
Item Code No. (ITC Code)	090200		
Product Description	Tea including Tea Waste		

P. K. DAGA  
D. P. BIRLA  
M. K. AGARWAL  
*Directors*

Date : 25th day of May, 2011

**LONGVIEW TEA COMPANY LIMITED**  
**16, HARE STREET, KOLKATA - 700 001**